Risk Factors Comparison 2024-02-16 to 2023-02-15 Form: 10-K

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This report contains forward- looking statements in which we discuss our potential future performance **, operations and projects** . Forward- looking statements are all statements other than statements of historical facts, such as plans, projections, or expectations relating to business outlook, strategy, goals or targets; global market conditions; ore grades and milling rates; production and sales volumes; unit net cash costs and operating costs; capital expenditures; operating plans; cash flows; liquidity; PT Freeport Indonesia' s (PT- FI) ~~financing,~~ construction and completion of additional domestic smelting **and refining** capacity in Indonesia in accordance with the terms of its special mining license (IUPK); extension of PT- FI' s IUPK beyond 2041; **export licenses; export duties; export volumes;** our ~~commitments~~ - **commitment** to deliver responsibly produced copper and molybdenum, including plans to implement, validate and maintain validation of our operating sites under specific frameworks; execution of our energy and climate strategies and the underlying assumptions and estimated impacts on our business **and stakeholders** related thereto; achievement of 2030 climate targets and 2050 net zero aspiration; improvements in operating procedures and technology innovations **and applications** ; exploration efforts and results; development and production activities, rates and costs; future organic growth opportunities; tax rates; ~~export quotas and duties;~~ the impact of copper, gold and molybdenum price changes; the impact of deferred intercompany profits on earnings; mineral reserve and mineral resource estimates; final resolution of settlements associated with ongoing legal **and environmental** proceedings; debt repurchases **;** and the ongoing implementation of our financial policy and future returns to shareholders, including dividend payments (base or variable) and share repurchases. We undertake no obligation to update any forward- looking statements, which speak only as of the date made. We caution readers that forward- looking statements are not guarantees of future performance and ~~our~~ actual results may differ materially from those anticipated, expected, projected or assumed in the forward- looking statements. Important factors that can cause our actual results to differ materially from those anticipated in the forward- looking statements are included below. Risk Factor Summary Investing in our securities involves a high degree of risk and uncertainties. **You** ~~Below is a summary of the risk factors that may have a material adverse impact on our business, financial performance, stock price, results of operations, operating flexibility, reputation, costs or liabilities. In addition to this summary and the more detailed description of each risk factor that immediately follows this summary, you~~ should carefully consider **the risks described below and** the information included in other sections of this annual report on Form 10- K, including **,** but not limited to **,** Items 1. and 2. " Business and Properties **, " Item 1C. " Cybersecurity** , " Items 7. and 7A. " Management' s Discussion and Analysis of Financial Condition and Results of Operations and Quantitative and Qualitative Disclosures About Market Risk " (MD & A) and Item 3. " Legal Proceedings " prior to investing in our securities. ~~However~~ **If any of the following risks occur, they may have a material adverse impact on our business, financial performance, stock price, results of operations, operating flexibility, reputation, costs or liabilities and you could lose part or all of your investment. The summary and risks that follow are organized under headings as determined to be most applicable, but such risks also may be relevant to other headings. Moreover** , the risk factors described herein are not all of the risks we may face ~~.~~ **and** ~~Other~~ - **there may be other** risks not presently known to us or that we currently believe are immaterial ~~may materially affect our~~ - **or** ~~business if they occur and the trading price of our securities could decline, and you may lose part or all of your investment. Moreover, new risks emerge from time to time. Further, our business may also be affected by~~ general risks that apply to all companies operating in the United States (U. S.) and globally, which ~~have not been included~~ **may emerge or become material** . Financial risks • Fluctuations or extended material declines in the market prices of the commodities we produce; • Fluctuations in price and availability of consumables and components we purchase as well as constraints on supply and logistics, and transportation services; • Less flexibility because of our debt and other financial commitments; • Changes in or failure to comply with financial assurance requirements relating to our mine closure reclamation obligations; • Unanticipated litigation or negative developments in pending litigation or other contingencies; and • Changes in tax laws and regulations. International risks • Geopolitical, economic **, regulatory** and social risks for our international operations; and • Failure of PT- FI to meet its commitments to achieve the extension of PT- FI' s IUPK through 2041. Operational risks • Operational risks inherent in mining, including underground mining **and the ability to smelt and refine** ; • Environmental, safety and engineering challenges and risks associated with management of waste rock and tailings; • Environmental challenges associated with our Indonesia mining operations; • Violence, civil and religious strife, and activism; • Availability of significant quantities of secure water supplies for our mining operations, including future expansions or development projects; • **Disruptions, damage, failure and implementation and integration risks associated with information and operational technology systems and new technologies; and •** Any major public health crisis ~~; and • Disruptions, damage, failure and implementation and integration risks associated with information technology systems~~ . Human capital risks • Failure to maintain good relations with our workforce and labor disputes or labor unrest; and • Ability to recruit, retain, develop and advance qualified personnel. Risks related to development projects and mineral reserves • Inherent risks associated with development projects and unique risks associated with development of underground mining; • Ability to ~~replace~~ **maintain or grow our** mineral reserves ~~depleted by production~~ ; and • Inherent uncertainty associated with estimates of mineral reserves and mineral resources. Regulatory, environmental and social risks • Compliance with applicable environmental, health and safety laws and regulations; • Remediation of properties no longer in operation; • Ability to meet our energy requirements while complying with climate- related regulations and expectations and other energy transition policy changes; • The physical impacts of climate change on our operations, workforce, communities, **biodiversity and ecosystems,** supply chains and customers; • Increasing scrutiny, action and evolving expectations from stakeholders **and other third parties** with respect to our environmental, social and governance (ESG) practices, performance, commitments and disclosures; and • Failure or perceived failure to manage relationships with the communities and / or Indigenous Peoples where we operate or that are near our operations. Risks related to our common stock • Impact of our holding company structure on our ability to service debt, declare cash dividends, or repurchase shares and debt; and • Impact of anti- takeover provisions in our charter documents and under Delaware law. Fluctuations in the market prices of the commodities we produce have caused and may continue to cause significant volatility in our financial performance and in the trading prices of our common stock. Extended material declines in the market prices of such commodities could adversely affect our financial condition and operating plans. Our financial results **are significantly influenced by and** vary with fluctuations in the market prices of the commodities we produce, primarily copper and gold, and to a lesser extent molybdenum. Extended material declines in market prices of such commodities could have a material adverse effect on our financial results and the value of our assets, may depress the price of our common stock, and may have a material adverse effect on our ability to comply with financial and other covenants in our debt agreements, service our debt and meet our other obligations. ~~Beginning in 2020 with the onset of the COVID- 19 pandemic and continuing in 2022 because of a series of macro- economic factors, there has been significant volatility in the financial and commodities markets, including the copper market. Copper prices reached a record high of $ 4. 87 per pound in first- quarter 2022 but dropped to a 2022 low of $ 3. 18 in third- quarter 2022.~~ For additional information regarding recent ~~macro- economic~~ **macroeconomic and geopolitical** factors, see risk factor below regarding the price and availability of consumables and components we purchase and constraints on supply and logistics, and transportation services **. There has been a history of significant volatility in the commodities markets, including the copper market** . Fluctuations in commodities prices are caused by varied and complex factors beyond our control, including global supply and demand and inventory levels; global economic and political conditions (such as ~~a potential global~~ **level of economic growth or** recession and **political or geopolitical conflicts** ~~Russia' s invasion of Ukraine~~); international regulatory, trade and / or tax policies, including national tariffs; commodities investment activity and speculation; interest rates; expectations regarding future inflation rates; the strength of the U. S. dollar compared to foreign currencies; the price and availability of substitute products; and changes in technology. Volatility in global economic growth, particularly in developing economies, has the potential to **affect** adversely ~~affect~~ future demand and prices for commodities. Geopolitical uncertainty and protectionism ~~,~~ have the potential to inhibit international trade and negatively impact business confidence, which creates the risk of constraints on our ability to trade in certain markets and has the potential to increase price volatility **. For additional information regarding the historical fluctuations of the prices of copper, gold and molybdenum, refer to " Markets " in MD & A** . In addition to the factors discussed above, copper prices may be affected by demand from China, which is currently the largest consumer of refined copper in the world, including as a result of geopolitical uncertainty between the U. S. and China as well as uncertainties about China' s economy ~~, including its COVID- 19 policies~~ . The adoption and expansion of trade restrictions ~~, changes in China- U. S. relations~~ , or other governmental action related to tariffs or trade agreements or policies are difficult to predict and could adversely affect copper prices, demand for our products, our costs, our customers, our suppliers ~~,~~ and the U. S. economy, which in turn could have a material adverse effect on our business, results of operations or financial condition. Copper prices also may be affected by the ~~growing~~ **construction industry, the** markets for automobiles and appliances, ~~and~~ the global focus on a transition to new technologies for clean energy, ~~to advance~~ **advancement in** communications and ~~to enhance~~ **enhanced** public health, **and** inadequate investment in and limited production from copper mining operations in South America, as well as demand from North America, Europe, and Asian countries other than China. Additional factors affecting gold prices may include purchases and sales of gold by governments and central banks, demand from China and India, two of the world' s largest consumers of gold, and global demand for jewelry containing gold. ~~For additional information regarding the historical fluctuations of the prices of copper, gold and molybdenum, refer to " Markets " in MD & A.~~ If market prices for the primary commodities we produce were to decline and remain low for a sustained period of time, we may have to revise our operating plans, including curtailing or modifying our mining and processing operations, as we **have done** ~~had to do~~ in ~~early 2020 in response to~~ the ~~global COVID- 19 pandemic~~ **past, and our cash flows, ability to return capital to shareholders and capital expenditure plans could be negatively affected** . We may be unable to decrease our costs in an amount sufficient to offset reductions in revenues, in which case we may incur losses, and those losses may be material. Declines in prices of commodities we sell could also result in metals inventory adjustments and impairment charges for our long- lived assets ~~. Refer to Note 4 for additional information regarding metals inventory adjustments recorded for the three years ended December 31, 2022~~ . Fluctuations in the price and availability of consumables and components for key machines and equipment we purchase, and constraints on supply and logistics could affect our profitability and operating plans. Further, significant delays or increases in costs affecting transportation services may affect our business. Consumables and components for key machines and equipment we purchase are subject to price volatility caused by global economic factors that are beyond our control, including, but not limited to, supply chain disruptions, labor shortages, wage pressures, ~~rising~~ inflation and ~~potential~~ economic slowdown or recession, as well as fuel and energy costs (for example, the price of diesel), the impact of natural disasters, **major** public health crises ~~(such as COVID- 19)~~ , geopolitical conflicts ~~(such as the conflict in Ukraine)~~ , and foreign currency exchange rate fluctuations, and other matters that have or could impact the global economy. Prices ~~and availability~~ of consumables used in our operations, such as natural gas, diesel, coal **, other sources of energy** , ammonium nitrate, chemical reagents (including sulfuric acid), and steel- related products, and components impact the costs of production at our operations and the costs of development projects. These prices fluctuate and can be volatile. ~~In~~ **Since** 2022, we **have** experienced price increases on **, and volatility in,** certain consumables, including diesel fuel ~~and coal~~ , ammonium nitrate and sulfuric acid, ~~grinding media~~ and certain components **, which has** ~~. The cost increases have~~ negatively impacted our operating results **. We also experienced increased costs for equipment, parts** and **other operating supplies and services.** ~~further~~ **Further** increases could have a material adverse effect on our results of operations and could result in material changes to our operating plans **or development projects** ~~.~~

~~Additional increases may occur in 2023 because of macroeconomic conditions discussed above, and such increases may be material~~ . Ensuring continuity of supply of such consumables to our operations is critical to our business. We also rely on the availability of components from suppliers for key machines and equipment, which may be impacted by competition demands as well as the availability of input materials in the creation of such equipment. A supplier' s failure to supply consumables or components in a timely manner or to meet our quality, quantity, cost requirements or our technical specifications, or our inability to obtain alternative sources of consumables or components on a timely basis or on terms acceptable to us, could adversely affect our operations. **We have also** ~~In 2022, we~~ experienced longer lead times ~~and logistical constraints~~ on delivery of certain consumables, including fuel, lubricants, ammonium nitrate ~~, cobalt sulfate, acid mist suppressant~~ and acid. While these delays ~~and logistical constraints~~ did not significantly impact our results in 2022 **or 2023** , these ~~issues~~ **delays** may continue ~~in 2023~~ and **could** ~~such logistical constraints and delays may~~ become material. Further, delays and logistical constraints may occur as a result of **weather- related impacts or** violence, civil and religious strife, and activism **at or near our operations or those of our suppliers** , as described in the related risk factor below. Our business depends on ~~the~~ **timely** inbound transportation of consumables and components we use and ~~the~~ outbound transportation of the commodities we produce by truck, rail and ocean freight. ~~There continue to be global shipping and logistics challenges, which began during the COVID- 19 pandemic.~~ Any significant increase in the cost of **or significant delays in** the transportation of consumables or components **used in our operations or the commodities we produce** , as a result of increases in fuel or labor costs, higher demand for logistics services, **weather- related impacts (such as low water levels along shipping routes)** or otherwise, ~~would~~ **could** adversely affect our results of operations. Additionally, if ~~the~~ transportation service providers fail to deliver consumables or components used in our operations to us or the commodities we produce to our customers in a timely manner or at all, such failure could adversely impact our ability to meet our production schedules, delay our projects and capital initiatives, negatively affect our customer relationships and have a material adverse effect on our financial position and results of operations. Our debt and other financial commitments may limit our financial and operating flexibility. At December 31, ~~2022~~ **2023** , our total consolidated debt was $ ~~10~~ **9** . ~~6~~ **4** billion (see MD & A and Note 8) and our total consolidated cash and cash equivalents was $ **4.** 8 ~~. 1~~ billion **($ 5. 8 billion including restricted cash and cash equivalents associated with PT- FI' s export proceeds required to be temporarily deposited in Indonesia banks, as described in MD & A and Note 14)** . We also have various other financial commitments, including reclamation and environmental obligations, take- or- pay contracts and leases. Although we have been successful in servicing debt in the past, refinancing our bank facilities and issuing new debt securities in capital markets transactions, there can be no assurance that we can continue to do so. In addition, we ~~or~~ **(including** our subsidiaries **)** may incur additional debt in future periods or reduce our holdings of cash and cash equivalents in connection with funding existing operations, capital expenditures, dividends, share or debt repurchases, or in pursuing other business opportunities. For further information, see the risk factors below relating to mine closure and reclamation regulations and the increasing scrutiny and evolving expectations from stakeholders **and other third parties** , including creditors, with respect to our ESG practices, performance and disclosures. Our level of indebtedness and other financial commitments could have important consequences to our business, including the following: • Limiting our flexibility in planning for, or reacting to, changes in the industry in which we operate; • Increasing our vulnerability to general adverse economic, industry and regulatory conditions; • Limiting our ability to fund future working capital, capital expenditures, general corporate requirements and / or material contingencies, to engage in future development activities **or other business opportunities** , or to otherwise realize the value of our assets and opportunities fully because of the need to dedicate a substantial portion of our cash flows from operations to payments on our debt; • Requiring us to sell assets to reduce debt; or • Placing us at a competitive disadvantage compared to our competitors that have less debt and / or fewer financial commitments. Any failure to comply with the financial and / or other covenants in our debt agreements may result in an event of default that would allow the creditors to accelerate maturities of the related debt, which in turn may trigger cross- acceleration or cross- default provisions in other debt agreements. Our available cash and liquidity may not be sufficient to fully repay borrowings under our debt instruments that may be accelerated upon an event of default. As of January 31, ~~2023~~ **2024** , our senior unsecured debt was rated " ~~Baa3~~ **Baa2** " with a stable outlook by Moody' s Investors Service, " BBB- " with a ~~stable~~ **positive** outlook by Fitch Ratings, and " BB " with a ~~stable~~ **positive** outlook by Standard & Poor' s. If we are unable to maintain our indebtedness and financial ratios at levels acceptable to these credit rating agencies, or should our business prospects deteriorate, our current credit ratings could be downgraded, which could adversely affect the value of our outstanding securities and existing debt, our ability to obtain new financing on favorable terms and could increase our borrowing costs. Changes in or the failure to comply with the requirements of mine closure and reclamation regulations could have a material adverse effect on our business. We are required by U. S. federal and state laws and regulations to provide financial assurance sufficient to allow a third party to implement approved closure and reclamation plans for our mining properties if we are unable to do so. As of December 31, ~~2022~~ **2023** , our financial assurance obligations totaled $ 1. ~~5~~ **8** billion for closure and reclamation ~~/ restoration~~ costs of U. S. mining sites. Refer to Note 12 for additional information regarding our financial assurance obligations and Items 1. and 2. " Business and Properties " for a discussion of certain of such U. S. federal and state laws and regulations applicable to us. A substantial portion of our financial assurance obligations are satisfied by guarantees by us and certain of our subsidiaries. Our ability to continue to provide guarantees depends on state and other regulatory requirements, our financial performance and our financial condition. Other forms of assurance, such as letters of credit and surety bonds, are costly to provide and, depending on our financial condition and market conditions, may be difficult or impossible to obtain. Failure to provide or maintain the required financial assurance could result in the closure of the affected properties. Plans and provisions for mine closure **, reclamation** and remediation may change over time as a result of changes in stakeholder **and other third- party** expectations, legislation, standards, and technical understanding and techniques, which may cause our actual costs of closure **, reclamation** and remediation to be higher than estimated for ~~environmental and~~ asset retirement obligations (AROs) **and environmental obligations** and could materially affect our financial position or results of operations. For example, our implementation of the Global Industry Standard for Tailings Management (the Tailings Standard) (~~discussed in~~ **refer to** Items 1. and 2. " Business and Properties " ~~herein~~ **for further discussion**) has required changes and could require additional changes to our closure and reclamation plans or modifications to previously completed reclamation actions, although it is uncertain if these changes would result in material capital or operating cost increases. In addition, climate change could lead to changes in the physical risks posed to our operations, which could result in changes in our closure and reclamation plans to address such risks. Any modifications to our closure and reclamation plans that may be required to address physical climate risks may increase our financial assurance obligations and may materially increase the actual costs associated with implementing closure and reclamation at any or all of our active or inactive mine sites or smelter sites. Refer to Notes 1 and 12 for further discussion of our environmental obligations and AROs and see the risk factors below relating to the potential physical impacts of climate change and our related obligations as part of our commitment to implementing the Tailings Standard. Unanticipated litigation or negative developments in pending litigation or other contingencies could have a material adverse effect on our financial condition. We are, and may in the future become, involved in various legal proceedings and subject to other contingencies that have arisen or may arise in the ordinary course of our business or are associated with environmental matters, including those described in Note 12 **, Items 1. and 2. " Business and Properties "** and in Item 3. " Legal Proceedings **.** " ~~.~~ We are also involved periodically in other reviews, inquiries, investigations and other proceedings initiated by or involving government agencies, some of which may result in adverse judgments, settlements, fines, penalties, injunctions or other relief. From time to time we are involved in disputes over the allocation of environmental remediation obligations at " Superfund " and other sites. In addition, we may be held responsible for the costs of addressing contamination at the site of current or former activities or at third **-** party sites, or be held liable to third parties for exposure to hazardous substances should those be identified in the future. **For further discussion of our environmental obligations, see the regulatory, environmental and social risks below.** The outcome of litigation is inherently uncertain and adverse developments or outcomes can result in significant monetary damages, penalties, other sanctions or injunctive relief against us, limitations on our property rights, or regulatory interpretations that increase our operating costs **, some of which may not be covered by insurance. Further, to the extent that societal pressures or political or other factors are involved, it is possible that such liability could be imposed without regard to our causation of or contribution to the asserted damage, or to other mitigating factors** . Management does not believe, based on currently available information, that the outcome of any individual legal proceeding will have a material adverse effect on our financial condition, although individual or cumulative outcomes could be material to our operating results for a particular period, depending on the nature and magnitude of the outcome and the operating results for the period. Regardless of the merit of particular claims, defending against litigation or responding to investigations can be expensive, time- consuming, disruptive to our operations and distracting to management. In recognition of these considerations, we may enter into agreements or other arrangements to settle litigation and resolve such challenges. There can be no assurance such agreements can be obtained on acceptable terms or that litigation will not occur. Further, we are a global business with operations in various jurisdictions. In the event of a dispute arising at our foreign operations, we may be subject to the exclusive jurisdiction of foreign courts or arbitral panels, or may not be successful in subjecting foreign persons to the jurisdiction of courts or arbitral panels in the U. S. or in enforcing the judgment of a foreign court or arbitral panel against a sovereign nation. Our inability to enforce our ~~right~~ **rights** and the enforcement of rights on a prejudicial basis by foreign courts or arbitral panels, including against a sovereign nation, could have an adverse effect on our results of operations and financial position. Changes in tax laws and regulations could have a material adverse effect on our financial condition. As a global business, we are subject to income, royalty, transaction and other taxes in the U. S. and various foreign jurisdictions. Uncertainties exist with respect to our tax liabilities, including those arising from changes in laws in the ~~countries~~ **jurisdictions** in which we do business. We have significant net operating losses (NOLs) in the U. S. generated in prior years. These NOLs are available to offset future regular taxable income, which we believe will result in minimal estimated regular income tax liability in the U. S. over the next several years at current metals market prices. ~~In August 2022~~ **As discussed in MD & A and Note 11** , **the provisions of** the U. S. Inflation Reduction Act of 2022 (the Act) ~~was signed into law~~ **became applicable to us on January 1** , ~~which includes, among other~~ **2023. We have made interpretations of certain** provisions **of the Act** , ~~a new~~ **and based on these interpretations, determined that the provisions of the Act did not materially impact our financial results in 2023. Although the U. S. Department of the Treasury (Treasury) published guidance in 2023 that provided some additional clarity on the rules, uncertainty remains regarding the application of the** Corporate Alternative Minimum Tax ~~(CAMT) of 15 % on the adjusted financial statement income (AFSI) of corporations with average AFSI exceeding $ 1~~ . **Future** ~~0 billion over a three- year period. The provisions of the Act are applicable to us beginning January 1, 2023. Additional~~ guidance ~~related to how the CAMT provisions of the Act will be applied or otherwise administered is yet to be~~ released by the ~~U. S. Department of the~~ Treasury ~~, and~~ may differ from our interpretations **of** ~~. We will continue to analyze~~ the **Act** ~~impacts as additional guidance becomes available. We expect the CAMT provisions will impact our U. S. tax position~~ , **which could be material** and may further limit our ability to **realize future** ~~benefit~~ **benefits** from our U. S. NOLs. ~~We are also continuing to monitor the progress of Chile' s proposed mining royalty changes and their impact on future operations.~~ Further **, as discussed in MD & A** , recommendations from the ~~Organization~~ **Organisation** for Economic Co- operation and Development regarding a global minimum income tax and other changes **are** being considered and / or implemented in ~~countries~~ **jurisdictions** where we operate ~~could~~ **. At current metals market prices, we believe enactment of the recommended framework in jurisdictions where we operate will result in minimal impacts to our financial results in the near term. The impact of any new tax legislation may differ** materially ~~impact~~ **from our estimates as a result of future regulatory guidance** ~~our~~ **or** ~~provisions~~ **changes in our interpretations** ~~for~~ **or assumptions we have made** ~~income and non- income taxes, cash tax liability and effective tax rate~~ . Our international operations are subject to **evolving** geopolitical, economic **, regulatory** and social risks. We are a U. S.- based mining company with substantial assets located outside of the U. S. Risks of conducting business in countries outside the U. S.

can include: • Delays in obtaining or renewing, or the inability to obtain, maintain or renew, or the renegotiation, cancellation, revocation or forced modification (including the inherent risk of these actions being taken unilaterally by **the foreign government or** government owned entities) of contracts, leases, licenses, permits, stability agreements or other agreements and / or approvals; • Expropriation or nationalization of property, protectionism, or restrictions on repatriation of earnings or capital; • Changes in and differing interpretations of the host country' s laws, regulations and policies (which may be applied retroactively), including, but not limited to, those relating to labor, taxation, royalties, duties, tariffs, **licenses,** divestment, imports, exports (including restrictions on the export of copper ~~concentrate~~ **concentrates** and anode slimes, copper and / or gold), trade **laws and** regulations, immigration, currency, human rights and environmental matters (including land use and water use), additional requirements on foreign operations and investment, and / or fines, fees and sanctions **, criminal liability and other penalties** imposed for failure to comply with the laws and regulations of the **U. S. and the other** jurisdictions in which we operate, the risk of any of which may increase with rising " resource nationalism " in countries around the world; • Geopolitical events, social and economic instability, bribery, extortion, corruption, civil unrest, blockades, acts of war, guerrilla activities, insurrection and terrorism, certain of which may result in, among other things, an inability to access our property or transport our commodities; • Risk of loss associated with **illegal activity, including** trespass, illegal artisanal mining, theft **(including piracy)** , sabotage **(including of critical infrastructure)** and vandalism; • Changes in U. S. trade, tariff, tax, immigration or other policies that may impact relations with foreign countries or result in retaliatory policies; • Increases in training and other costs and challenges relating to requirements by governmental entities to employ nationals of a country in which a particular operation is located; • Foreign exchange controls and fluctuations in foreign currency exchange rates; • Reduced protection for intellectual property rights; and • The risk of having to submit to the jurisdiction of an international court or arbitration panel or having to enforce the judgment of an international court or arbitration panel against a sovereign nation within its own territory. ~~Our insurance does not cover most losses caused by the risks described above. For example, we do not have political risk insurance.~~ Accordingly, our ~~exploration, development and production~~ activities outside of the U. S. may be substantially affected by many external factors beyond our control, some of which could have a material adverse effect on our cash flows, results of operations and financial condition. We are required to comply with a wide range of laws and regulations in the countries where we operate or do business. For example, our international operations must comply with the U. S. Foreign Corrupt Practices Act and similar anti- corruption and anti- bribery laws of the other jurisdictions in which we operate. We operate in jurisdictions that have experienced public and private sector corruption and where significant anti- corruption enforcement activities, prosecutions and settlements have occurred. We have a large number of contracts with local and foreign **business partners, including** suppliers and contractors, who may take action contrary to or fail to adopt standards, controls and procedures, including health, safety, environment, human rights and community standards that are equivalent to our standards, controls and procedures. There can be no assurance that our internal control policies and procedures will ~~always~~ protect us from misinterpretation of or noncompliance with applicable laws and internal policies, recklessness, fraudulent behavior, dishonesty or other inappropriate acts committed by our affiliates, employees ~~, agents, suppliers~~ or ~~contractors~~ **business partners** . As such, our corporate policies and processes may not prevent or detect all potential breaches of law or governance practices. Any breaches could result in safety events that may result in injuries or fatalities ~~,~~ **;** significant criminal or civil fines ~~and~~ **,** penalties, litigation or regulatory action or inquiries ~~,~~ **or other enforcement actions;** shareholder **or other stakeholder** activism (such as to stop using a certain **business partner** ~~supplier or contractor~~) ~~,~~ **;** civil unrest or other adverse impacts on human rights ~~, and~~ **; termination of contracts;** loss of operating licenses or permits ~~,~~ **;** and ~~may~~ damage **to** our reputation, **any of** which could have a material adverse effect on our cash flows, results of operations and financial condition. **In addition, our insurance does not cover most losses caused by the risks described above. For example, we do not have political risk insurance.** We conduct international mining operations and exploration activities in Indonesia, Peru and Chile ~~and~~ **as well as** other foreign jurisdictions. Accordingly, in addition to the usual risks associated with conducting business in countries outside the U. S., our business may be adversely affected by political, economic, social and regional uncertainties in each of these countries. For example, we are involved in several significant tax proceedings and other tax disputes with Indonesia and Peru tax authorities (refer to Note 12 for further discussion of these matters). Other risks specific to certain countries in which we operate are discussed in more detail below. Because our mining operations in Indonesia are a significant operating asset, our business may be adversely affected by political, economic **, regulatory** and social uncertainties in Indonesia. Maintaining a good working relationship with the Indonesia government, PT **Mineral Industri** Indonesia ~~Asahan Aluminium~~ (~~Persero) (PT Inalum, also known as~~ MIND ID), an Indonesia state- owned enterprise and shareholder in PT- FI **,** and the local population, is important because of the significance of our Indonesia operations to our business, and because our mining operations there are among Indonesia' s most significant business enterprises. Partially because of the Grasberg minerals district' s significance to Indonesia' s economy, the environmentally sensitive area where it is located, and the number of **local** people employed, our Indonesia operations have been the subject of political debates and criticism in the Indonesia press, and have been the target of protests and occasional violence. Improper management of our working relationship with the Indonesia government, MIND ID or the local population could lead to a disruption of operations and / or impact our reputation in Indonesia and in the region where we operate, which could adversely affect our business. The mining industry is subject to extensive regulation within Indonesia, and there have been major developments in laws and regulations applicable to mining concession holders, some of which have conflicted with PT- FI' s contractual rights **and may conflict with PT- FI' s contractual rights** in the ~~past~~ **future** . **The** ~~In particular, the~~ enactment of Law No. 4 of 2009 on Coal and Mineral Mining on January 12, 2009 (the Mining Law) replaced the previous regulatory framework which allowed concession holders, including PT- FI, to conduct mining activities in Indonesia under a contract of work system. Notwithstanding provisions in PT- FI' s former Contract of Work (COW) prohibiting it from doing so, the Indonesia government sought to modify PT- FI' s former COW to address provisions contained in the Mining Law and implementing regulations adopted thereunder, some of which were not required under or conflicted with PT- FI' s former COW.

In **addition, in** early 2017, the Indonesia government issued new regulations to address exports of unrefined metals, including copper ~~concentrate~~ **concentrates** and anode slimes, and other matters related to the mining sector. **On December 21, 2018,** ~~Copper concentrate sales to PT Smelting (~~ PT- FI **was granted** ~~' s 39. 5 % owned copper smelter and~~ - **an** ~~refinery located in Gresik~~ **IUPK to replace its former COW** , **enabling** ~~Indonesia) totaled over 10 % of our consolidated revenues for each of the years ended December 31, 2022, 2021 and 2020.~~ PT- FI **to conduct operations in the Grasberg minerals district through 2041, subject to certain requirements. Refer to Note 13 for a summary of the IUPK** ' s **key fiscal terms and requirement** ~~export license for copper concentrate is valid for one- year periods, subject~~ to ~~review by~~ **develop additional smelting and refining capacity. Since 2019,** the Indonesia government ~~every six months~~ **has enacted various laws and regulations related to downstream processing of various products. Refer to " Operations – Indonesia Mining " in MD & A and Notes 12** , ~~depending on greenfield~~ **13 and 14 for a discussion of Indonesia regulatory matters, including those related to export licenses, export duties, export proceeds,** smelter ~~construction~~ **assurance bonds and smelter development** progress **, including assessing administrative fines** . **In 2023,** PT- FI **was granted** ~~' s current~~ export ~~license~~ **licenses** ~~remains~~ **for copper concentrates and anode slimes, both of which are** valid through **May** ~~March 19, 2023~~ **2024** . ~~Refer to Note 12 for further discussion of the administrative fine paid by~~ PT- FI **has requested approvals** to **continue** ~~the Indonesia government in March 2022 for failing to achieve physical development progress on the greenfield smelter. The 2017 regulations also permit the export~~ **exports** of **copper concentrates and** anode slimes **beyond May** ~~, which is necessary for PT Smelting to continue operating. PT Smelting' s export license for anode slimes expires on November 3, 2023~~ **2024** ~~. As discussed in Note 3, beginning in January 2023, PT- FI' s commercial arrangement with PT Smelting converted to a tolling arrangement, under which PT- FI pays PT Smelting a tolling fee to smelt and refine its concentrate and will retain title to all products for sales to third parties. Notwithstanding PT- FI' s rights to export copper concentrate through 2023 under its IUPK (subject to force majeure considerations), its current copper concentrate export license and PT Smelting' s current anode~~ -- **and until** ~~slimes export license, PT- FI may not be able to obtain administrative approval for such exports if~~ the **Manyar** ~~Indonesia government bans exports of copper concentrate and anode slimes prior to completion of the greenfield~~ smelter and precious metals refinery (PMR) **in** ~~. Recent press reports have indicated that the~~ Indonesia ~~government is considering a ban~~ **(collectively, the Indonesia smelter projects) are fully commissioned and reach designed operating conditions. We cannot predict if PT- FI will be able to obtain approval timely or at all to continue exports beyond May 2024, including of sufficient volumes** of copper ~~concentrate~~ **concentrates and** ~~exports effective in June 2023 under regulations that were issued in 2020 and~~ **anode slimes** ~~2021. In addition, PT Smelting exports may also be restricted (contrary to the expiration date of PT Smelting' s current export license noted above)~~ . If ~~such~~ **any** limitations on exports **or additional financial impacts resulting from Indonesia regulations** were to be ~~instituted~~ **assessed** prior to PT- FI' s ~~greenfield~~ **Indonesia** smelter **projects** ~~and PMR~~ becoming operational **later** ~~(currently expected~~ in 2024 ~~)~~ , PT- FI would be required to reduce production levels or be subject to additional costs **, which could adversely impact our revenues and operations** . Further, ~~even if the Indonesia government does not ban exports of copper concentrate or anode slimes, we cannot predict when and if~~ PT- FI ~~' s copper concentrate~~ **continues to discuss the applicability of the revised regulation for** export **duties with the Indonesia government because of inconsistencies with its IUPK** ~~license and PT Smelting' s anode slimes export license may be renewed~~ . **If** PT- FI ~~' s sales of copper concentrate and anode slimes could be interrupted if the export licenses are not timely renewed or if PT- FI or PT Smelting~~ is unable to **successfully dispute** ~~operate because of other~~ -- **the export duties, it may be unable to recover the assessed duties and would be required to continue paying such duties until the Manyar smelter construction is completed and** operational ~~or financial constraints, which would adversely impact our revenues and operations~~ . There can be no assurance that future regulatory changes affecting the mining industry in Indonesia will not be introduced or unexpectedly repealed, or that new interpretations of existing laws and regulations will not be issued, **any of which may conflict with PT- FI' s contractual rights,** which could adversely affect our business, financial condition and results of operations. ~~In~~ **Beginning in** 2022, the Indonesia government divided the Indonesia portion of the island of New Guinea from two provinces into a total of six provinces, which has resulted in public protest and civil unrest. For further discussion of violence, civil and religious strife, and activism affecting our operations in Indonesia, see the related risk factor below. Further, we cannot predict the impact of splitting provinces on local and regional regulations, permits and other governmental administrative functions, which could have an adverse impact on our business. In 2024, Indonesia ~~will hold~~ **is holding** national legislative elections ~~. The~~ **, including the** presidential election ~~will be held in February 2024~~ . Political considerations leading up to **and resulting from** these elections could affect, among other things, **national and local** ~~the country' s~~ policies pertaining to foreign investment, permitting and export restrictions, which could adversely affect our Indonesia mining operations. PT- FI will not mine all of the ore reserves in the Grasberg minerals district before the initial term of its IUPK expires in 2031. PT- FI' s IUPK may not be extended through 2041 if PT- FI fails to abide by its terms and conditions and applicable laws and regulations. **Under the terms of** ~~On December 21, 2018,~~ PT- FI **' s** ~~was granted an IUPK to replace its former COW, enabling PT- FI to conduct operations in the Grasberg minerals district through 2041. Under the terms of the~~ IUPK, PT- FI has been granted mining rights through 2031, with rights to extend its mining rights through 2041, subject to, among other things, PT- FI' s completion of construction of additional domestic smelting **and refining** capacity ~~totaling 2 million dry metric tons of concentrate per year by the end of 2023 (an extension of which has been requested because of COVID- 19 mitigation measures, subject to the approval of the Indonesia government), and fulfilling its defined fiscal obligations to the Indonesia government~~ . Refer to Note 13 for a summary of the IUPK' s key fiscal terms ~~. The expansion of PT Smelting is expected to be complete by the end of 2023~~ and ~~the construction of the greenfield smelter is expected to be completed during 2024, which is subject to, among other things, no additional COVID- 19 related disruptions. The IUPK also requires PT- FI to pay duties on concentrate exports of 2. 5 % now that~~ development **of** ~~progress for~~ additional smelting **and refining** capacity ~~in Indonesia has exceeded 30 %, which may be eliminated upon receiving verification and approval from the Indonesia government that development progress for additional smelting capacity in~~

~~Indonesia has exceeded 50 %. Refer to Note 12 for further discussion of the administrative fine paid by PT- FI to the Indonesia government for failing to achieve physical development progress on the greenfield smelter. The current capital cost estimate for the greenfield smelter and related precious metal refinery approximates $ 3 billion (excluding capitalized interest, owner' s costs and commissioning). Capital expenditures for the Indonesia smelter projects are being funded with proceeds from PT- FI' s senior notes and its available revolving credit facility. PT- FI' s ability to raise and service any additional sources of capital, if needed, would be a function of macroeconomic conditions, and future market prices as well as PT- FI' s operational performance, cash flows and debt position, among other factors. Additional financing may not be available if and when needed or, if available, the terms of such financing may not be favorable to PT- FI. See the risk factor below regarding increasing scrutiny and evolving expectations from stakeholders, including creditors, with respect to our ESG practices, performance and disclosures~~ . Our proven and probable mineral reserves in Indonesia reflect estimates of minerals that can be recovered through the end of 2041, and PT- FI' s current long- term mine plan and planned operations are based on the assumption that PT- FI will abide by the terms and conditions of the IUPK and will be granted the 10- year extension from 2031 through 2041. As a result, PT- FI will not mine all of these mineral reserves during the initial term of the IUPK. Prior to the end of 2031, we expect to mine ~~46~~ **43** % of aggregate proven and probable recoverable mineral reserves at December 31, ~~2022~~ **2023** , representing approximately half of our net equity share of recoverable copper and gold reserves. If PT- FI does not complete the construction of additional domestic smelting **and refining** capacity ~~totaling 2 million metric tons of concentrate per year by the end of 2023 (an extension of which has been requested because of COVID- 19 mitigation measures, subject to the approval of the Indonesia government)~~ , or fulfill its defined fiscal obligations to the Indonesia government as set forth in the IUPK, the IUPK may not be extended from 2031 through 2041, and PT- FI would be unable to mine all of its proven and probable mineral reserves in the Grasberg minerals district, which ~~would~~ **could** adversely affect our business, results of operations and financial position. PT- FI and the Indonesia government ~~have begun preliminary~~ **continue to engage in** discussions regarding the extension of PT- FI ~~'~~ **'** s IUPK beyond 2041. **Given the long- term nature of planning for mining investments, the Indonesia government is updating regulations that would enable PT- FI to apply for an extension of its IUPK beyond 2041.** We cannot predict whether **the regulations will be updated or that** PT- FI will be successful in **applying for** the extension of its IUPK beyond 2041. Our mining operations are subject to operational risks that could adversely affect our business **, including the ability to smelt and refine,** and our underground mining operations have higher risks than a surface mine. We have assets in a variety of geographic locations, all of which exist in and around broader communities and environments. Maintaining the operational integrity and performance of our assets is crucial to protect our people, the environment and communities in which we operate. Our mines are very large in scale and, by their nature are subject to significant operational risks, some of which are outside of our control, and many of which are not covered fully, or in some cases even partially, by insurance. These operational risks, which could materially ~~and~~ adversely affect our business, operating results and cash flows, include earthquakes, rainstorms, floods, wildfires and other natural disasters; environmental hazards, including discharge of metals, concentrates, pollutants or hazardous chemicals; surface or underground fires; equipment failures; accidents, including in connection with mining equipment, milling equipment or conveyor systems, transportation of chemicals, explosives or other materials and in the transportation of employees and other individuals to and from sites (including where these services are provided by third parties such as vehicle and aircraft transport); wall failures and rock slides in our open- pit mines, and structural collapses of our underground mines or tailings impoundments; underground water and ore management; lower than expected ore grades or recovery rates; and seismic activity resulting from unexpected or difficult geological formations or conditions (whether in mineral or gaseous form). For a discussion of risks specific to our tailings management, see the risk ~~factor~~ **factors** below relating to our management of waste rock and tailings **, including our river transport system for tailings management in Indonesia** . We are facing continued geotechnical challenges because of the older age of some of our open- pit mines and a trend toward mining deeper pits and more complex deposits. There can be no assurance that unanticipated geotechnical and hydrological conditions may ~~or may~~ not occur, nor whether these conditions may lead to events such as landslides and pit wall failures, ~~in the future~~ or that such events will be detected in advance. Geotechnical instabilities can be difficult to predict and are often affected by risks and hazards outside of our control, such as seismic activity or severe weather, which may lead to floods, mudslides, pit- wall instability and possibly even slippage of material. ~~In~~ **For example, in late 2022, significant rainfall events impacted production at Morenci. Further, in** early 2019, our El Abra operation ~~in Chile~~ experienced heavy rainfall and electrical storms. As a result, our operating results for 2019 were impacted by a suspension of El Abra' s crushed leach stacking operations for approximately 35 days. We **also** ~~cannot predict whether similar events will occur in the future or the extent to which any such event would affect this, or any of our other operations. Our business is dependent upon our workforce being able to safely perform their jobs, including the potential for physical injuries or illness. Underground mining operations can be particularly dangerous, and in May 2013, a tragic accident, which resulted in 28 fatalities and 10 injuries, occurred at the Grasberg minerals district when the rock structure above the ceiling of an underground training facility collapsed. There can be no assurance that similar events will not occur in the future. We~~ experience mining induced seismic activity, including landslides, from time to time in the Grasberg minerals district **in addition to severe weather** . The mine site is ~~also~~ in an active seismic area and has experienced earth tremors from time to time. In addition to the usual risks encountered in the mining industry, our Indonesia mining operations involve additional risks given their location in steep mountainous terrain in a remote area of Indonesia. These conditions have required us to overcome special engineering difficulties and develop extensive infrastructure facilities. The area also receives extreme rainfall, which has led to periodic floods and mudslides. ~~Since~~ **In** February ~~11,~~ 2023, PT- FI' s operations **were** ~~have been~~ temporarily disrupted because of significant rainfall and landslides, which restricted access to infrastructure near its milling operations. ~~Recovery activities are in progress to clear debris from the affected areas and PT- FI is in the process of gradually resuming operations. Operations are expected to be fully restored by the end of February 2023. As a result of this disruption, we expect our first- quarter 2023 sales volumes to be lower than previously~~

~~expected. If PT- FI is not able to resume operations as currently expected or on our anticipated timeline, our results of operations may be further impacted.~~ We cannot predict whether ~~additional occurrences of~~ **similar weather- related or** seismic **events** ~~activity, extreme rainfall or other unexpected geological activity~~ will occur **in the future** ~~that could cause material schedule delays~~ or ~~additional revisions~~ **the extent** to ~~PT- FI' s mine plans,~~ which **any such event** ~~could~~ **would** ~~adversely~~ affect **these,** ~~our~~ - **or any** ~~cash flows, results~~ of **our other** operations ~~and financial condition~~ . **Our business is dependent upon** ~~We maintain insurance at amounts we believe to be reasonable to cover some of these risks and hazards; however, our insurance may not sufficiently cover losses from certain natural or~~ **our workforce being able** ~~operating disasters. There can be no assurance that such insurance will continue~~ to **safely perform** ~~be available, maintained, or that it will be available at economically feasible premiums. We may elect to not purchase insurance for certain risks because of the high premium costs associated with insuring such risk or for various other~~ - **their jobs** ~~reasons. We do not have coverage for certain environmental losses and other risks. The lack of, or insufficiency of, insurance coverage could adversely affect our cash flows and overall profitability~~ . The occurrence of one or more of these events in connection with our exploration activities and development of and production from mining operations may result in the death of, or personal injury **or illness** to, our employees, other personnel or third parties, the loss of mining equipment, damage to or destruction of mineral properties or production facilities, significant repair costs, monetary losses, deferral or unanticipated fluctuations in production, extensive community disruption (including short- and long- term health and safety risks), loss of licenses, permits or necessary approvals to operate, loss of workforce confidence, loss of infrastructure and services, disruption to essential supplies or delivery of our products, environmental damage and potential legal liabilities, ~~all~~ **any** of which may adversely affect our reputation, business, prospects, results of operations and financial position. Further, the impacts of any serious incidents that occur may also be amplified if we fail to respond timely or in an appropriate manner. **Underground mining operations have unique risks that can be particularly dangerous, such as those associated with supporting the underground openings. In May 2013, the rock structure above the ceiling of an underground training facility at the Grasberg minerals district collapsed, which resulted in 28 fatalities and 10 injuries. While we have implemented preventative measures, we cannot guarantee that any incidents will not occur in the future. In addition, we could also be subject to operational risks at our smelters and refineries once PT- FI is fully dependent on its ability to smelt and refine domestically all its concentrates and slimes produced by its mining operations at the PT Smelting and the Indonesia smelter projects. Any delay, loss of access or limited availability and capacity related to these smelting and refinery facilities, including equipment failures, unanticipated or extended shutdowns, inability to sell certain by- products, lack of capacity to store certain by- products, severe weather, social or political unrest or any major public health crisis, any of which may not be recognized by the Indonesia government as a force majeure event, may significantly impact our ability to export and sell our copper and gold products, even if alternative refineries or smelters outside of Indonesia are available, and could adversely impact our revenues and results of operations. We maintain insurance at amounts we believe to be reasonable to cover some of these risks and hazards; however, our insurance may not sufficiently cover losses from certain of these risks and hazards. There can be no assurance that such insurance will continue to be available, maintained or available at economically feasible premiums, that the proceeds of such insurance will be paid in a timely manner or that we will be adequately compensated for losses actually incurred, if at all. We may elect to not purchase insurance for certain risks because of the high premium costs associated with insuring such risk or for various other reasons. We do not have coverage for certain environmental losses and other risks, including the legal liabilities associated with these risks. The lack of, or insufficiency of, insurance coverage could adversely affect our cash flows and overall profitability.** Our management of waste rock and tailings are subject to significant environmental, safety and engineering challenges and risks that could adversely affect our business. The waste rock (including overburden) and tailings produced in our mining operations represent our largest volume of **mine** waste material. Managing the volume of waste rock and tailings presents significant environmental, safety and engineering challenges and risks primarily relating to structural stability, geochemistry, water quality and dust generation. Management of this waste is regulated in the jurisdictions where we operate and our programs are designed to comply with applicable national, state and local laws, permits and approved environmental impact studies. We maintain large leach pads and tailings impoundments containing viscous material. Tailings impoundments include large embankments that must be engineered, constructed and monitored to ensure structural stability and avoid structural collapse. Our tailings impoundments in arid areas must have effective programs to suppress fugitive dust emissions **to meet regulatory requirements** , **which vary depending on location,** and **to limit potential impacts of dust emissions from our operations on surrounding communities and the environment. Additionally,** we must effectively monitor, prevent and treat acid rock drainage at all of our operations. In Indonesia, we use a river transport system for tailings management, which presents other risks discussed in more detail in the risk factor below relating to the environmental challenges at our Indonesia mining operations. As of January 31, ~~2023~~ **2024** , subsidiaries of our company currently operate 15 active tailings storage facilities (13 in the U. S. and 2 in Peru), of which 10 have an upstream design and 5 have a centerline design. We also manage ~~48~~ **35** tailings storage facilities in the U. S. that are inactive or closed (~~41~~ **31** with an upstream design, ~~5~~ **2** with a centerline design and 2 with a downstream design) and another **22** ~~9 with an upstream design~~ that are deemed " safely closed " according to the definition in the Tailings Standard **(19 with an upstream design and 3 with a centerline design)** . In ~~2022~~ **2023** , we produced approximately ~~331~~ **341** million metric tons of tailings **, including tailings produced by PT- FI** . The failure of tailings storage facilities and other embankments at any of our mining operations could cause severe, and in some cases catastrophic, property and environmental damage and loss of life, as well as adverse effects on our business and reputation. Some of our tailings storage facilities are located in areas where a failure has the potential to impact individual dwellings and a limited number of **our** impoundments are in areas where a failure has the potential to impact nearby communities or mining infrastructure. There can be no assurance that a severe or catastrophic failure of any of our facilities will not occur in the future. For additional information regarding the company' s tailings management and stewardship program, including **our tailings management**

system, which incorporates the requirements of the Tailings Standard, refer to Items 1. and 2. " Business and Properties **.** " ~~herein. In addition, as part of our commitment to enhancing our resilience to climate change risks as well as our commitment to implement the Tailings Standard, we will be required to consider uncertainties as a result of climate change, incorporate that assessment into the relevant knowledge base for our tailings facilities, use this knowledge base to enhance the resilience of our approach to the impacts of climate change using an adaptive management approach, incorporate that knowledge into facility operations, and take measures to mitigate both environmental impact and potential failure risks at our active and inactive tailings facilities, including those arising from climate change. These obligations will likely require future changes at our tailings facilities, which could increase our operational expenses or require further capital investments. For further discussion of potential physical impacts of climate change see the related risk factor below.~~ Based on observations from tailings failures at unaffiliated mines **and our risk assessment process, which assesses a range of potential risks to our tailings storage facilities** , in addition to fatalities and severe personal, property and environmental damages, these events could result in limited or restricted access to mine sites, suspension of operations, decrease in mineral reserves, legal liability, government investigations, additional regulations and restrictions on mining operations in response to any such failure, increased monitoring costs and production costs, increased insurance costs **or costs associated with insufficiency of** or inability to obtain insurance, increased costs and / or limited access to capital, remediation costs, inability to comply with any additional safety requirements or obtain necessary certifications, evacuation or relocation of communities or other emergency action, and other impacts, which could have a material adverse effect on our operations and financial position. Our Indonesia mining operations are susceptible to difficult and costly environmental challenges, and future changes in Indonesia environmental laws could increase our costs. Mining operations on the scale of our Indonesia operations involve significant environmental risks and challenges. Our primary challenge is to dispose of the large ~~amount~~ **volume** of tailings. In ~~2022~~ **2023** , PT- FI produced approximately ~~67~~ **69** million metric tons of tailings. Our tailings management plan, which has been approved by the Indonesia government, uses an unnavigable river in the highlands to transport the tailings from the mill to an engineered tailings management area in the lowlands. Levees have been constructed along both sides of the lowlands tailings management area to act as containment structures to laterally contain the footprint of the tailings deposition within the approved tailings management area. Another major environmental challenge at PT- FI is managing overburden, which is rock that was required to be moved aside in the open pit mining process to reach the ore in the Grasberg open pit. In the presence of air, water and naturally occurring bacteria, some overburden can generate acid rock drainage, or acidic water containing dissolved metals that, if not properly managed, can adversely affect the environment. In addition, the Grasberg overburden stockpiles ~~have~~ experienced erosion over time, caused by the large amounts of rainfall, with the eroded stockpile material eventually entering into the lowlands tailings management area. This eroded overburden affects the volume as well as the physical and chemical characteristics of the sediment material deposited in the lowlands tailings management area, which can **, if not properly managed,** result in environmental impacts **. The underlying overburden erosion and run- off are being managed and controlled through an extensive re- sloping and water management project, and PT- FI has not experienced similar erosion issues since 2018. However, PT- FI continues to monitor for potential impacts resulting from past erosion or the possibility of erosion recurrence** . PT- FI' s current tailings deposition management plan **and** ~~as well as robust~~ environmental monitoring ~~programs~~ - **program consider** ~~take into account~~ the presence of this overburden in the lowlands tailings management area. ~~As part~~ **PT- FI has expanded the scope** of its ongoing management and monitoring ~~program~~ , **which** ~~PT- FI expanded the scope of its monitoring and analyses used to assess~~ **assesses** possible impacts to the environment and human health from overburden erosion and tailings ~~, including conducting and updating a human health risk assessment~~ . During ~~2022~~ **2023** , PT- FI continued **its** routine ~~assessment~~ **assessments** of surface waters, groundwaters, sediments and soils, dust and terrestrial and aquatic tissues. ~~Furthermore~~ **As part of the expanded scope, in 2022 and 2023** , PT- FI ~~has been assisting~~ **also assisted the Mimika** local health ~~authorities~~ **authority** with an extensive regency- wide community health survey, which **provided** ~~is providing~~ further data on **a broad range of** community health issues ~~, including any potential~~ **. The local health authority then prioritized those items having the greatest expected impact on public health. There were no** impacts ~~from~~ **attributable to PT- FI' s** operations **(inclusive of tailings and overburden erosion) that were determined to be a priority focus following the results of the local health authority' s assessment** . ~~The ongoing~~ **In response to the health survey results, PT- FI and the local health authority have agreed to collaborate on public health challenges. Future testing and** community health **surveys** ~~work will assist in determining what additional monitoring and mitigation efforts~~ may be ~~required in~~ **used to assess** the ~~future~~ **effectiveness of the local health authority' s priority programs and educational efforts** . In the past, the Indonesia government ~~has~~ **, stakeholders and other third parties have** raised questions with respect to our tailings and overburden management plans, including a suggestion that we implement a tailings pipeline and dam rather than the river transport system for tailings management. Our Indonesia mining operations are remotely located in steep mountainous terrain and in an active seismic area, which also experiences extreme weather events; such that, the pipeline infrastructure required to convey the volume of material is not feasible ~~, and would be more prone to failure, and could therefore involve significant potentially adverse environmental issues~~ . Based on our own studies and others conducted by third parties, we believe that our controlled riverine transport system is the best site- specific option for tailings management at the ~~Indonesia site~~ **Grasberg minerals district** . Overtopping or failure of any **of the PT- FI** tailings containment structures (levees or protection structures) induced by extreme weather events such as floods, a major seismic event or naturally- occurring weak ground under the structures, are potential risks. The potential impacts from any such occurrence could vary significantly depending upon the specific location of the failure. Unanticipated structural failure of these structures in certain areas in the future could result in flooding of the nearby communities and related loss of lives and / or severe personal, property and environmental damages. Under certain conditions, a failure may necessitate evacuation or relocation of communities or other emergency action, financial assistance to the communities impacted, and remediation costs to repair and compensate for the social, cultural and economic impacts **associated with such failure** . In addition, in the southern **(estuary)** portion of the approved tailings management area, **mathematical modeling of certain sediment transport scenarios indicate** tailings have the potential to **be deposited** ~~create depositional impacts~~ outside of the approved **lateral levees in adjacent mangroves.** ~~boundary unless the protection structures (as proposed by~~ PT- FI ~~)~~ **has proposed additional extensions to the existing levees to the Indonesia regulators and is further evaluating the potential benefits and impacts. Indonesia regulators have further proposed a different strategy involving efforts to increase sediment retention through various methods as well as increase beneficial use of tailings. If the additional retention efforts** are **not successful** ~~extended. An extension of these protection structures is planned and is currently awaiting permitting~~ , **or if** ~~which continues to progress. If~~ the permitting for these **proposed** protection structures is not **reconsidered** ~~received in a timely manner~~ , **any such** ~~or not received at all, there is a risk that the tailings in the lower portion of the tailings management area could create~~ depositional impacts outside of our **existing** approved footprint **could** ~~and potentially~~ impact the environment and communities. Refer to Items 1. and 2. " Business and Properties " for further discussion of our environmental obligations in Indonesia. Managing these environmental challenges at our Indonesia operations could result in reputational harm and increased costs that could be significant. There can be no assurance that future environmental changes affecting the mining industry in Indonesia will not be introduced or unexpectedly altered or repealed, or that new interpretations of existing Indonesia environmental laws and regulations will not be issued, which could have a significant impact on PT- FI. Violence, civil and religious strife, and activism could result in loss of life and disrupt our operations. Indonesia has long faced separatist movements and civil and religious strife in a number of provinces. Several separatist groups have sought increased political independence for the province of Central Papua, where our Grasberg minerals district is located. In Central Papua, there have been attacks on civilians by separatists and conflicts between separatists and the Indonesia military and police. In addition, illegal artisanal miners have clashed with police who have attempted to move them away from our facilities. Social, economic and political instability in Central Papua could materially ~~and~~ adversely affect us if it results in damage to our property or interruption of our Indonesia operations. ~~Starting in 2009, shooting~~ **Shooting** incidents have occurred within the PT- FI project area, including along the road leading to our mining and milling operations, ~~and there~~ **which in some instances** have **involved** ~~been 22~~ fatalities **or** ~~and more than 75~~ injuries to our employees, contractor employees, government security personnel and civilians. **We incurred no fatalities or injuries relating to shootings within the PT- FI project area since April 2020, and we have had no shootings associated with the PT- FI project area since January 2021. During the first half of 2020,** ~~There~~ **there** were several shooting incidents ~~in the first half of 2020~~ , including an incident near a PT- FI office building where one employee was killed and two others injured. In January 2021, a helicopter contracted ~~to~~ **by** PT- FI was fired upon and struck by a single gunshot in an area adjacent to the project area. In ~~2022~~ **2023** , outside of the PT- FI operational area but within the province of Central Papua, there were at least ~~30~~ **40** incidents of separatist violence, resulting in ~~29~~ **20** fatalities. Separatist security incidents, including shootings, **attacks on civil infrastructure and arson,** continue to occur in Central Papua **and other areas near the PT- FI project area** . PT- FI actively monitors security conditions and the occurrence of incidents both within the project area and regionally. The safety of our workforce is a critical concern, and PT- FI continues to work with the Indonesia government to enhance security and address security- related issues within the PT- FI project area and in nearby areas. Although we have implemented measures and safeguards consistent with both international standards and our own internal standards relating to the use of force and respect for human rights, the implementation of these measures and safeguards does not guarantee that personnel, national police or other security forces will uphold these standards in every instance. We continue to limit the use of the road leading to PT- FI' s mining and milling operations to secured convoys, including transport of personnel by armored vehicles in designated areas **. Once the PMR is commissioned, we expect to be exposed to security risks relating to loss and theft of refined precious metals. Any such loss or theft could lead to financial loss or a failure to satisfy our customers, which could have an adverse impact on our reputation and business** . We cannot predict whether additional incidents will occur that could result in loss of life, or disruption or suspension of PT- FI' s operations. If other disruptive incidents occur, they could adversely affect our results of operations and financial condition ~~in ways that we cannot predict at this time~~ . South America countries have historically experienced uneven periods of economic growth, as well as recession, periods of high inflation and general economic and political instability. **In** ~~Since 2019, both~~ Peru **, political uncertainty has created instability in the regulatory environment. Beginning in December 2022** and ~~Chile have experienced significant~~ **continuing in 2023, heightened tensions, protests and social unrest emerged in Peru following a change in the country' s political leadership, which temporarily resulted in delays in the transport of supplies, products and people at our Cerro Verde mine. During first- quarter 2023, Cerro Verde also operated at reduced rates from time- to- time until it resumed normal operations in March 2023. Other mining operations in the region temporarily halted mining activities as a result of the** civil unrest ~~unrelated to our operations~~ . **While demonstrations** ~~For example, in 2022, an~~ **and** ~~unaffiliated copper producer in southern Peru repeatedly curtailed or suspended operations because of repeated and sustained community protests on the government- designated concentrate transport route along public roads~~ - **road blockages subsided in 2023** , ~~which have constrained such producer and at times other~~ -- **the** ~~local producers from shipping their products. Such protests are ongoing~~ **potential for civil unrest and disruption of commerce and supply chains continues** . Other operations in the region have encountered significant issues with trespassers, illegal artisanal miners ~~,~~ and civil demonstrations that impact their current operations, expansion projects, logistical supply and product transport. Such protests have occasionally been accompanied by acts of violence and property damage ~~,~~ and continue intermittently in the region **. In Chile, despite the overwhelming electoral approval of a proposal to rewrite the constitution in a 2020 referendum, the product of the constitutional assembly was rejected by a majority of voters in 2022 and 2023. Uncertainty in the resolution of constitutional reform may contribute to incidents of social unrest. We cannot predict whether similar or more significant incidents of civil unrest or political instability will occur in the future in Peru or Chile** . Although such civil unrest has not significantly impacted our results, similar events in the future could cause our South America operations to be materially impacted, in which case, we may not be able to meet our production and sales targets. ~~Political uncertainty has created potential instability in the regulatory environment in Peru. In December 2022, Peru' s congress impeached President Castillo, who was subsequently taken into custody by Peruvian authorities, and Vice President Boluarte was sworn in as president. Following these events, there have been widespread and sometimes violent political protests, including attacks on civil infrastructure and businesses, which have resulted in delays in the transport of supplies, products and people at our Cerro Verde mine. Other mining operations in the region have temporarily halted mining activities as a result of the civil unrest. A national state of emergency has been declared, and military forces deployed to augment national police, which have resulted in civilian and police fatalities. Although there has been a limited impact on Cerro Verde' s operations, the situation in Peru remains uncertain, and a prolonged disruption of logistics and supply chains could impact future operations. In Chile, despite the overwhelming electoral approval of a proposal to rewrite the constitution in a 2020 referendum, the product of the constitutional assembly was rejected by over 60 % of voters in 2022. While support for constitutional reform remains strong, uncertainty in the resolution of constitutional reform may contribute to incidents of social unrest. We cannot predict whether similar or more significant incidents of civil unrest or political instability will occur in the future in Peru or Chile.~~ Our mining operations, including future expansions or developments, depend on the availability of significant quantities of secure water supplies. We recognize that access to clean, safe and reliable water supplies is vital to the health and livelihood of our host communities. Our mining operations require physical availability and secure legal rights to significant quantities of water, and the increasing pressure on water ~~resources~~ -- **sources** requires us to consider both current and future conditions in our approach. We aim to balance our operational water requirements with those of the local communities, environment and ecosystems. Most of our North America and South America mining operations are in areas where competition for water supplies is significant, and where climate change may lead to increasing scarcity of water ~~resources~~ -- **sources** in the future. Continuous production at our mines and any future expansions or developments are dependent on many factors, including our ability to maintain our water rights and claims, and the continuing physical availability of the water supplies. Current and long- term water risks include those that arise from our operations and events that we do not control (such as extreme weather and other physical risks associated with climate change). For further discussion of the potential physical impacts of climate change, see the related risk factor below. As discussed in Item 3. " Legal Proceedings, " in Arizona, where our operations use both surface water and groundwater, we are a participant in an active adjudication in which Arizona courts have been attempting, for **50** ~~over 45~~ years, to quantify and prioritize surface water claims for the Gila River watershed, one of the state' s largest river systems. If we are not able to satisfactorily resolve the issues being addressed in the adjudications, **our** water uses could be diminished or curtailed, and our operations **and any future expansions** at Morenci, Safford **(including Lone Star)** and Sierrita could be adversely affected unless we are able to acquire alternative **water** ~~resources~~ -- **sources** . Water for our Cerro Verde operation in Peru comes from renewable sources through a series of storage reservoirs on the Rio Chili watershed that collects water primarily from seasonal precipitation and from wastewater collected from the city of Arequipa and treated at a wastewater treatment plant constructed by us. ~~As a result of occasional~~ **Ongoing El Niño weather patterns have contributed to ongoing** drought conditions ~~, temporary supply~~ **in the area and water** shortages **at** ~~that could affect~~ our Cerro Verde operation are possible **, which could impact our operations** . Water for our El Abra mining operation in Chile **currently** comes from the continued pumping of groundwater from the Salar de Ascotán aquifer ~~. In 2010, El Abra obtained regulatory approval for the continued pumping of groundwater from the Salar de Ascotán aquifer for its sulfide processing plant, which began operations in 2011. Our current permit will expire in 2029~~ . The agreement to pump from this aquifer is subject to continued monitoring through 2029 of the aquifer water levels and select flora species to ensure that environmentally sensitive areas are not impacted by our pumping ~~. If~~ **, which if** ~~impact~~ **impacted** ~~occurs,~~ **could cause** reductions in pumping ~~are required~~ to restore water levels **and** ~~, which~~ could have an adverse effect on production from El Abra. **Our permit for pumping of groundwater will expire in 2029 and any renewal may be challenging. We are evaluating water infrastructure alternatives to provide options to extend existing operations and support a future expansion, while continuing to monitor Chile' s regulatory and fiscal matters, as well as trends in capital costs for similar projects. In parallel, as part of the permitting process for the potential expansion, we are planning for a potential submission of an environmental impact statement during 2025, subject to ongoing stakeholder engagement and economic evaluations. There can be no assurance that we will be able to execute such water infrastructure plans or obtain a new permit, which could have an adverse impact on our operations.** For further discussion, see the risk factor above relating to the geopolitical, economic and social risks associated with our international operations. Although we typically have sufficient water for our Indonesia operations, the area receives considerable rainfall that makes us susceptible to periodic floods and mudslides, the nature and magnitude of which cannot be predicted. For further discussion of the overburden and related environmental challenges, including as a result of flooding in Indonesia, see the related risk factor above. Although each of our mining operations currently has access to sufficient water ~~supplies~~ **sources** to support current operational demands, as discussed above, the availability of additional supplies for potential future expansions or development will require additional investments and will take time to develop, if available. While we are taking actions to acquire additional back- up water supplies, such supplies may not be available at acceptable cost, or at all **. As such** , ~~so that~~ the loss of a water right or currently available water supply could force us to curtail operations or force premature closures, and the ability to obtain future water supplies could prevent future expansions or developments, thereby increasing and / or accelerating costs or foregoing profitable operations. Major public health crises, including the...... our business and results of operations. Our information **and operational** technology systems **have been and in the future** may be adversely affected by **cybersecurity events,** disruptions, damage, failure and risks associated with implementation and integration **, including of new technologies** . Our industry has become increasingly supported by and dependent on digital technologies. Our strategy of operating large, long- lived, geographically diverse assets has been increasingly dependent on our ability to become fully integrated and highly automated. Many of our business and operational processes are heavily dependent on traditional and emerging technology systems to conduct day- to- day operations, improve safety and efficiency, and lower costs. As our dependence on information systems, including those of our third- party service providers and vendors, grows, we **have** become more vulnerable to an increasing threat of continually evolving cybersecurity risks. In recent years, cybersecurity events have increased in frequency and magnitude ~~. These~~ **and the methods used to gain unauthorized access change frequently, making it increasingly difficult for us to prevent cybersecurity** incidents **or detect and remediate incidents in a timely and effective manner. Attacks have included and** may include, but are not limited to, installation of malicious software, phishing, ransomware, **social engineering tactics and** credential **attacks, insider threats, denial of service** attacks, unauthorized access to data and other advanced and sophisticated cybersecurity breaches and threats, including ~~threats~~ **those** that increasingly target critical operational technologies and process control networks **and** ~~. If any of these~~ **those that are increasingly using artificial intelligence (AI) and quantum computing. Such attacks may be perpetrated by a variety of bad actors, some of which may reside in jurisdictions where law enforcement measures to address such attacks are ineffective. We have experienced targeted and non- targeted cybersecurity events in the past and may experience them in the future. In August 2023, we determined that we were subject to a cybersecurity incident that affected certain of our information systems. We performed an investigation of the incident and its associated impact and incurred costs to remediate, which were not material. We cannot guarantee that events of a similar nature, with potentially greater exposure, will not occur in the future. Cybersecurity** threats ~~materialize, we~~ could ~~be~~ subject **us** to manipulation or improper use of our systems and networks, production downtimes **, loss of sales** , communication interruption or other disruptions and delays to our operations or to the transportation of products or infrastructure utilized by our operations, unauthorized release of proprietary, commercially sensitive, confidential or otherwise protected information, a misappropriation or loss of funds, the corruption of data, significant health and safety consequences, **physical destruction of assets,** environmental damage, loss of intellectual property, fines ~~and~~ **, penalties,** litigation **, regulatory or governmental investigation, liability under or termination of our contracts with third parties** , damage to our reputation or financial losses from remedial actions, any of which could have a material adverse effect on our cash flows, results of operations and financial condition **, and which in addition could adversely impact the effectiveness of our internal control over financial reporting** . We ~~have experienced targeted~~ **do not maintain cyber risk insurance,** and ~~non- targeted~~ **the lack of insurance coverage could adversely affect our cash flows and overall profitability in the event of a material cybersecurity incident. While the August 2023 cybersecurity incident and other** cybersecurity events **have** ~~in the past and may experience them in the future. While these cybersecurity events did~~ not **had a** ~~result in any~~ material ~~loss to~~ **impact on** us ~~or interrupt our day- to- day operations~~ , **we** ~~as of January 31, 2023, there~~ can ~~be~~ **provide** no assurance that we will not experience any such ~~losses~~ **impact** or **additional** ~~interruption~~ **interruptions to our operations** in the future. Given the unpredictability of the timing and the evolving nature and scope of information **and operational** technology **system** disruptions, the various procedures and controls we use to monitor and protect against ~~these~~ **cybersecurity** threats and to mitigate ~~our~~ potential risks ~~to~~ **arising from** such threats **have not been effective in some instances and** may not be sufficient in preventing **future** cybersecurity **incidents** ~~events from materializing~~ . Further, as cybersecurity threats continue to evolve, we may be required to expend significant additional resources to continue to modify or enhance our protective measures or to investigate and remediate vulnerabilities to cybersecurity threats. We could also be adversely affected by system or network disruptions if new or upgraded information **or operational** technology systems are defective, not installed properly or not properly integrated into our operations. System modification failures could have a material adverse effect on our business, financial position and results of operations and could, if not successfully implemented, adversely impact the effectiveness of our internal ~~controls~~ - **control** over financial reporting. Further, we increasingly depend on our information technology infrastructure for electronic communications among our ~~locations~~ **operations** , personnel, customers and suppliers around the world, including as a result of remote working and flexible working arrangements. These information technology systems, some of which are managed by third parties that we do not control, may be susceptible to damage, disruptions or shutdowns because of failures during the process of upgrading or replacing software, databases or components thereof, cutover activities in our restructuring and simplification initiatives, power outages, hardware failures, telecommunication failures, ~~user~~ **human** errors, catastrophic events or other problems ~~innovation initiatives,see MD & A.Our failure to successfully implement new technologies,including AI,may adversely affect our competitiveness and,consequently,our results of operations.In addition,we may utilize AI and other new technologies in software provided by third parties to enhance our capabilities in producing copper,improving business processes and responding to threats to our technology platforms.The use of AI may increase our exposure to cybersecurity risks and additional risks relating to the protection of data,including increased exposure of confidential or otherwise protected information to unauthorized recipients,which could result in liability under or termination of our contracts with third parties,misuse of our intellectual property or other unintended consequences.~~ Major public health crises **,including the COVID- 19 pandemic,** may have an adverse impact on our business.Pandemics,epidemics,widespread illness or other ~~major public~~ health crises **,such as the COVID- 19 pandemic (including any new variants),that interfere with the ability of our employees,suppliers,customers,financing sources or others to conduct business have and** could ~~negatively impact~~ **adversely affect** the global economy and ~~adversely affect~~ our operations and business,including ~~our ability to conduct business,~~ demand for the commodities we produce and our profit margins **.For further information,see the risk factor above regarding fluctuations in market prices of the commodities we produce and the risk factor below regarding the prices and availability of the consumables and components we purchase and constraints on supply and logistics** .Actions taken by governmental authorities and third parties to contain and mitigate the risk of spread of any major public health crisis **,including COVID- 19,** may negatively impact our business,including a disruption of or change to our operating plans.For example,in **mid-** March 2020,we had to temporarily transition our Cerro Verde mine to care and maintenance status and adjust operations to prioritize critical activities in response to a decree issued by the Peru government relating to COVID- 19.Our business and results of operations could be adversely affected if significant portions of our workforce are unable to work effectively,including because of illness,quarantines,government actions or other restrictions,or if workplace entry and travel are restricted resulting in the delay of key personnel or external consultants accessing our sites. **There can be no assurance that our actions in response would be effective in containing and mitigating the risk of spread or a major outbreak of any public health crisis (including COVID- 19) at our operating sites.** A major health crisis at any of our operating sites,and particularly at PT- FI' s remote operating site,could disrupt or change our operating plans,which may have a material adverse effect on our business and results of **operations.** . Labor disputes or labor unrest could disrupt our operations. Our business is dependent on maintaining good relations with our workforce. A significant portion of our employees are represented by labor unions in a number of countries under various collective bargaining agreements with varying durations and expiration dates. Refer to Items 1. and 2. " Business and Properties " ~~of this annual report on Form 10- K~~ for additional information regarding labor matters, and expiration dates of such agreements. As of December 31, ~~2022~~ **2023** , approximately ~~30~~ **29** % of our global labor force was covered by collective bargaining agreements and approximately ~~2~~ **16** % of our global labor force was covered by agreements that will or were scheduled to expire during ~~2023~~ **2024** or that had expired as of December 31, ~~2022~~ **2023** , and continue to be negotiated. Labor agreements are negotiated on a periodic basis ~~,~~ and may not be renewed on reasonably satisfactory terms to us or at all. If we do not successfully negotiate new collective bargaining agreements with our union workers, we may incur prolonged strikes and other work stoppages at our mining operations, which could adversely affect our financial condition and results of operations. Additionally, if we enter into a new labor agreement with any union that significantly increases our labor costs relative to our competitors, our ability to compete may be materially ~~and~~ adversely affected. We have in the past and could in the future experience labor disruptions such as work stoppages, work slowdowns, union organizing campaigns, strikes, or lockouts that could adversely affect our operations. For example, in third- quarter 2020, we experienced a five- day labor- related work stoppage related to COVID- 19 travel restrictions when a small group of workers at PT- FI staged protests and a blockade restricting access to the main road to the mining operations area. We reached an amicable resolution with the group of workers while upholding our COVID- 19 safety protocols. There were no strikes or lockouts at any of our operations ~~in 2021 or~~ **for the three years ended December 31,** ~~2022~~ **2023** . We cannot predict whether additional labor disruptions will occur. Significant reductions in productivity or protracted work stoppages at one or more of our operations could significantly reduce our production and sales volumes or disrupt operations, which could adversely affect our cash flows, results of operations and financial condition. Our success depends on our ability to recruit, retain, develop and advance qualified personnel. Our success is dependent on the contributions of our highly skilled and experienced workforce. Our business depends on our ability to recruit, retain, develop and advance a qualified, inclusive and diverse workforce at all levels **, including sufficient personnel to develop, implement and operate new technologies** . Our ability to recruit qualified personnel is affected by the available pool of workers with the training and skills necessary to fill the available positions, the impact on the labor supply because of general economic conditions and our ability to offer competitive compensation and benefit packages. **Since** ~~Beginning in~~ 2021 ~~and during 2022~~ , we **have** experienced an increasingly competitive labor market and labor shortages at our North America operations. **The tight** ~~As a result of this~~ labor ~~shortage~~ **market** , **hiring** ~~we hired~~ more contract workers ~~in 2022~~ , ~~which~~ **and** increased **competition from other employers in North America continue to represent strategic challenges that are increasing** our costs **, reducing efficiency, impacting production and our ability to further expand current mining rates and will impact the timing of future developments in North America** . If we fail to recruit, retain, develop and advance qualified, inclusive and diverse personnel necessary for the efficient operation of our business, ~~this~~ **we** could **continue to face labor challenges, which may** result in **, but are not limited to,** decreased profitability, **further decreases to** productivity and efficiency, **ongoing** safety performance challenges, and the **further** delay of current and potential development projects, any of which may have a material adverse effect on our performance. Development projects are inherently risky and may require more capital and have lower economic returns than anticipated, and the ~~operation and~~ development of our underground mines are also subject to other unique risks. Mine development projects typically require a number of years and significant expenditures during the development phase before production is possible. There are many risks and uncertainties inherent in all development projects including, but not limited to, unexpected or difficult geological formations or conditions **and environmental challenges** , potential delays (including the ability and timeframe to obtain permits, or because of weather, social or political unrest ~~and~~ **or any** major public health crisis), cost overruns, availability of economic sources and reliable access to water, power and infrastructure, lower levels of production during ramp- up periods, shortages of ~~material~~ **materials** or labor, construction defects, equipment breakdowns and injuries to persons and property **, social acceptance of such projects by communities and Indigenous Peoples, partner alignment and efficient and profitable operation of mature properties. Creating and maintaining an inventory of projects depends on many factors and although we devote significant time and resources to our project planning, approval and review processes, many of our development projects are highly complex and rely on factors that are outside of our control, which may cause the actual time and capital required to complete a development project and operating costs after completion to exceed our estimates, especially in periods of high inflation** . All of our copper and gold production in Indonesia comes from underground mining in the Grasberg minerals district. The ~~operation and~~ development of our underground mines is also subject to other unique risks including, but not limited to, underground fires or floods, ventilating harmful gases, fall- of- ground accidents, and seismic activity resulting from unexpected or difficult geological formations or conditions ~~. For example~~ , **which** we experience ~~mining induced seismic activity~~ from time to time in the Grasberg minerals district. While we anticipate taking all measures that we deem reasonable and prudent in connection with the development of our underground mines to safely manage production, there can be no assurance that these risks will not cause schedule delays, revised mine plans, injuries to persons and property, or increased capital costs, any of which may have a material adverse impact on our cash flows, results of operations and financial condition. **Refer** ~~Additionally, although we devote significant time and resources~~ to **Items 1.** ~~our project planning, approval~~ and ~~review processes, many~~ **2. " Business and Properties " and MD & A for further discussion** of **PT- FI' s development of the**

Kucing Liar deposit in the Grasberg minerals district and our **other** development projects ~~are highly complex and rely on factors that are outside of our control, which may cause the actual time and capital required to complete a development project to exceed our estimates~~ . **We** ~~Exploration is highly speculative, and our exploration activities~~ may not **be able** ~~result in additional discoveries~~ to ~~replace~~ **maintain or grow our** mineral reserves. Our existing mineral reserves will be depleted over time by production from our operations. Because our profits are primarily derived from our mining operations, our ability to replenish our mineral reserves is essential to our long- term success. Depleted mineral reserves can be replaced in several ways, including expanding known ore bodies, reducing operating costs that could extend the life of a mine by allowing us to cost-effectively process ore types that were previously considered uneconomic, ~~by~~ **investing in and advancing new technologies (such as our leaching innovation initiatives),** locating new deposits or acquiring interests in mineral reserves from third parties. Exploration is highly speculative in nature, involves many risks and uncertainties, requires substantial capital expenditures **(which may differ significantly from those estimated)** and, in some instances, advances in processing technology, and is frequently unsuccessful in discovering significant mineral resources since new, large, long- life deposits are increasingly scarce. Accordingly, our current or future exploration programs may not result in the discovery of additional deposits that can be produced profitably. Even if significant mineral resources are discovered, it will likely take many years from the initial phases of exploration until commencement of production, during which time the economic feasibility of production may change. We may not be able to discover, enhance, develop or acquire mineral reserves in sufficient quantities to maintain or grow our current reserve levels, which could negatively affect our cash flows, results of operations and financial condition. Estimates of mineral reserves and mineral resources are uncertain and the volume and grade of ore actually recovered may vary from our estimates. Our estimates of mineral reserves and mineral resources have been prepared in accordance with the disclosure requirements of Subpart 1300 of U. S. Securities and Exchange Commission (SEC) Regulation S- K. There are numerous uncertainties inherent in mineral estimates. Such estimates are, to a large extent, based on assumed long- term prices for the commodities we produce, primarily copper, gold and molybdenum, and interpretations of geologic data obtained from drill holes and other exploration techniques, which may not necessarily be indicative of future results. Our mineral estimates are based on the latest available geological and geotechnical studies. We conduct ongoing studies of our ore bodies to optimize economic values and to manage risk. We revise our mine plans and estimates of recoverable proven and probable mineral reserves as required in accordance with the latest available studies. Geological assumptions about our mineral resources that are valid at the time of estimation may change significantly when new information becomes available. Estimates of mineral reserves, or the cost at which we anticipate the mineral reserves will be recovered, are based on assumptions, such as metal prices and other economic inputs. Changes to such assumptions may require revisions to mineral reserve estimates which could affect our asset carrying values and may also negatively impact our future financial condition and results. Until mineral reserves are actually mined and processed, the quantity of ore and grades must be considered as an estimate only. In addition, if the market prices for the commodities we produce decline from assumed levels, if production costs increase or recovery rates decrease, or if applicable laws and regulations are adversely changed, there can be no assurance that the indicated level of recovery will be realized or that mineral reserves can be mined or processed profitably. If we determine that certain of our estimated recoverable proven and probable mineral reserves have become uneconomic, this may ultimately lead to a reduction in our aggregate reported mineral reserves, which could have a material adverse effect on our business, financial condition and results of operations. Additionally, the term “ mineral resources ” does not indicate recoverable proven and probable mineral reserves as defined by the SEC. Estimates of mineral resources are subject to further exploration and evaluation of development and operating costs, grades, recoveries and other material factors, and, therefore, are subject to considerable uncertainty. Mineral resources do not meet the threshold for mineral reserve modifying factors, such as engineering, legal and / or economic feasibility, that would allow for the conversion to mineral reserves. Accordingly, there can be no assurance that the estimated mineral resources not included in mineral reserves will become recoverable proven and probable mineral reserves. The costs of compliance with environmental, health and safety laws and regulations applicable to our operations may constrain existing operations or expansion opportunities. Related permit and other approval requirements may delay or result in a suspension of our operations. Our operations are subject to extensive and complex ~~laws and regulations, including~~ environmental laws and regulations governing the generation, storage, treatment, transportation and disposal of hazardous substances; solid waste disposal; air emissions; wastewater discharges; remediation, restoration and reclamation of environmental contamination, including mine closures and reclamation; protection of endangered and threatened species and designation of critical habitats; and other related matters. These laws and regulations are subject to change and to changing interpretation by governmental agencies and other bodies vested with broad supervisory authority. As a mining company, compliance with environmental, health and safety laws and regulations is an integral and costly part of our business. In addition, we must obtain regulatory permits and approvals to start, continue and expand operations. Certain federal and similar state laws and regulations may expose us to joint and several liability for environmental damages caused by our operations, or by previous owners or operators of properties we acquired or are currently operating or at sites where we previously sent materials for processing, recycling or disposal. As discussed in more detail in the risk factor below relating to costs incurred for remediating environmental conditions on our properties that are no longer in operation, we have substantial obligations for environmental remediation on properties previously owned or operated by Freeport Minerals Corporation (FMC) and certain of its affiliates. Noncompliance with these laws and regulations could result in material penalties or other liabilities. In addition, compliance with these laws may from time to time result in delays in or changes to our development or expansion plans. Compliance with these laws and regulations imposes substantial costs, which we expect will continue to increase over time because of increased regulatory oversight, adoption of increasingly stringent environmental standards, and other factors. New or revised environmental regulatory requirements are frequently proposed, many of which have resulted and may in the future result in substantially increased costs for our business, including those regarding financial obligations. Regulations have been considered at various governmental levels to increase financial responsibility requirements for mine closure and reclamation **. Federal regulations obligating additional hazardous air pollutant controls at our Miami, Arizona smelter are also under consideration** . Adoption of such environmental regulations or more stringent application of existing regulations may materially increase our costs, threaten certain operating activities and constrain our expansion opportunities. In addition, there can be no assurance that restrictions relating to conservation will not have an adverse impact on expansion of our operations or not result in delays in project development, or constraints on exploration or operations in impacted areas. We have incurred and expect to incur environmental capital expenditures and other environmental costs (including our joint venture partners' shares) to comply with applicable environmental laws and regulations that affect our operations. The timing and amounts of estimated payments could change as a result of changes in regulatory requirements, changes in scope and costs of reclamation activities, the settlement of environmental matters and the rate at which actual spending occurs on continuing matters. We are also subject to extensive regulation of worker health and safety. Our mines are inspected on a regular basis by government regulators who may issue citations and orders when they believe a violation has occurred under applicable mining regulations. If inspections result in an alleged violation, we may be subject to fines and penalties and, in instances of alleged significant violations, our mining operations or industrial facilities could be subject to temporary or extended closures. Many other governmental bodies regulate other aspects of our operations, and our failure to comply with these legal requirements can result in substantial penalties. In addition, new laws and regulations, including executive orders, or changes to or new interpretations of existing laws and regulations by courts or regulatory authorities occur regularly, but are difficult to predict. Any such variations could negatively impact the mining sector, including our business, substantially increase costs to achieve compliance or otherwise ~~could~~ have a material adverse effect on our cash flows, results of operations and financial condition. For additional information regarding the various regulations affecting us, see Items 1. and 2. " Business and Properties **.** " ~~of this annual report on Form 10- K.~~ We incur significant costs for remediating environmental conditions on **or related to** properties that have not been operated in many years. FMC and its subsidiaries, and many of their affiliates and predecessor companies, have been involved in exploration, mining, milling, smelting and manufacturing in the U. S. for more than a century. Activities that occurred in the late 19th century and the 20th century prior to the advent of modern environmental laws were not subject to environmental regulation and were conducted before U. S. industrial companies fully understood the long- term effects of their operations on the surrounding environment. Companies like FMC are now legally responsible for remediating hazardous substances released into the environment on or from properties owned or operated by them as well as properties where they arranged for disposal of such substances, irrespective of when the release into the environment occurred or who caused it. That liability is often asserted on a joint and several basis with other prior and subsequent owners, operators and arrangers, meaning that each owner or operator of the property is, and each arranger may be, held fully responsible for the remediation, although in many cases some or all of the other responsible parties no longer exist, do not have the financial ability to respond or cannot be found. As a result, because of our acquisition of FMC, many of the subsidiary companies we now own are potentially responsible for a wide variety of environmental remediation projects throughout the U. S., and we expect to spend substantial sums annually for many years to address those remediation issues. We are also subject to claims where the release of hazardous substances is alleged to have ~~damaged~~ **resulted in injury, destruction or loss of** natural resources. At December 31, ~~2022~~ **2023** , we had more than ~~100~~ **80** active remediation projects in ~~24~~ **22** U. S. states. In addition, FMC and certain affiliates and predecessor companies were parties to agreements relating to the transfer of businesses or properties that contained indemnification provisions relating to environmental matters, and from time to time these provisions become the source of claims against us. Our environmental obligation estimates are primarily based upon: • Our knowledge and beliefs about complex scientific and historical facts and circumstances that in many cases occurred many decades ago; • Our beliefs and assumptions regarding the nature, extent and duration of remediation activities that we will be required to undertake and the estimated costs of those remediation activities, which are subject to varying interpretations; and • Our beliefs regarding the requirements that are imposed on us by existing laws and regulations and, in some cases, the clarification of uncertain regulatory requirements that could materially affect our environmental obligation estimates. Significant adjustments to these estimates are likely to occur in the future as additional information becomes available. The actual environmental costs may exceed our current and future accruals for these costs, and any such changes could be material. In addition, remediation standards imposed by the U. S. Environmental Protection Agency and state environmental agencies have generally become more stringent over time and may become even more stringent in the future. Imposition of more stringent remediation standards, particularly for arsenic and lead in soils, poses a risk that additional remediation work could be required at our active remediation sites and at sites that we have already remediated to the satisfaction of the responsible governmental agencies, and may increase the risk of toxic tort litigation. Refer to Items 1. and 2. " Business and Properties " and Note 12 for further discussion of our environmental obligations. We face increasing, complex and changing regulatory and stakeholder **and other third- party** expectations relating to our climate and energy transition plans, which may adversely affect our business. Further, we may not be able to timely or successfully transition from fossil fuel sources for our significant energy needs, which may result in reputational damage. Our operations require significant energy, much of which is currently from fossil fuel sources and is obtained from third parties under long- term contracts. Energy represented **19** ~~approximately 21~~ % of our copper mine site operating costs in ~~2022~~ **2023** , and is expected to approximate ~~24~~ **20** % in ~~2023~~ **2024** . The principal sources of energy consumption at our mining operations are: diesel fuel, which powers mine trucks and other transportation equipment; purchased electricity, which powers core facilities and certain on- site metal processing operations; and coal and natural gas, which provides electricity at certain operations. Existing and proposed governmental conventions, laws, rules, regulations, policies and standards as well as existing and proposed voluntary disclosure standards and frameworks (both in the U. S. and internationally), including those related to climate ~~and~~ **change, carbon taxes or** greenhouse gas (GHG) emissions, may in the future add significantly to our operating costs, limit or modify our operations, impact the competitiveness of the commodities we produce, and require more resources to comply and remediate in response.

For additional information on climate change conventions, laws, regulations and standards applicable to FCX, refer to Items 1. and 2. “ Business and Properties **.** ” ~~. If we do not adapt to the expectations of stakeholders regarding a low- carbon future in a timely manner, it may result in reputational damage with key stakeholders, which can impact investor confidence, market value and access to, and cost of, capital.~~ In response to climate change and societal ~~and~~ **or** stakeholder demands for action, we have announced 2030 GHG emissions reduction targets and a 2050 net zero aspiration, **each of** which will result in additional costs to us, the totality of which we cannot currently estimate with accuracy, and we cannot guarantee that we will be able to achieve any current or future GHG emissions targets or aspirations. While we strive to transition to more renewable power sources for our mining operations, as a commercial consumer of power, our ability to reduce our GHG emissions associated with our power consumption demand is dependent upon the mix of our suppliers and locally- available renewable energy resources at our various sites **, including our ability to successfully develop renewable energy projects and negotiate power purchase agreements** . The transition to renewable and other energy sources could, among other things, increase our capital expenditures, **and** operating and energy costs, depending on the scope, magnitude and timing of increased regulation of fossil- fuel based energy production, including GHG emissions, as well as the availability of alternative energy sources. In certain aspects of our operations, our ability to reduce our GHG emissions is directly dependent on the actions of third parties and technological solutions and innovation, and our ability to make significant, rapid changes in our GHG emissions in response to potential future regulations may be limited. For example, our diesel- fueled haul trucks are a significant contributor to GHG emissions at our North America and South America operations **. We are evaluating options for the electrification of our haul trucks** , but reduction of emissions from such haul trucks will depend upon the development and availability of commercially viable alternative- fueled mining equipment by our third- party suppliers. At our remote **mining** operations in Indonesia, ~~we~~ **PT- FI** ~~own~~ **owns** and ~~operate~~ **operates** a coal- fired power plant ~~,~~ and ~~our~~ **is advancing plans to transition its existing energy source from coal to liquefied natural gas by planning investments in a new gas- fired combined cycle facility. Our** ability to transition to commercially viable alternative sources of energy **across our operations globally** will depend on, among other things, additional studies, technological considerations and permit approvals **. Even if we do implement new technologies, our stakeholders and other third parties may not be satisfied with our approach to reducing our GHG emissions. For further information, see the risk factor below relating to the increasing scrutiny and evolving expectations from stakeholders and other third parties, including creditors, with respect to our ESG practices, performance and disclosures** . The physical impacts of climate change may adversely affect our mining operations, workforce, communities, **biodiversity and ecosystems,** supply chains and customers, which may result in increased costs. We recognize that as the climate changes, our operations, workforce, communities **, biodiversity and ecosystems** , supply chains and customers may be exposed to changes in the frequency, intensity and / or duration of intense storms, drought, flooding (including from sea level rise at our coastal operations), wildfire, and other extreme weather events and patterns (such as extreme heat). Such potential physical impacts of climate change on our operations are highly uncertain ~~,~~ and would vary by operation based on particular geographic circumstances. ~~At~~ **For example, at** many of our mine sites, climate change is projected to impact local precipitation regimes, resulting in shorter- duration, higher- intensity storm events, and the potential for less precipitation overall. We could face increased operational costs associated with managing additional volumes of storm water during more intense future events, including supply disruption, delays, damage to or inaccessibility of our facilities and increased pricing of consumables and components we purchase. In addition, the potential for overall decreases in precipitation could affect the availability of water needed for our operations, leading to increased operating costs, or in extreme cases, disruptions to our mining operations. For additional information regarding risks relating to availability of water **and operational risks inherent in mining** , see related risk ~~factor~~ **factors** above. Increasing scrutiny, action and evolving expectations from stakeholders **and other third parties** with respect to our ESG practices, performance, commitments and disclosures may impact our reputation, increase our costs and impact our access to capital or business strategy. Stakeholder **and other third- party** scrutiny related to our ESG practices, commitments, performance and disclosures continues to increase **and evolve** . We have adopted certain policies and programs, including with respect to responsible production frameworks, climate change, water stewardship, biodiversity and land management, tailings management and stewardship, waste management, safety and health, human capital management, human rights, social performance and community and Indigenous Peoples relations, political activity and spending practices, and supply chains / responsible sourcing. It is possible, however, that our stakeholders **and other third parties** might not be satisfied **or even disagree** with our ESG practices, goals, initiatives, commitments, performance and / or disclosures, or the speed of their adoption, implementation and measurable success ~~. At the same time, certain stakeholders might not be satisfied that we have adopted ESG goals, initiatives and commitments at all~~ . If we do not meet our stakeholders **’ and other third parties** ’ evolving expectations, including any failure or perceived failure to achieve our stated goals and targets or industry standards or any allegations that our stated goals or targets should be altered, our reputation, access to and cost of capital, business strategy and stock price could be negatively impacted. Investor advocacy groups, certain institutional investors, investment funds, creditors and other influential investors are increasingly focused on our ESG practices and in recent years have placed increasing importance on the ESG implications of their investments and lending decisions. Organizations that provide information to investors and financial institutions on ESG performance and related matters have developed quantitative and qualitative data collection processes and ratings processes for evaluating companies on their approach to ESG matters. Such ratings are used by some investors to inform their investment and voting decisions. In addition, many investors have created their own proprietary ratings that inform their investment and voting decisions. Unfavorable ratings or assessment of our ESG practices, including our compliance with certain voluntary disclosure standards and frameworks, may lead to negative investor sentiment toward us, which could have a negative impact on our stock price and our access to and cost of capital. Similarly, many financial institutions are increasingly incorporating ESG ratings or assessments into their credit risk assessments, and screen companies based on their ESG practices and performance when making lending decisions. If we are unable to meet the

ESG lending criteria set by our creditors or are required to take certain remediation steps to satisfy such criteria, our access to capital on terms we find favorable may be limited and our costs may increase. As we continue to focus on our ESG practices, goals, initiatives, commitments, performance and disclosures, and as ESG- related **laws and** regulations and voluntary disclosure standards and frameworks continue to evolve, we have expanded our public disclosures in these areas **. Refer to Items 1. and 2. " Business and Properties " for additional information on ESG conventions, laws, regulations and standards applicable to FCX** . Such disclosures may reflect goals, aspirations, commitments, cost estimates and other expectations and assumptions, including over long timeframes, which are necessarily uncertain and may not be realized. Further, the voluntary disclosure standards or frameworks we choose to align with are evolving and may change over time and our interpretation of such disclosure standards and frameworks may differ from those of others, either of which may result in a lack of consistent or meaningful comparative data from period to period and / or significant revisions to our goals and aspirations or reported progress in achieving such goals and aspirations. Ensuring that there are adequate systems and processes in place to comply with the various ESG tracking and disclosure obligations **, or to respond to business partners or other affiliates in our value chain that have requested, or may in the future request, ESG- related data or information from us to meet their disclosure obligations,** will require management' s time and expense. If we do not adapt to or comply with ~~investor or~~ stakeholder **or other third parties** expectations, including with respect to evolving ESG disclosure standards and frameworks, or if we are perceived to have not responded appropriately, regardless of whether there is a legal requirement to do so, we may suffer from reputational damage and our business, financial condition, cost of capital and / or stock price could be materially ~~and~~ adversely affected. In addition, our customers ~~and~~ **,** end users **and other third parties** may require that we implement certain additional ESG procedures or standards before they will start or continue to do business with us, which could lead to preferential buying based on our ESG practices compared to our competitors' ESG practices. Further, being associated with activities by **business partners** ~~suppliers, contractors~~ or other affiliates that have or are perceived to have individual or cumulative adverse impacts on the environment, climate, biodiversity and land management, water access and management, human rights or cultural heritage could negatively affect our reputation and impose additional costs. Failure or the perceived failure to manage our relationships with the communities and / or Indigenous Peoples where we operate or that are near our operations could harm our reputation and social license to operate. Our relationships with the communities and / or Indigenous Peoples where we operate or that are adjacent to or near our operations are critical to the long- term success of our existing operations and the development of any future projects. There is ongoing and increasing stakeholder **and other third- party** concern relating to a company' s social license to operate and the perceived effects of mining activities on the environment and on communities impacted by such activities. We may engage in activities, such as exploration, production, construction or expansion of our operations that have or are perceived to have adverse impacts on the local communities and their relevant stakeholders, society as a whole, Indigenous Peoples, cultural heritage, human rights and the environment, **including land management and associated biodiversity,** among other things. For example, our operations may take place on or adjacent to Indigenous Peoples' ancestral lands, and such Indigenous Peoples may assert rights to the lands where we operate. Further, we may be required or expected by our stakeholders **and other third parties** to consult with and / or obtain consent from Indigenous Peoples with respect to these operations. **We also may be required to demonstrate our capacity to protect ecosystems through improved practices and technological solutions to maintain our social license to operate, or to obtain such social license to operate for future development projects or expansions.** In addition, our assets are generally long- lived and stakeholders' perceptions and expectations can change over the life of the mine. Changes in the aspirations and expectations of local communities and / or Indigenous Peoples where we operate, with respect to our employee health and safety performance and our contributions to infrastructure, community development, environmental management **, including land management and associated biodiversity,** and other factors could affect our social license to operate and reputation, and could lead to delays and / or increased costs if expansions or new projects are blocked either temporarily or for extended periods. Failure to effectively engage with communities on an ongoing basis, including the withdrawal of consent or support of Indigenous Peoples, ~~or~~ other stakeholders **or other third parties** , could adversely impact our business, damage our reputation and / or result in loss of rights to explore, operate or develop our projects. Our holding company structure may impact our ability to service our debt, declare dividends, and repurchase shares and debt. We are a holding company with no material assets other than the capital stock and intercompany receivables of our subsidiaries. As a result, our ability to service our indebtedness, pay dividends, and repurchase shares and debt is dependent on the generation of cash flows by our subsidiaries and their ability to make such cash available to us, by dividend, loan, debt repayment or otherwise. Our subsidiaries do not have any obligation to make funds available to us to service our indebtedness, pay dividends, or repurchase shares and debt. Dividends from subsidiaries that are not wholly owned are shared with other equity owners. Cash at our international operations is also typically subject to foreign withholding taxes upon repatriation into the U. S. In addition, our subsidiaries may not be able to, or be permitted to, make distributions to us or repay loans to us, to enable us to service our indebtedness, pay dividends, or repurchase shares and debt. Each of our subsidiaries is a distinct legal entity and, under certain circumstances, legal restrictions, as well as the financial condition and operating requirements of our subsidiaries, may limit our ability to obtain cash from our subsidiaries. Certain of our subsidiaries are parties to credit agreements that restrict their ability to make distributions or loan repayments to us if such subsidiary is in default under such agreements, or to transfer substantially all of the assets of such subsidiary without the consent of the lenders. Our rights to participate in any distribution of our subsidiaries' assets upon their liquidation, reorganization or insolvency would generally be subject to the prior claims of the subsidiaries' creditors, including any trade creditors. As more fully described in Note 10, during 2021, our Board of Directors (Board) adopted a performance- based payout framework, which currently includes base and variable dividends and a share repurchase program. Our ability to continue to pay dividends (base or variable) and the timing and amount of any share repurchases is at the discretion of our Board and management, respectively, and is subject to a number of factors, including ~~maintaining~~ **not exceeding** our net debt target, capital availability, our financial results, cash requirements, global economic conditions, changes in laws, contractual restrictions and other factors deemed relevant by our Board or management, as applicable. Repurchases of our common stock under our repurchase program are discretionary up to the Board- approved limit, and our share repurchase program may be modified, increased, suspended or terminated at any time at the Board' s discretion. Our dividend payments and share repurchases may change, and there can be no assurance that we will continue to declare dividends or repurchase shares at all or in any particular amounts. A reduction or suspension in our dividend payments or share repurchases could have a negative effect on the price of our common stock. Anti- takeover provisions in our charter documents and Delaware law may make an acquisition of us more difficult. Anti- takeover provisions in our charter documents and Delaware law may make an acquisition of us more difficult. These provisions may discourage potential takeover attempts, discourage bids for our common stock at a premium over market price or adversely affect the market price of, and the voting and other rights of the holders of, our common stock. These provisions could also discourage proxy contests and make it more difficult for stockholders to elect directors other than the candidates nominated by the Board. Refer to Exhibit 4. 1 for further discussion of our anti- takeover provisions. Further, our By- Laws provide to the fullest extent permitted by law that unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware (or, if the Court of Chancery does not have, or declines to accept, jurisdiction, the U. S. District Court for the District of Delaware) will be the sole and exclusive forum for any (i) derivative action or proceeding brought on our behalf, (ii) action asserting a claim that is based upon a violation of a duty by any of our current or former directors, officers, employees or stockholders in such capacity, (iii) action asserting a claim arising pursuant to any provision of the Delaware General Corporation Law or to which the Delaware General Corporation Law confers jurisdiction upon the Court of Chancery of the State of Delaware, (iv) action asserting a claim governed by the internal affairs doctrine, or (v) action asserting an " internal corporate claim " as that term is defined in Section 115 of the Delaware General Corporation Law. The exclusive forum provision may increase costs to bring a claim, discourage claims or limit a stockholder' s ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers or other employees, which may discourage such lawsuits against us or our directors, officers and other employees. Alternatively, if a court were to find the exclusive forum provision contained in our By- Laws to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions. The exclusive forum provision in our By- ~~laws~~ **Laws** will not preclude or contract the scope of exclusive federal or concurrent jurisdiction for actions brought under the federal securities laws including the Securities Exchange Act of 1934, as amended, or the Securities Act of 1933, as amended, or the respective rules and regulations promulgated thereunder. In addition, because we are incorporated in Delaware, we are governed by the provisions of Section 203 of the Delaware General Corporation Law, which may prohibit large stockholders from consummating a merger with, or acquisition of, us. These provisions may deter an acquisition of us that might otherwise be attractive to our stockholders.