

Global Reporting Initiatives**Reporting Period: January 1, 2007-December 31, 2007**

In January of 2005, 16 leading mining and metals companies comprising the [International Council on Mining and Metals \(ICMM\)](#) agreed to report on their sustainable development performance using the [GRI Sustainability Reporting Framework](#), including the [Mining and Metals Sector Supplement](#).

The [Global Reporting Initiative \(GRI\)](#) is a multi-stakeholder process and independent institution whose mission is to develop and disseminate globally applicable Sustainability Reporting Guidelines.

The [International Council on Mining and Metals \(ICMM\)](#) is a CEO-led organization dedicated to sustainable development and to the vision of a viable mining, minerals and metals industry widely recognized as essential for modern living and a key contributor to sustainable development.

The 2007 report by Freeport-McMoRan Copper & Gold Inc. (FCX) is in accordance with the GRI 2002 Sustainability Reporting Guidelines and the [Mining and Metals Sector Supplement](#). FCX is a company incorporated in the state of Delaware, U.S.A. where its common stock, preferred stock and senior notes are publicly traded on the New York Stock Exchange. Our common stock trades on the New York Stock Exchange under the symbol "FCX."

FCX is a leading international mining company with headquarters in Phoenix, Arizona. FCX operates large, long-lived, geographically diverse assets with significant proven and probable reserves of copper, gold and molybdenum. FCX has a dynamic portfolio of operating, expansion and growth projects in the copper industry and is the world's largest producer of molybdenum. The company's portfolio of assets includes the Grasberg Minerals District, the world's largest copper and gold mine in terms of recoverable reserves; significant mining operations in the Americas, including the large scale Morenci and Safford minerals districts in North America and the Cerro Verde and El Abra operations in South America; and the potential world-class Tenke Fungurume development project in the Democratic Republic of Congo.

On November 19, 2006, FCX and Phelps Dodge Corporation announced that they had signed a definitive merger agreement whereby FCX would acquire Phelps Dodge for approximately \$25.9 billion in cash and stock. The shareholders of both companies approved the transaction on March 13 and 14, 2007.

On March 19, 2007, we completed the acquisition of Phelps Dodge Corporation, creating the world's largest publicly traded copper company, the world's largest producer of molybdenum and a significant gold producer.

The acquisition transformed Freeport-McMoRan Copper & Gold Inc. into a dynamic industry leader and combined the assets and technical teams of two great companies. These assets will deliver significant copper volumes to an attractive market, providing substantial cash flows that will enable us to invest in attractive growth projects and build value for shareholders.

The new Freeport-McMoRan Copper & Gold Inc., with operations and projects in the Americas, Indonesia and Africa, has one of the most exciting portfolios of operating, expansion and growth projects in the copper mining industry.

Note: FCX, as a founding member of ICMM, is committed to superior business practices in sustainable development. We have committed to implement the ICMM Sustainable Development Framework and comply with policy statements of the ICMM Council; details are given in our [2007 Working Toward Sustainable Development report](#), available on our website. The ICMM Sustainable Development Framework comprises four elements: a set of 10 Principles, supported by public reporting in accordance with Global Reporting Initiative (GRI) guidelines, independent assurance, and a commitment to sharing good practice. FCX is fully committed to the Global Reporting Initiative (GRI).

The left-hand column of the report indicates which of the [10 ICMM Principles](#) corresponds to each item within the GRI report.

Freeport McMoRan Copper and Gold Inc (FCX)

VERIFICATION STATEMENT

The 2007 Working Toward Sustainable Development (WTSD) and GRI Reports of Freeport McMoRan Copper & Gold, Inc. (FCX) have been prepared by the management of FCX who are responsible for the collection and presentation of information in these reports.

Scope

Matrix+ Consulting UK Limited, in accordance with FCX management's instructions, was asked to perform:

- verification of selected performance data reported at selected sites and at head office;
- review of statements made in the WTSD report regarding FCX's SD processes and achievements in 2007; and
- an assessment of the status of the 2007 GRI report in relation to the GRI (2002) guidelines.

Key Findings

Based on our review, its scope and limitations:

- We found no evidence that GRI Indicator data provided in Section 4 of the FCX 2007 GRI Report have been improperly collated from information reported at an operational level, or materially misstated at Group level.
- We are not aware of any misstatements made in respect of the qualitative information provided in section 4 of the FCX 2007 GRI report.
- We are not aware of any misstatements made in the WTSD report regarding FCX's SD processes and achievements in 2007.
- Nothing has come to our attention that causes us to refute FCX's management's statement that their GRI reporting is in accordance with the 2002 GRI Guidelines.

The audit identified some areas in FCX's reporting process that could be enhanced in order to underpin the transparent, accurate and complete reporting of performance. These have been identified in the Management Report submitted to FCX.

Methodology

Verification of Selected Performance Data

The following sampling of selected indicators and selected sites formed the basis of the data verification.

1. An assessment was carried out to evaluate the risk of misstating reported information at group level for quantitative indicators reported in Part 4 of the FCX GRI Report. Indicators considered were core, additional and mining supplement indicators. The assessment looked at site level reported performance data for GRI indicators and considered materiality in the context of group level reported information. On this basis certain indicators were selected for verification activities at four predetermined sites. The assessment methodology was based on the AS/NZS 4360:2004 Risk Management standard.
2. Verification priority at site level was applied to the indicators posing a higher risk of group level reporting misstatement, and supplemented by sampling of parameters with a lower risk ranking. Calculations and spreadsheets were viewed and interrogated to obtain an understanding of the consistency of the reporting processes and to test the accuracy of the aggregation processes for high priority indicators. Interviews were held with various site level representatives of FCX.
3. Sites visited were as follows:
 - Grasberg Mine, Papua, Indonesia (FCX largest operational site in Asia)
 - Cerro Verde Mine, Arequipa, Peru (FCX largest operational site in South America)
 - Morenci Mine, Arizona, USA (FCX largest operational site in North America)
 - Sierrita Mine, Arizona, USA (FCX North American site)

4. Data reporting, collection and consolidation processes were further reviewed at the Head Office in Phoenix, Arizona, USA. This involved senior management interviews and documentation reviews in support of group reported information.

Review of Qualitative Statements in GRI Report and WTSD

Qualitative statements made in the FCX 2007 GRI report part 4 were reviewed and selectively tested for accuracy through management interviews and selected document reviews.

Statements made in the WTSD report regarding FCX's SD processes and achievements in 2007 were also reviewed and selectively tested for accuracy through management interviews and selected document reviews. Case studies identified in early drafts of the WTSD report for the sites visited were reviewed during those site visits.

Assessment of Status of the FCX 2007 GRI Report

The verifiers undertook an 'In Accordance' check of the FCX 2007 GRI report against the requirements of the 2002 GRI Guidelines.

Limitations of the Verification

This verification has been carried out by checking samples of information and documents that have been made available during the period of verification activity by FCX.

Quantitative data verification was limited to data reported in Part 4 of the FCX GRI report. It did not cover other quantitative data, for example, in the WTSD report.

Information provided that has been deemed to be independently verified by other third parties has been considered to be appropriately verified, and was not subjected to re-verification by Matrix+ Consulting.

Our evidence gathering procedures have been designed to obtain a limited level of assurance on which to base our conclusions. This is less than that of a reasonable assurance engagement (such as a financial audit) and therefore a lower level of assurance is provided.

The scope of our work was limited to a sample of 4 operational site visits and a Head Office visit, out of a total number of 13 operating sites.

The review of qualitative information in the FCX2007 GRI Report (sections 1 to 4) and in the WTSD report was undertaken on a limited interview and sampling basis.

This verification applies to FCX's Global Reporting Initiative 2007 report which is posted on the company's website on August 25, 2008 and to the 2007 WTSD report dated August 15, 2008. It does not extend to any updates that may be posted after this date.

The verification statement provided by Matrix+ Consulting is not intended to be used as advice or as the basis for any decisions, including, without limitation, financial or investment decisions.

Statement of Independence

The independence of our team has been reviewed and none of the Matrix+ Consulting assessors involved in this project presents a conflict of interest to the integrity of this verification statement.

Matrix+ Consulting UK

August 2008

Global Reporting Initiatives

ICMM Principle	GRI Indicator	Description of GRI Indicator
	1	Vision and Strategy
	1.1	<p>Statement of the organization's vision and strategy regarding its contribution to sustainable development. Freeport-McMoRan Copper & Gold Inc. is one of the world's largest producers of essential metals and the world's largest publicly traded copper company. The world needs the metals we produce to sustain and expand economies and to build infrastructure in developing nations. Fulfilling this need for our products must be balanced with the social and environmental concerns of our neighbors and partners so that, in meeting the needs of the current generation, we do not compromise the ability of future generations to meet their own needs.</p> <p>We have identified a range of sustainability issues that are particularly significant for our industry and for the geographic areas in which we operate. The top material issues we face are: land rights and compensation; economic contributions to localities including employment and training; energy efficiency; water conservation; tailings management; legacy liabilities; industrial fatalities; artisanal and illegal mining; and human rights and security.</p> <p>Our vision and strategy regarding our contribution to sustainable development includes engaging with stakeholders to understand the scope and potential impacts of these issues and the responsible and vigilant management of these challenges, from the mitigation of negative impacts to the facilitation of positive outcomes.</p> <p><u>Economic</u></p> <p><i>Land Rights and Compensation</i> At our largest mine, Grasberg in Indonesia, we have negotiated agreements with the two local ethnolinguistic groups most affected by our mining operations to provide payments to the communities in recognition of land rights. At the new development in the Tenke and Fungurume areas of the Katanga Province, Democratic Republic of Congo, we worked with local residents to negotiate resettlement and compensation of affected households. <i>(See page 7 of the company's 2007 WTSD Report)</i></p> <p><i>Economic Contributions to Localities</i> Our major mining operations provide jobs and economic stimulus for the communities where we operate. We recognize this can have a significant impact on the community when mining operations cease, but our closure plans include working with communities to support development of stable local economies and thus minimize adverse impacts at the end of mine life. <i>(See page 8 of the company's 2007 WTSD Report)</i></p> <p>Local employment and human resources development and training are priority issues across our global operations. We also have a strong Social, Employment and Human Rights policy, in which we commit to prioritize employment of local people and provide training opportunities in communities where the local population does not yet have the required skills. Our commitment to the development of local human resources is particularly evident in our Indonesia operations and this model is being applied across other areas of our operations. <i>(See page 27 of the company's 2007 WTSD Report).</i></p> <p><u>Environmental</u></p> <p><i>Energy Efficiency</i> Because energy is a large component of our operating costs, we are investing in technologies to improve energy efficiency in our mining and processing operations. Though we expect our total energy use to continue to expand as our operations grow, we are committed to improving energy efficiency, which is our primary means of reducing greenhouse gases and meeting our ICMM Climate Change commitments. We report our efforts annually to the Carbon Disclosure Project. <i>(See page 11 of the company's 2007 WTSD Report)</i></p>

Water Conservation

Water is essential to human life, and it is also integral for mining and ore processing operations. Water rights in Arizona have been subject to litigation for decades. Water levels in our Chilean well fields are declining, mandating investments in new sources. Individual sites maintain continuous improvement programs, based on ISO 14001 environmental management systems for managing water resources and water use conservation practices.

(See page 13 of the company's 2007 WTSD Report)

Tailings Management

The largest volume waste generated at our mine sites are the tailings – particles of rock remaining after the economically valuable minerals are removed from the ore. Tailings management areas can be visible to the public at our operations sites, including Papua, Indonesia; Climax, Colorado; Sierrita and Morenci, Arizona; and at our Chino mine in New Mexico. Some of these areas can generate dust during severe wind conditions. These solids are handled in accordance with site-specific management plans.

(See page 20 of the company's 2007 WTSD Report)

Legacy Liabilities

We are involved in remediation at many legacy sites for which we are responsible around the United States. These sites managed hazardous substances in the past, prior to today's environmental laws and without the current understanding of the potential environmental impact of historic waste management practices. As of December 31, 2007, our environmental remediation liabilities were \$1.3 billion on a present value basis. Management of these legacy liabilities will require significant human and financial resources.

The issue of legacy liabilities is a major issue that FCX recently inherited following the merger with Phelps Dodge in March 2007. This issue involves the historic environmental impacts of long-closed mining and smelting operations, most of which were never operated by FCX/Phelps Dodge. The main stakeholders affected by this issue are local communities and governments surrounding the legacy sites. FCX is committed to addressing the issues regarding these legacy sites by taking corrective actions and engaging with local stakeholders to collect their input and keep them informed of the Company's activities.

(See page 25 of the company's 2007 WTSD Report)

Social

Industrial Fatalities

Meeting our Operational Health and Safety targets and maintaining high professional standards are key priorities, particularly working towards our target of zero industrial fatalities. The stakeholders most affected by this issue are our employees and their families. We have a strict Safety and Health Policy in place to ensure that our occupational health and safety standards are met and our performance is measured.

(See page 31 of the company's 2007 WTSD Report)

Artisanal and Illegal Mining

Artisanal mining is a major issue for emerging economies and mining industries that work in them. The stakeholders most affected are local communities, employees and their families, and the Company. The local communities and employees are most affected due to the population influx drawn by artisanal mining opportunities and the potential environmental and health risks caused by dangerous mining practices and the use of unauthorized toxic substances. These substances could contaminate the surrounding environment and adversely affect the stakeholders, as well as the Company, who could be blamed for environmental damage we have not caused. To address these risks in Indonesia, FCX has developed the Panners' Task Force. Please see MM 08 for more information.

(See page 43 of the company's 2007 WTSD Report)

		<p><i>Human Rights and Security</i> The issue of human rights and security affects all of our operations and areas surrounding them. The stakeholders most affected by this issue are our employees and their families and local communities because they are the ones who live close to our operations. We have in place a stringent Social, Employment and Human Rights Policy in order to ensure that this issue does not present major problems, and we are signatories to the U.S. State Department-British Foreign Voluntary Principles of Security and Human Rights. We also strive to maintain positive relationships with host government security apparatuses to further ensure the safety of our affected stakeholders. <i>(See page 44 of the company's 2007 WTSD Report)</i></p> <p><i>Stakeholder engagement</i> All stakeholders are important to us, and we strive to engage all of them so that they have accurate information on the activities of our Company. FCX takes seriously all legitimate concerns and issues raised by our stakeholders. We spend extensive time and effort engaging with stakeholders to understand the scope and potential impacts of these issues, to identify alternative measures to address them and to implement such measures. Please see the stakeholder section of this report for more detailed information of how we engage with our stakeholders. <i>(See page 40 of the company's 2007 WTSD Report)</i></p> <p>We also address many of our main sustainability issues in our business strategies. Our Principles of Business Conduct sets a high standard for our business practices, committing our Company to the highest level of ethical and legal conduct in all of its business operations. In addition, we have a number of strong policies which aid us in continuing our good practices. These policies include our Environmental Policy, our Health and Safety Policy, and our Social, Employment and Human Rights Policy. In order to supplement these policies, we develop site level implementation plans which ensure our compliance with our policies and help to address site-specific issues.</p> <p>In addition, we are signatories to a number of external frameworks which aid in addressing our issues. These include the Sustainable Development Framework of the International Council of Mining and Metals, the U.S. State Department-British Foreign Voluntary Principles for Security and Human Rights, and the Extractive Industries Transparency Initiative. <i>(See page 3 of the company's 2007 WTSD Report)</i></p> <p>Please refer to our 2007 Working Toward Sustainable Development report, available on our website (www.fcx.com) for more information about our main sustainability issues we face and how we plan to address them.</p>
2	1.2	<p>Statement from the CEO describing the organization's vision and strategy regarding its contribution to sustainable development. The new Freeport-McMoRan Copper & Gold Inc. – created by our acquisition in March 2007 of Phelps Dodge Corporation – is the world's largest publicly traded copper company. We now have major mining operations in North and South America, Southeast Asia and a project under development in Africa. We also have significant, geographically diverse reserves and development projects. This is reflected in our 2007 Freeport-McMoRan Copper & Gold Annual Report, which is titled "A World of Assets/A World of Opportunities."</p> <p>We recognize that success in our global operations and development projects is dependent on "social license" – our ability to earn and maintain the goodwill of local communities wherever we operate. To accomplish this, we engage with local communities to identify their needs and concerns and commit to programs to address them. Some of these commitments are site-specific, while others are global. For that reason, we have entitled our Annual Working Toward Sustainable Development Report, "A World of Commitments."</p> <p>The world needs the metals we produce to sustain and expand economies and build infrastructure in developing nations. Yet we know that fulfilling this need for our products must be balanced against social and environmental concerns so that, in meeting the needs of the current generation, we do not compromise the ability of future generations to meet their own needs. This is the core concept of "sustainable development" and the underlying premise of our commitments.</p>

We are strongly dedicated to working toward sustainable development by minimizing and mitigating our environmental impacts and maximizing the beneficial economic and social results wherever we operate. We realize that sustainable development is particularly challenging for the mining industry because mining operations have significant environmental and social impacts and are focused on a finite resource at each location that will eventually be depleted. Yet we embrace sustainable development as our duty as a responsible corporate citizen and as prudent business practice, because it helps ensure healthy communities.

The acquisition of Phelps Dodge Corporation by Freeport-McMoRan Copper & Gold Inc. combined two companies with strong core values concerning environmental protection and mitigation and the support of local communities where we operate. We have strong Environmental and Social, Employment and Human Rights policies. We have updated and broadened our Principles of Business Conduct – a system of shared values and consistent principles that guides our management and employees in the conduct of our business. We are taking steps to ensure that our commitments detailed in these policies are fully implemented throughout our worldwide operations. As part of the integration of the two companies, we have set in motion a management review of our sustainable development programs and performance to identify the most effective management structure to fulfill our commitments.

We are taking the strengths of both the former Freeport-McMoRan and Phelps Dodge operations and applying them throughout our operations, to the overall benefit of the combined company. The lessons the former Freeport-McMoRan learned about dealing with complex social issues at its Grasberg Mine in Papua, Indonesia are being applied to the development of community programs at the new Tenke Fungurume Mine in the Democratic Republic of Congo. The cutting-edge scientific work underway at the former Phelps Dodge's Process Technology Center in Arizona is now helping develop cost-effective, environmentally sound and less energy intensive processes we can apply company-wide.

Our efforts to fulfill our commitment to sustainable development are carried out through numerous programs globally – supporting schools and scholarships; training the first female heavy equipment operators in Papua and Congolese engineers at our U.S. mining operations; applying the human rights training, healthcare and small business development programs we developed in Papua to our operations in the Democratic Republic of Congo; supporting plans for a new water treatment plant for communities in Peru, and bridges and airstrips to end the isolation of remote communities in Papua; protecting and repatriating threatened land kangaroos in Papua and bighorn sheep in Arizona; abiding by environmental regulations, including long-term reclamation projects, wherever we operate; shouldering the responsibility of environmental remediation at U.S. sites of problems we did not create, but are now solving.

Ours is not a static commitment through rigid programs. We are committed to continuous improvement in our sustainable development performance. We assess our programs annually in search of better ways to achieve our goals and conduct periodic third-party audits to gain fresh insight and ideas.

One of the most important areas where we seek continual improvement is the safety of our employees. We know that the strength of our operations and programs depends on the hard work of our employees and their safety is our highest priority. Our 2007 safety statistics are better than the U.S. average, but, regretfully, our company recorded five worker fatalities during the year. This is saddening and totally unacceptable. Our commitment is to zero workplace fatalities. We have ordered a top-to-bottom review of our safety programs globally to find ways to improve our performance. Partly as a result of this refocus and recommitment, PT Freeport Indonesia achieved its first-ever company-wide 5-Star Rating for 2007, the highest rating achievable under the National Occupational Safety Association (NOSA) standards. Despite this fine achievement, we are saddened by the loss of co-workers and are committed more strongly than ever to our goal of zero workplace fatalities.

Our 2007 Global Reporting Initiative Report is the first GRI report as a combined company and has third party assurance. This report has been prepared in accordance with the 2002 GRI *Guidelines and Mining and Metals Sector Supplement*. It represents a balanced and reasonable presentation of our organisation's economic, environmental, and social performance. Our 2007 Working Toward Sustainable Development Report is the first such report for the new Freeport-McMoRan Copper &

		<p>Gold Inc., which resulted from the combination of the former Freeport-McMoRan and Phelps Dodge operations. Producing these reports has been a complex undertaking, in part because the integration of the two companies is still taking place and in part because these are the first sustainable development and GRI reports ever done on the former Phelps Dodge operations.</p> <p>For that reason, we make the same commitment regarding these reports that we make for all our sustainable development programs – to seek continual improvement.</p> <p>Respectfully yours,</p> <p>Richard C. Adkerson President and Chief Executive Officer <i>(See page 1 of the company's 2007 WTSD Report)</i></p>
10	2	Profile for 2007
10	2.1	Name of Reporting Organization: Freeport-McMoRan Copper & Gold Inc. (NYSE: FCX).
10	2.2	Major products and/or services: FCX operates large, long-lived, geographically diverse assets with significant proven and probable reserves of copper, gold and molybdenum. FCX has a dynamic portfolio of operating, expansion and growth projects in the copper industry and is the world's largest producer of molybdenum. The company's portfolio of assets includes the Grasberg mining complex, the world's largest copper and gold mine in terms of recoverable reserves, significant mining operations in the Americas, including the large scale Morenci and Safford minerals districts in North America and the Cerro Verde and El Abra operations in South America, and the potential world-class Tenke Fungurume development project in the Democratic Republic of Congo.
10	2.3	Operational structure of the organization: The FCX Corporate Headquarters is based in Phoenix, Arizona. Each major operating subsidiary has an on-site management team (Link to page 24 of 2007 Annual Report).
10	2.4	<p>Description of major divisions, operating companies, subsidiaries, and joint ventures: FCX conducts its operations through its subsidiaries, PT Freeport Indonesia (PT-FI), PT Puncakjaya Power, PT Irja Eastern Minerals, Atlantic Copper, S.A., and Phelps Dodge Corporation.</p> <p>PT-FI's operations in the Indonesian province of Papua include exploration and development, mining and milling of ore containing copper, gold, and silver, and the worldwide marketing of concentrates containing those minerals. PT Puncakjaya Power supplies power to PT-FI's operations. PT Irja Eastern Minerals conducts mineral exploration activities in Papua.</p> <p>Atlantic Copper, FCX's wholly owned subsidiary in Huelva, Spain, and PT Smelting, PT-FI's 25-percent-owned smelter facility in the Indonesian province of East Java, are engaged in the smelting and refining of copper concentrates.</p> <p>Phelps Dodge Corporation is split up into operations in the Americas and Africa.</p> <p>FCX has a number of joint venture agreements. Please refer to Section 2.9.2 for full details.</p>
10	2.5	Countries in which the organization's operations are located: FCX's significant operations in 2007 included the United States, Indonesia, Peru, Chile, the Democratic Republic of Congo, Spain, The Netherlands, and the United Kingdom.
10	2.6	<p>Nature of ownership; legal form: FCX is a publicly traded company that owns directly and indirectly:</p> <ul style="list-style-type: none"> - 90.64% of the outstanding stock of PT-FI (Indonesia); - 100% of the outstanding stock of PT Indocopper Investama (Indonesia); - 100% of the outstanding stock of Atlantic Copper, S.A. (Spain); - 25% of the outstanding stock of PT Smelting (Indonesia); - 57.75% of the outstanding stock of Tenke Fungurume Mining (Dem. Rep. of Congo); - 100% of the outstanding stock of USA mines (except Morenci, which is 85%); - 53.56% of the outstanding stock of Cerro Verde (Peru); - 80% of the outstanding stock of Candelaria and Ojos de Salado (Chile); and - 51% of the outstanding stock of El Abra (Chile).
10	2.7	Nature of markets served: Smelters and refineries worldwide. FCX is also a worldwide supplier of copper rod and wiring, supplying about half of the North American market.
10	2.8	Scale of the reporting organization:

2.8.1 Number of employees: As of December 31, 2007, we employed over 25,400 people to sustain our global operations.

- PT-FI (Indonesia) had 9,774 employees, and 10,845 contract workers.
- South America had 3,878 employees (including 2,240 in Chile and 1,638 in Peru), and 5,202 contract workers.
- North America (U.S. operations) totaled 11,082 employees and 2,733 contract employees.
- Europe had 729 employees (including 572 at Atlantic Copper, 74 at Rotterdam, and 83 at Stowmarket), and 13 contract workers.

Note: It is important to point out that employee turnover (particularly contractors) is high and these figures fluctuate regularly).

2.8.2 Products produced/services offered (quantity or volume):
PT-FI (net of Rio Tinto's interest): 1.2 billion pounds of recoverable copper, 2.2 million ounces of recoverable gold, and 3.6 million ounces of recoverable silver
Atlantic Copper: 12,525 metric tons of anodes and 256,100 metric tons of cathodes
North America: 1.3 billion pounds of copper, 69 million pounds of molybdenum
South America: 1.4 billion pounds of copper, 0.1 million ounces of gold
Total: 3.9 billion pounds of copper, 2.3 million ounces of gold, 70.0 million pounds of molybdenum
(Link to page 2 of 2007 Annual Report, Operating Data).

2.8.3 Net sales: FCX revenues for 2007 were \$16,939 billion ([Link to 'summary financial highlights' of 2007 Annual Report](#)).

2.8.4 Total capitalization broken down in terms of debt and equity: Debt as of December 31, 2007, was \$7,221 million; equity as of December 31, 2007, was \$18,234 million ([Link to 'summary financial highlights' of 2007 Annual Report](#)).

2.8.5 Value added:

	North America	South America	Indonesia	Europe
Value Added (Billions)	\$2.8 billion	\$2.7 billion	\$3.6 billion	\$0.1 billion

2.8.6 Total Assets: FCX assets as of December 31, 2007 were \$40,661 million ([Link to page 182 of 2007 10-K Report](#)).

2.8.7 Sales/Revenues by countries: FCX revenues attributable to various countries based on the location of the customer were: United States \$6.480 billion; Japan \$2.479 billion; Indonesia \$2.105 billion; Spain \$1.773 billion; and others \$4.102 billion ([Link to page 107 of 2007 Annual Report](#)).

2.8.8 Costs by country/region: FCX Site Production and Delivery costs in 2007 were \$1.388 billion for total Indonesia mining operations; \$6.292 billion for North American mining operations; \$1.278 billion for South American mining operations; \$2.329 billion for Atlantic Copper smelting and refining. After eliminations, FCX total site production & delivery costs were \$ 8.527 billion ([Link to page 106 of FCX 2007 Annual Report](#)).

2.9

List of stakeholders, key attributes of each, and relationship to the reporting organization:

2.9.1 Shareholders and providers of capital: As of December 31, 2007, we had 382 million shares of FCX Common Stock outstanding. Three organizations owned 5% or more of FCX Common Stock as of December 31, 2007: Atticus Capital LP, Goldman Sachs & Co., and FMR LLC.

During 2007, FCX engaged in a number of financing activities ([Link to page 106-108 of 2007 10-K Report](#)).

2.9.2 Joint Venture Partners:
PT Freeport Indonesia: In 1996, PT-FI established joint ventures with Rio Tinto, an international mining company with headquarters in London, England. One joint venture covers PT-FI's mining operations in Block A and gives Rio Tinto, through 2021, a 40 percent interest in certain assets and future production exceeding specified annual amounts of copper, gold and silver in Block A and, after

2021, a 40 percent interest in all production from Block A ([Link to page 83 of 2007 Annual Report](#)).

Morenci: We own an 85 percent interest in Morenci, and 15 percent is owned by affiliates of Sumitomo Corporation. Each partner takes in kind its share of Morenci's production.

Cerro Verde: We have a 53.56 percent interest in Cerro Verde. The remaining 46.44 percent is held by SMM Cerro Verde Netherlands B.V. (21.0 percent), Compañía de Minas Buenaventura S.A.A. (18.5 percent), and other shareholders whose shares are publicly traded on the Lima Stock Exchange (6.94 percent).

Candelaria: We have an 80 percent interest in Candelaria. The remaining 20 percent interest is owned by affiliates of the Sumitomo Corporation.

Ojos del Salado: We have an 80 percent interest in Ojos del Salado. The remaining 20 percent interest is owned by affiliates of the Sumitomo Corporation.

El Abra: We have a 51 percent interest in El Abra. The remaining 49 percent interest is held by the state-owned copper enterprise Corporación Nacional del Cobre de Chile (CODELCO).

Tenke Fungurume: We have an effective 57.75 percent interest in the concessions, and are the operator of the project. The remaining ownership interests are held by Tenke Mining Corp. (TMC), which is owned by Lundin Mining Corporation (24.75 percent) and La Generale des Carrieres et des Mines (Gecamines), which is wholly owned by the Government of the DRC (17.5 percent). We are responsible for funding 70 percent of project development costs and, at our joint venture partner's election, we are also responsible for financing our partner's share of project overruns of more than 25 percent of the feasibility study cost estimates. Tenke Fungurume is believed to be the largest undeveloped, high-grade copper/cobalt project in the world today.

PT Smelting: PT Freeport Indonesia, Mitsubishi Materials Corporation, Mitsubishi Corporation and Nippon Mining & Metals Co., Ltd., own 25 percent, 60.5 percent, 9.5 percent and 5 percent, respectively, of the outstanding PT Smelting common stock. In accordance with the joint venture agreements, PT Freeport Indonesia provides the majority of PT Smelting's copper concentrate requirements. In December 2003, PT Smelting's shareholder agreement was amended to eliminate PT Freeport Indonesia's assignment of its earnings in PT Smelting to support a 13 percent cumulative annual return to the other owners for the first 20 years of operations. PT Freeport Indonesia's total investment in PT Smelting through December 31, 2007, was \$101 million. During 2007, PT Smelting treated 976,300 metric tons of concentrate and produced 277,100 metric tons of new copper anodes and 256,900 metric tons of copper cathodes.

2.9.3 Communities: FCX is committed to building and maintaining positive relationships with our neighbors, in particular the communities closest to our areas of operation. Our Working Toward Sustainable Development Report provides detailed descriptions of our community programs and the relationships we have with the community stakeholders surrounding our operations ([Link to 2007 WTSD Report](#)).

2.9.4 Suppliers:

- PT-FI does business with over 2000 suppliers. These suppliers are broken down by country as follows: Australia 27%; Singapore 22%; Indonesia 32%; United States 12%; Other 7%.
- Atlantic Copper does business with over 350 suppliers of materials and over 700 suppliers of services. These are broken down by country/region as follows: Materials – Spain 73%; Other Europe 17%; Oceania 10%; Services – Spain 85%, Other Europe 14%, Asia 1%.
- North America is conducting business with over 9,000 suppliers. Suppliers are broken down by country as follows: USA – 95.3%, Canada – 2%, South Africa – 0.4%, Others – 2.4%
- South America is conducting business with over 5,000 suppliers. Suppliers are broken down by country as follows: Chile – 55.6%, Peru – 36.4%, USA – 4.6%, Canada – 0.7%, Others – 2.7%

2.9.5 Trade unions: Through its operating subsidiaries, FCX strives to maintain harmonious working relationships with its workers.

PT-FI workers are represented by a government-sanctioned union, the All Indonesia Chemical, Energy and Mining Workers Union Unit (PUK SP KEP SPSI).

Workers in North America are represented by the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union (United Steelworkers), and the International Union of Electronic, Electrical, Salaried, Machine and Furniture Workers - Communications Workers of America (IUE-CWA).

Workers in Chile are represented by Sindicato de Trabajadores de Compañía Contractual Minera Candelaria (Union of Contractual Mining Company Candelaria), Sindicato de Trabajadores de Compañía Contractual Minera Candelaria Mina (Union of Contractual Mining Company Candelaria – Mine), Sindicato San Lorenzo de Trabajadores de Empresa SCM El Abra (San Lorenza Union Contractual Mining Society El Abra), and Sindicato de Trabajadores Sociedad Contractual Minera El Abra (Union of Contractual Mining Company El Abra). Workers in Peru are represented by Sindicato Unico de Trabajadores de Sociedad Minera Cerro Verde S.A.A. (Single Union Mining Cerro Verde Society).

Atlantic Copper workers are represented by a committee of 17 members, nine from the Comisiones Obreras (Workers Commission) and eight from the Union General de Trabajadores (General Workers Union). Both unions operate at national level.

Management in all companies work closely with labor representatives on an ongoing basis to discuss matters of importance and resolve issues.

2.9.6 Government Organizations: We conduct mining operations in the United States, Chile, Peru, Indonesia and the Democratic Republic of Congo. These operations are regulated by national and provincial agencies in the areas of mining and minerals exploration, environmental impacts, labor, occupational health and safety, trade and financial affairs.

As a contractor to the Government of Indonesia, PT-FI is regulated by various government agencies, including the Ministry of Mines and Energy, the Ministry of Environment, and others.

In the United States, our operations are regulated by Federal, State, County, and Local Authorities, including the US Environmental Protection Agency, US Department of Interior, the US Army Corp of Engineers, State Mining and Environmental Protection Authorities, the Mine Safety and Health Administration (MSHA), the Occupational Safety and Health Administration (OSHA) and the National Institute for Occupational Safety and Health (NIOSH) among others.

In Chile, we are supervised by the Ministry of Mines, through several of its agencies, such as the Servicio Nacional de Geología y Minería (National Service of Mining and Geology) and the Comisión Chilena del Cobre (Chilean Copper Commission); the Ministry of Environment, through the Comisión Nacional del Medio Ambiente (National Commission of the Environment and its regional branches); and the Public Works Ministry, through the Dirección General de Aguas (national water authority).

In Peru, we are supervised by the Ministry of Energy and Mines, through OSINERGMIN (the Oversight Organization for Energy and Mining Investment), and both the Central and Regional Environmental Office.

2.9.7 Non-Governmental Organizations: All of FCX and its subsidiaries strive to work harmoniously with various non-governmental organizations and to respond to questions and criticisms appropriately. FCX maintains ongoing dialogue with a number of international, national and local NGOs, and partners with NGOs in many of our community development and social programs. These (NGO) groups generally include (but are not limited to):

- Health & safety groups
- Human rights groups
- Churches / religious organizations
- Educational organizations
- Social service organizations (such as those that serve children, women, the elderly, etc.)
- Social justice groups
- Economic development groups

10	2.10	<p>Contact Person for the report: William L. Collier 1615 Poydras Street New Orleans, Louisiana, 70112, USA Email: Bill_Collier@fmi.com Telephone: 504-582-4000 Fax: 504-582-4936</p>
10	2.11	Reporting Period: January 1, 2007-December 31, 2007
10	2.12	Date of most recent previous report: FCX filed a GRI report for 2006 in which certain critical data elements and assertions were verified by a third party consultant.
10	2.13	<p>Boundaries of report: This report matches the full range of economic, environmental, and social impacts of the FCX organization for 2007. This includes our significant operations in Chile, Indonesia, Peru, Europe, and the United States. FCX also has a developing operation in the Democratic Republic of Congo, which is not covered in this 2007 report, but will be included in the FCX GRI report when it goes into operation</p> <p>Note: Please see indicator 2.15 for more information regarding the boundaries of this report.</p>
10	2.14	<p>Significant changes in size, structure, ownership, or products/services that have occurred since the previous report: There has been a significant change from FCX's 2006 GRI report to its 2007 report. On November 19, 2006, FCX and Phelps Dodge Corporation announced that they had signed a definitive merger agreement whereby FCX would acquire Phelps Dodge for approximately \$25.9 billion in cash and stock. The shareholders of both companies approved the transaction on March 13 and 14, 2007.</p> <p>On March 19, 2007, we completed the acquisition of Phelps Dodge Corporation, creating the world's largest publicly traded copper company, the world's largest producer of molybdenum and a significant gold producer.</p> <p>This 2007 GRI Report incorporates the new Freeport-McMoRan, with operations and projects in the Americas, Indonesia, Europe and Africa. The company's portfolio of assets includes the Grasberg Minerals District, the world's largest copper and gold mine in terms of recoverable reserves; significant mining operations in the Americas, including the large scale Morenci and Safford minerals districts in North America and the Cerro Verde and El Abra operations in South America; and the potential world-class Tenke Fungurume development project in the Democratic Republic of Congo.</p>
10	2.15	<p>Basis for reporting on joint ventures, partially owned subsidiaries, leased facilities, outsourced operations, and other situations, that can significantly affect comparability from period to period and/or between reporting organizations: This report provides information net of our Joint Venture partner's interest for all of our company financial data. For all operations that we are the majority owner (all reported to in this report) we assume operating responsibility and do not prorate our social and environmental data based on joint ventures.</p> <p>FCX reports on a consolidated level which includes all subsidiaries (wholly and partially owned).</p> <p>FCX acquired Phelps Dodge in 2007 which significantly affects comparability from period to period.</p>
10	2.16	<p>Explanation of the nature and effect of any re-statements of information provided in earlier reports and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods): There are no re-statements in this report.</p>
Report Profile		
10	2.17	Decisions not to apply GRI principles or protocols in the preparation of the report: FCX applied GRI principles and protocols in the preparation of this report.
10	2.18	Criteria/definitions used in any accounting for economic, environmental, and social costs and benefits: 2007 results were consolidated using historic definitions for FCX and the former Phelps Dodge. Consistent definitions will be developed for 2008.
10	2.19	Significant changes from previous years in the measurement methods applied to key economic, environmental, and social information: As a result of the acquisition on March 19 th 2007, there were a number of measurement methods changed to ensure that all data was gathered uniformly across the global operations. Some financial data is reported as of the date of the acquisition (3/19/07) through 12/31/07. We have made note of any variances in measurement.
10	2.20	Policies and internal practices to enhance and provide assurance about the accuracy, completeness, and reliability that can be placed on the sustainability report. This includes internal management systems, processes, and audits that management relies on

		to ensure that reported data are reliable and complete with regard to the scope of the report: FCX engages both internal and external auditors to ensure financial responsibility and robust controls. In addition, we commit to regular audits to assess our compliance, management systems, and practices. These audits have taken place and the results of external audits have been reported publicly. Additionally, FCX has engaged a third party consultant who has verified certain critical data and assertions included in this report.
10	2.21	Policy and current practice with regard to providing independent assurance for the full report: FCX has engaged a third party to provide independent assurance that this report has been prepared in accordance with GRI Guidelines. This report has been prepared based on the Global Reporting Initiative's (GRI) 2002 Sustainability Reporting Guidelines and the GRI Mining and Metals Sector Supplement. For this year's report, certain critical data and assertions made in the report have been subject to independent assurance as defined in the assurance statement (see beginning of report).
10	2.22	Means by which report users can obtain additional information and reports about economic, environmental, and social aspects of the organization's activities, including facility-specific information (if available): Additional information is available through the Company's web site: www.fcx.com , which also contains information on contacting Company representatives, as well as the company's annual Working Towards Sustainable Development (WTSD) Report, also available on the website.
1	3	Structure and Governance
1	3.1	Governance structure of the organization, including major committees under the board of directors that are responsible for setting strategy and for oversight of the organization. Describe the scope of responsibility of any major committees and indicate any direct responsibility for economic, social, and environmental performance: As of December 31, 2007, the FCX Board of Directors consisted of 16 members. We also have one emeritus director who does not vote. Our board held seven meetings during 2007. In accordance with our corporate governance guidelines, non-management directors met in executive session at the end of each regularly scheduled board meeting. The chair of executive session meetings rotates among the chairpersons of the four standing committees (discussed below), except as the non-management directors may otherwise determine for a specific meeting. Our board has four standing committees: an Audit Committee (5 meetings in 2007), a Corporate Personnel Committee (7 meetings in 2007), a Nominating and Corporate Governance Committee (2 meetings in 2007), and a Public Policy Committee (4 meetings in 2007). Each committee operates under a written charter adopted by the board. Our committee charters are available on our web site at www.fcx.com . During 2007, each of our directors attended at least 75% of the aggregate number of board and applicable committee meetings, with the exception of Mr. McCoy. Directors are invited but not required to attend annual meetings of our stockholders. Mr. Adkerson attended the last annual meeting of stockholders (Link to page 3 of 2007 Proxy).
1	3.2	Percentage of the board of directors that are independent, non-executive directors. State how the board determines "independence:" On the basis of information solicited from each director, and upon the advice and recommendation of the Nominating and Corporate Governance Committee, the board has affirmatively determined that nine of its sixteen members as of December 31, 2007 had no material relationship with the company and are thus independent within the meaning of our corporate governance guidelines, which comply with the New York Stock Exchange (NYSE) director independence standards as currently in effect. Further, the board has determined that each of the members of the audit, corporate personnel, and nominating and corporate governance committees has no material relationship with the company and is independent within the meaning of our corporate governance guidelines, which adopt the heightened statutory and NYSE independence standards applicable to audit committee members (Link to page 5 of 2007 Proxy).
1	3.3	Process for determining the expertise board members need to guide the strategic direction of the organization, including issues related to environmental and social risks and opportunities: In evaluating nominees for membership on the board, the Nominating and Corporate Governance Committee applies the board membership criteria set forth in our corporate governance guidelines. Under these criteria, the committees take into account many factors, including personal and professional integrity, general understanding of our industry, corporate finance and other matters relevant to the successful management of a large publicly traded company in today's business environment, educational and professional background, independence, and the ability and willingness to work cooperatively with other members of the board and with senior management. The committee evaluates each individual in the context of the board as a whole, with the objective of recommending nominees who can best perpetuate the success of the business, be an effective director in conjunction with the full board, and represent stockholder interests through

		the exercise of sound judgment using their diversity of experience in these various areas.								
	3.4	<p>Board-level processes for overseeing the organization’s identification and management of economic, environmental, and social risks and opportunities: The Public Policy Committee (PPC) has Primary responsibility for assisting the Board of Directors in fulfilling the Board’s oversight responsibilities with respect to the Company’s (1) environmental policy and implementation programs, (2) governmental and community relations and information programs, (3) social, employment, and human rights policies and practices, (4) health and safety programs, and (5) charitable and philanthropic contributions.</p> <p>The PPC meets at least three times annually or more frequently if deemed appropriate. The Public Policy Committee met four times in 2007. The chairperson of the PPC presides at each meeting and, in consultation with the other members of the PPC and management, sets the agenda for each meeting. The PPC may request that any directors, officers, or employees of the Company, or other persons whose advice and counsel are sought by the PPC, attend any meeting of the PPC to provide information as the PPC requests, but the PPC reserves the right in its discretion to meet at any time in executive session. The Committee delivers regular reports of its activities to the Board. The Committee keeps written minutes of its meetings, which minutes are available to every member of the Board of Directors. The full scope and charter of the Public Policy Committee is available on our web site at: http://www.fcx.com/ir/corp_governance.htm</p>								
1	3.5	<p>Linkage between executive compensation and achievement of the organization’s financial and nonfinancial goals (e.g., environmental performance, labor practices): Our company’s executive compensation philosophy is to ‘pay for performance’ by providing our executives with high reward opportunities for high corporate performance, which includes our performance in the areas of the environment, safety and human rights.</p> <p>Although objective criteria are reviewed, our corporate personnel committee does not apply “hard metrics” to every decision regarding executive compensation. We have a small group of executive officers, and the committee’s decisions regarding salary levels and grant amounts (in the form of annual incentive awards and long-term incentive awards) reflect the committee’s views as to the broad scope of responsibilities of our executive officers and the committee’s subjective assessment of their significant impact on the company’s overall success.</p> <p>Executive officer compensation for 2007 included base salaries, annual incentive awards (paid in cash and restricted stock units), stock options, long-term incentive awards, and personal benefits and perquisites. The following chart summarizes our reasons for paying each element of compensation:</p> <table border="1"> <thead> <tr> <th><u>Component of Compensation</u></th> <th><u>Summary and Purpose of the Component</u></th> </tr> </thead> <tbody> <tr> <td><i>Base Salaries</i></td> <td>Base salaries provide fixed compensation to our executives. Each executive officer’s base salary is based on his or her level of responsibility. The base salary of Mr. Moffett is contractually set through December 31, 2009, and the base salaries of Mr. Adkerson and Ms. Quirk are contractually set through January 1, 2012, pursuant to their employment agreements.</td> </tr> <tr> <td><i>Annual Incentive Awards</i></td> <td>Annual cash incentives are a variable component of compensation designed to reward our executives for maximizing annual operating performance. The aggregate plan funding amount for the annual cash awards is based on our net cash provided by operating activities, which we believe is a significant measure of our company’s success. Our stockholders approved our annual incentive plan pursuant to which our executive officers receive annual awards.</td> </tr> <tr> <td><i>Long-Term Incentive Awards</i></td> <td>Long-term incentives are also a variable component of compensation intended to reward our executives for the company’s success in achieving sustained, long-term profitability and increases in stock value. We provide long-term incentive awards in the form of stock options (granted every three years) and performance units (granted annually), the combination of which provides a focus on:</td> </tr> </tbody> </table>	<u>Component of Compensation</u>	<u>Summary and Purpose of the Component</u>	<i>Base Salaries</i>	Base salaries provide fixed compensation to our executives. Each executive officer’s base salary is based on his or her level of responsibility. The base salary of Mr. Moffett is contractually set through December 31, 2009, and the base salaries of Mr. Adkerson and Ms. Quirk are contractually set through January 1, 2012, pursuant to their employment agreements.	<i>Annual Incentive Awards</i>	Annual cash incentives are a variable component of compensation designed to reward our executives for maximizing annual operating performance. The aggregate plan funding amount for the annual cash awards is based on our net cash provided by operating activities, which we believe is a significant measure of our company’s success. Our stockholders approved our annual incentive plan pursuant to which our executive officers receive annual awards.	<i>Long-Term Incentive Awards</i>	Long-term incentives are also a variable component of compensation intended to reward our executives for the company’s success in achieving sustained, long-term profitability and increases in stock value. We provide long-term incentive awards in the form of stock options (granted every three years) and performance units (granted annually), the combination of which provides a focus on:
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		<ul style="list-style-type: none"> • Stock price performance • Sustained profit performance, and • Executive ownership of our stock <p>The number of stock options and performance units granted to each executive officer is based on the executive officer's responsibilities. Our stockholders have approved these programs.</p>
		<p><i>Personal Benefits and Perquisites</i></p> <p>Our purpose in providing personal benefits and perquisites to our executive officers is to aid in the retention of executive talent.</p>
1	3.6	<p>Organizational structure and key individuals responsible for oversight, implementation, and audit of economic, environmental, social, and related policies. Include identification of the highest level of management below the board level directly responsible for setting and implementing environmental and social policies, as well as general organizational structure below the board level: The organizational structure and key individuals responsible for oversight, implementation, and audit of economic, environmental, social, and related policies are described in detail in the 2007 Annual Report and on the FCX web site at http://www.fcx.com/ir/bios.htm.</p>
1	3.7	<p>Mission and values statements, internally developed codes of conduct or principles, and policies relevant to economic, environmental, and social performance and the status of implementation: We recognize that economic need must be balanced with responsible social and environmental management so that, in meeting the demands of the present generation, we do not compromise the ability of future generations to meet their own needs. This is the core concept of sustainable development. At FCX, we embrace this responsibility both as our duty as corporate citizens and as a sound and prudent business practice. Working toward sustainable development in our business operations and programs helps ensure a healthy environment and communities in our areas of operation, which is vital to our future success.</p> <p>The acquisition of Phelps Dodge Corporation combined two companies with strong core values concerning environmental protection and impact mitigation and the support of local communities where we operate. We have well established Environmental and Social, Employment and Human Rights policies and are taking steps to ensure that our commitments detailed in these policies are fully implemented throughout our worldwide operations. Our key principles and policies are listed below.</p> <p>1. Principles of Business Conduct</p> <p>During 2007, FCX created a comprehensive ethics and business conduct program, which requires all employees to adhere to its global Principles of Business Conduct. The principles were not published until 2008 and implementation is in progress at all sites. The Principles consist of ethical standards established by the company and are consistent with applicable laws, including the U.S. Foreign Corrupt Practices Act (FCPA) and the Sarbanes-Oxley Act. FCX requires appropriate company personnel to certify their adherence to this policy on a regular basis. The Principles are translated into over seven languages, to help all employees become familiar with the requirements in their native language.</p> <p>Employees are required to notify company management of any activity, transaction or other information involving a suspected violation of the policy. Any reported incidents or concerns about violations or potential violations are investigated and resolved appropriately. We encourage employees to report concerns to their supervisors or compliance personnel and have established a third-party "hotline" reporting system that is being rolled out to the entire organization so that incidents and concerns can be reported anonymously.</p> <p>We conduct periodic training sessions for our managers, supervisors and other personnel, including contractors, so they can identify potential issues and know how to respond appropriately. FCX is also developing a web-based training course and corresponding DVD for new-hire orientation and to make additional training available on a regular basis. We also periodically review our policies and procedures to ensure that applicable legal requirements and expectations regarding corporate responsibility are met.</p>

		<p>2. Social, Employment and Human Rights Policy FCX's Social, Employment and Human Rights Policy aims to foster positive social and employment relationships in every area of operation and commits to continuous improvement of these relationships. Its intent is to ensure that operations are conducted in a manner consistent with the Universal Declaration of Human Rights and other applicable international standards of human rights, the laws and regulations of host countries in which FCX operates, and the culture of the people who are local to the Company's operational areas. It also commits FCX to work to be a partner in the social and economic development of the people in and around its areas of operation. The policy applies to all employees of FCX and operating affiliates. Employees of privatized and contractor companies doing business with the company must comply with this policy. Alternatively, they can implement a similar policy for their respective employees.</p> <p>The policy covers social interaction with the community, employee relations and the company's commitment and objectives for human rights and human rights and security. It also details company methods for reporting and annual certification on human rights.</p> <p>The policy is currently fully implemented at our operations in Atlantic Copper and Indonesia. The policy is currently being reviewed for application across all sites acquired from Phelps Dodge and may be revised as needed to increase clarity and strength of social, employment and human rights considerations and standards in various operating locations. Implementation of a revised policy will take place in 2008, but the main tenets of the existing policy are being monitored and upheld at all sites until a revised policy is implemented.</p> <p>3. Environmental Policy FCX's environmental policy aims to minimize impact of our operations on the environment and ensure compliance with applicable environmental statues and regulations. It also aims for continuous improvement of environmental performance. In order to achieve policy objectives, there are 12 environmental principles listed with which each operation must comply. The policy notes that environmental auditing is a key component of this policy and refers to the Environmental Auditing Policy for more information.</p> <p>The policy is currently fully implemented at our operations in Atlantic Copper and Indonesia. Implementation is in progress for the sites we inherited from Phelps Dodge in March 2007.</p> <p>4. Environmental Auditing Policy FCX's environmental auditing policy aims to determine whether our operations and practices are in compliance with regulatory requirements, company policies and procedures and accepted standards. It also ensures that we are assessing the effectiveness of our current environmental management systems and identifies risks. There are 7 environmental auditing goals which sites are expected to meet on an annual basis. In addition, all major operating facilities are to be internally audited at least every 2 years. External audits will be contracted when deemed appropriate.</p> <p>The policy is currently fully implemented at our operations in Atlantic Copper and Indonesia. Implementation is in progress for the sites we inherited from Phelps Dodge in March 2007.</p> <p>5. Safety & Health Policy Effective implementation of FCX's commitments and objectives as stated in its Safety & Health Policy has highest priority within the Company. FCX's objective is zero work place injuries and occupational illnesses. In addition, a fundamental tenet of this policy is the compliance with applicable internal and external safety and health standards. The statement requires that employees be provided suitable safety and health training and that they take individual responsibility for safety and health in the workplace. FCX commits to measure progress against regularly established benchmarks in order to attain our objectives. FCX will also hold all contractors accountable to the same level of safety as the Company. In addition, comprehensive health and safety audits are conducted on a regular basis.</p>
1	3.8	<p>Mechanisms for shareholders to provide recommendations or direction to the board of directors: Shareholders may deliver proposals for inclusion in the proxy statement to the Corporate Secretary, Freeport-McMoRan Copper & Gold Inc., One North Central Avenue, Phoenix, Arizona 85004. Shareholders may also present proposals at the annual meeting by submitting them in writing to our Corporate Secretary, at the above address, in accordance with the specific procedural</p>

requirements in our by-laws. The by-laws are accessible on our Corporate Governance web site at: http://www.fcx.com/ir/corp_governance.htm (Link to page 2 of 2007 Proxy).

Stakeholder Engagement

1 3.9 **Basis for identification and selection of major stakeholders:** FCX conducts an Environmental and Social Impact Assessment at the beginning of every new operation or expansion, which helps us identify and prioritize our major stakeholders. At existing locations, stakeholders are identified through a collaborative process with an internal team of people who have interactions with parties external to the organization. FCX defines a stakeholder as an individual or group of individuals with interests that may either affect, or be affected by, the Company's activities. After an initial list is developed, identified stakeholders are asked to suggest others who may have an interest in the project/operation. Our goal is to be inclusive in the identification and interaction with stakeholders. Due to the dynamic communities we operate in, we also periodically re-evaluate our stakeholder groups to ensure that we identify and recognize new stakeholders as they emerge.

FCX recognizes that stakeholders have an interest in the outcome of a particular project, including both those who are impacted by it (positively or negatively) and those who are able to influence it (positively or negatively). Stakeholders are drawn from within governmental institutions, the private sector and civil society. Stakeholders of each mining project are identified and can vary from project to project, but similar groups are likely to be involved. Stakeholders include, but are not limited to: company employees and their families, host governments and regulators, community and civic groups, advocacy groups, international development agencies, NGOs, universities and educational institutions, industry groups, ethical investment advisors and specially concerned or impacted groups (such as indigenous people, children or women).

3.10 **Approaches to stakeholder consultation reported in terms of frequency of consultations by type and by stakeholder group.**

An important part of our success is collaboration with stakeholders. We strive to foster open communication with our communities, consider their needs and concerns, and work together to develop thoughtful solutions.

Our involvement with our communities means more than just financial contributions or investments. Our goal is to be a leader in our communities, creating collaboration among multiple partner organizations and serving as a catalyst for positive change. We are striving to become more engaged in helping our communities develop long-term plans, programs and solutions that help increase their viability and plan for their future, regardless of the economic state of our business and industry.

We also realize that we must continuously maintain dialogues with local communities -- creating avenues for us to provide information about and explain the implications of issues regarding our operations and for local residents to be able to ask questions and express their views so we can achieve mutual understanding

Most of our operations around the world have various types of stakeholder engagement efforts such as formal community advisory/engagement panels, consultation activities, open house programs, facility tours and community information sessions. We also participate on numerous community boards, councils and committees. Some of our stakeholder engagement programs aim to share information openly with community constituents. Some focus on gathering input and addressing concerns. Others seek to serve as a forum for monitoring and collaborating on pressing community problems, and many have a combination of these goals.

Stakeholder group	Type and frequency of engagement
Local Community (including community groups)	<p><i>Indonesia:</i></p> <p>The Forum MOU 2000 is an agreement that PT Freeport Indonesia (PTFI) has signed with the Amungme and Kamoro tribal communities to establish a formal community advisory panel, which meets on a regular basis to discuss PTFI's community development programs and social commitments.</p> <p>PTFI's Community Liaison Officers (CLOs) are also responsible for building relationships with local communities. The CLOs</p>

			<p>conduct community information sessions on a regular basis and as needed regarding specific PTFI programs and activities. They also have offices in both the Highlands and Lowlands where community members can come to meet with them.</p> <p>PTFI also sits on the LPMak (Amungme and Kamoro Community Development Organization) Board of Commissioners and Board of Directors. LPMak is the Papuan community organization that manages the Freeport Partnership Fund for Community Development. The LPMak boards meet on a regular quarterly and semester basis, and PTFI uses this opportunity to engage with the LPMak stakeholders representing the local tribal communities, local governments, and local church organizations.</p> <p><i>South America:</i></p> <p>Chile – FCX engages with stakeholders with regard to specific operational impacts/projects – both mine sites in Chile have periodic meetings with communities to share information and address concerns.</p> <p>Peru - Community Outreach offices located near the mine are accessible to surrounding communities and the city of Arequipa. The office is open 5 days a week to receive community members' questions and concerns. Community meetings are also held periodically as needed to address specific issues.</p> <p><i>North America:</i></p> <p>Sites in the North America (U.S.) have a formal stakeholder engagement program model ("Community Partnership Panels") that allow the company to work cooperatively with the communities affected by our activities.</p> <p>The partnership panels facilitate a two-way dialogue to share information openly; identify, understand and address community questions and concerns and/or mitigate/avoid impacts; and work collaboratively on community development planning. Issues raised during Panel meetings are monitored and responded to and community development planning is used to inform the company's social investment decisions.</p> <p>Partnership Panel meetings are held at the frequency desired and determined by the stakeholder members. Three meet bi-monthly and two meet quarterly. Depending upon the activities of the Partnership Panel (in any given location) ad hoc meetings occur to address specific topics or projects.</p> <p>Community Partnership Panels are in place at the following sites. Partnership Panels planned for implementation are also indicated in italics.</p> <p><i>Active Mine Sites</i></p> <p>Bagdad Mine (Bagdad, AZ) Safford Mine (Safford, AZ) Sierrita Mine (Green Valley, AZ) <i>Chino & Tyrone (Hurley & Tyrone, NM) – planned for early 2009</i> <i>Miami Mine & Smelter (Miami, AZ) – planned for late 2008</i> <i>Morenci (Morenci, AZ) – planned for late 2008</i> <i>Climax (Leadville, CO) – planned for late 2008</i></p>
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			<p><i>Care & Maintenance Sites</i></p> <p>Ajo (Ajo, AZ) Bisbee (Bisbee, AZ)</p>
		Host governments (including local, regional, national)	<p><i>Indonesia:</i> PTFI has a Government Relations Department with offices in Mimika, Jayapura, and Jakarta, which deals with all local, regional and national government engagement. This engagement takes the form of regular meetings with government officials to exchange and update information on issues relating to mine operations and the surrounding area. PTFI also participates in planning meetings with the government to discuss and review local development plans, as well as present information about PTFI's social programs. PTFI also regularly hosts members of the Indonesian government to visit PTFI's operations, training, environmental, and social programs.</p> <p><i>South America:</i> Host governments are included in stakeholder engagement activities as described in the community section above. In addition, the company meets with government representatives on an as needed basis.</p> <p><i>North America:</i> Host governments are included in stakeholder engagement activities as described in the community section above. In addition, the company meets with government representatives on an as needed basis.</p>
		NGOs (including development agencies, educational institutions, civic organizations, ethical investment advisors)	<p><i>Indonesia:</i> PTFI meets regularly with the numerous local, national and international NGOs, aid agencies, and educational institutions working in or around our operations in Papua. PTFI has entered several MOUs and partnerships with these organizations to implement and coordinate community development programs. PTFI engages with local NGOs including LEMASA and LEMASKO (Amungme and Kamoro Tribal Foundations), YAHAMAK (Women and Human Rights Foundation), LPMK (Amungme and Kamoro Community Development Organization), among others. PTFI also engages regularly and has entered partnerships with local church organizations, including GKI, GKII, and the Catholic Church. PTFI has established MOUs with international aid agencies, such as USAID, and local universities including Cenderawasih University and the University of Papua. In addition, PTFI hosts NGOs and educational organizations to tour PTFI operations, social and environmental programs.</p> <p>PTFI has also established an independent Sustainable Development Advisory Council (SDAC), which is comprised of government, academic, and community leaders. The SDAC meets regularly to advise PTFI on social and environmental programs and policies.</p> <p><i>South America:</i> NGOs are included in stakeholder engagement activities as described in the community section above. In addition, the company/sites meet with NGOs and civic organizations on an as needed basis.</p>

		<p><i>North America:</i> NGOs are included in stakeholder engagement activities as described in the community section above. In addition, the company/sites meet with NGOs and civic organizations on an as needed basis.</p>	<p><i>FCX Corporate:</i> The FCX Corporate office engages regularly via reports, presentations and meetings with a range of NGOs, including ethical investment advisors who hold FCX shares. FCX also regularly provides information to ethical investor and other groups upon request.</p>
	Company employees	<p><i>Indonesia:</i> PTFI has an Industrial Relations Department which engages with company employees on a regular basis, and provides a formal mechanism for employees to place complaints or suggestions to the Company. In addition, PTFI has meetings with employees and their families on quality of life issues, health, and security as required.</p>	<p><i>South America:</i> The sites meet with employee groups as needed to address specific topics or issues. Employees are encouraged to share questions or concerns directly with their supervisors who work to resolve the questions/issues. Alternatively, employees can share concerns related to the company's values and conduct through the Principles of Business Conduct hotline.</p>
		<p><i>North America:</i> The sites meet with employee groups as needed to address specific topics or issues. Employees are encouraged to share questions or concerns directly with their supervisors who work to resolve the questions/issues. Alternatively, employees can share concerns related to the company's values and conduct through the Principles of Business Conduct hotline.</p>	
		<p>Going forward, our company-wide goal is to ensure that each of our operations globally has a formalized stakeholder engagement program through which community members and the local operation have the opportunity to work together to address impacts, concerns and priorities that affect the quality of life and sustainability of the local area. We are committed to ensuring that each site has the ongoing support, training and tools needed to improve our ability to identify and establish better methods and programs for engaging with and responding to our communities.</p>	
1	3.11	<p>Type of information generated by stakeholder consultations. Include a list of key issues and concerns raised by stakeholders and identify any indicators specifically developed as a result of stakeholder consultation:</p> <p>Primary issues raised by stakeholders are the same as those identified in 1.1. <i>(These include land rights and compensation; economic contributions to localities, including jobs; energy efficiency; water conservation; tailings management; legacy liabilities; industrial fatalities; artisanal and illegal mining; and human rights and security. Please see 1.1 for more details about these key issues).</i></p> <p>In addition to the issues raised in section 1.1, other issues commonly raised in site communities by stakeholders include:</p> <ul style="list-style-type: none"> - Reclamation of land - Dust, noise, water quality/impacts - Housing - Education & workforce training - Ability of mining to co-exist with other types of economies (tourism, etc.) 	

		<ul style="list-style-type: none"> - Preservation of cultural/historical structures associated with mining or other - Transparency – the desire for proactive information on a regular basis
1	3.12	<p>Use of information resulting from stakeholder engagements: All stakeholders are important to us, and we strive to engage all of them so that they have accurate information on the activities of our Company and its operations. FCX takes seriously all legitimate concerns and issues raised by its stakeholders.</p> <p>FCX believes that formally structured stakeholder engagement can lead to better decisions, and strives to create opportunities to involve key stakeholders in a cooperative relationship to accomplish positive outcomes.</p> <p>Stakeholder engagement has resulted in improving our best practices on site and strengthening our corporate-wide standards, policies and development programs. An example of this is our rigid policies and practices on human rights, and our education and workforce training programs implemented in Indonesia, North and South America. Most important, we are able to use information from stakeholder engagement to ensure that our operations and programs are designed in a manner which recognizes and respects the values, culture, and needs of our local communities. By utilizing stakeholder input, we are able to develop partnerships and coordinate activities that will support the aspirations of our local communities and host governments. These partnerships allow us to better recognize and meet the needs of our stakeholders and support our end goal of sustainable development.</p>
Overarching Policies and Management Systems		
	3.13	<p>Explanation of whether and how the precautionary approach or principle is addressed by the organization: As a member of ICMM, FCX is implementing the ICMM Sustainable Development Framework. Principle 4 in the Framework calls for implementing risk management strategies. FCX conducts formal risk assessments relating to operations. For example, formal risk assessments are held relating to structural stability and potential acid rock drainage generation from overburden stockpiles. Identified risks are controlled through the development of Standard Operating Procedures or structural modifications.</p> <p>FCX is committed to having environmental management systems at all operating facilities certified to ISO 14001. This certification requires that all environmental aspects of the operations be identified and the potential impacts evaluated. Those aspects that have higher degrees of probability and potential damage are addressed in formal Action Plans to reduce or eliminate the impact.</p>
1	3.14	<p>Externally developed, voluntary economic, environmental, and social charters, sets of principles, or other initiatives to which the organization subscribes or which it endorses. Include date of adoption and countries/operations where applied: FCX is committed to ensuring that its operations are conducted in a manner consistent with the Universal Declaration of Human Rights and other applicable international standards of human rights, the laws and regulations of the host countries in which FCX operates, and the culture of the people who are indigenous to the Company's operational areas. FCX is a signatory to the U.S. State Department-British Foreign Office Voluntary Principles on Security and Human Rights. FCX's commitments and policies are also aligned with IFC performance standards. As a member of the International Council on Mining and Metals, FCX is committed to implementing the ICMM's Sustainable Development Framework. FCX has also made an international commitment to the Extractive Industries Transparency Initiative.</p>
1	3.15	<p>Principal memberships in industry and business associations, and/or national/international advocacy organizations: FCX is a member of the International Council on Mining and Metals (ICMM), the US-ASEAN Business Council, the American Indonesian Chamber of Commerce (New York), the National Mining Association, the National Association of Manufacturers, the United States Chamber of Commerce, the Asia Society, the US Indonesia Society, the International Copper Association, Business for Social Responsibility and the Center for Corporate Citizenship at Boston College and state mining associations in Arizona, New Mexico and Colorado. FCX is also an Associate Member of the Australian Minerals Council. Through its Indonesian subsidiary, PT-FI, FCX is a member of APINDO, the Indonesian Mining Association, and others. In Chile, we are members of the Consejo Minero (Mining Council), Sociedad Nacional de Minería (National Society of Mining), and the Amcham (Chilean American Chamber of Commerce). In Peru,</p>

		we are members of the Sociedad Nacional de Minería, Petróleo y Energía (National Society of Mining, Petroleum and Energy).
1	3.16	Policies and/or systems for managing upstream and downstream impacts: FCX requires all of its subsidiaries, affiliates and on-site contractors to comply with FCX's Environmental and Social, Employment, and Human Rights Policies or to develop substantively similar policies of their own. Since the acquisition of Phelps Dodge, the Social, Employment and Human Rights Policy is under review for applicability to all global operations and will be revised and implemented at heritage Phelps Dodge sites, as well as through Global Sourcing .
1	3.17	Reporting organization's approach to managing indirect economic, environmental, and social impacts resulting from its activities. See below (under Economic Performance Indicators) for a discussion of indirect economic impacts: FCX is fully committed to compliance with all applicable laws and regulations at all of its global operations, as well as to minimizing and mitigating negative environmental impacts while maximizing the social and economic benefits of its operations. (Link to 2007 WTSD). Economic, environmental and social impacts are managed through formalized stakeholder engagement activities where they exist and informal engagement activities with affected parties where formal programs have not yet been implemented. The company and its operations also conduct environmental and social impact studies and socio-economic studies to assist in managing indirect economic, environmental and social impacts resulting from operational activities.
1	3.18	Major decisions during the reporting period regarding the location of, or changes in, operations. Explain major decisions such as facility or plant openings, closings, expansions, and contractions: On March 19, 2007, we completed the \$26 billion acquisition of Phelps Dodge Corporation, creating the world's largest publicly traded copper company, the world's largest producer of molybdenum and a significant gold producer. The new company has operations in the Americas, Europe, Asia and Africa. In 2007, the Safford Mine, a new mine located in southeast Arizona, completed its construction phase and produced its first copper in early 2008.
1	3.19	Programs and procedures pertaining to economic, environmental, and social performance. The 2007 Working Toward Sustainable Development Report contains detailed information about our programs and procedures pertaining to economic, environmental and social performance. (Link to 2007 WTSD)
1	3.20	Status of certification pertaining to economic, environmental, and social management systems. Include adherence to environmental management standards, labor, or social accountability management systems, or other management systems for which formal certification is available: An effective corporate environmental auditing program increases environmental management effectiveness and comfort with the knowledge that the risks of potential exposure to adverse environmental issues are being addressed. Our Environmental Audit Policy requires all major properties worldwide to be audited at least every two years and provides additional details on auditing procedures. Our global policies call for routine internal and external environmental audits to assess our environmental compliance, management systems and practices. These audits provide our management with information on current environmental performance and help identify opportunities for improvement. Our facilities respond to the audits with action plans to implement suggestions made by the auditors. In 2007, 34 environmental compliance audits were conducted at our locations worldwide. Freeport-McMoRan Copper & Gold Inc. is also committed to obtaining ISO 14001 certification for all our operations. This international standard signifies that a facility or company has systems in place to monitor and minimize environmental impacts and to drive continuous improvement in protecting the environment. Twenty of our major sites have received ISO 14001 certification. We are in the process of obtaining certifications for our smaller facilities.

		<p>In our Social, Employment, and Human Rights Policy, we commit to periodically engaging an independent firm to audit the Company's implementation of the Policy to assess its effectiveness and the extent of the Company's compliance. We engaged the International Center for Corporate Accountability to conduct this audit at PTFI in 2004, the results of which are available on FCX's web site.</p> <p>In 2006, FCX engaged ICCA to conduct a follow-up to the original audit. This included assessment of our implementation of recommended changes identified in the first phase of the audit, as well as assessing company funded healthcare programs and the compliance of major contractors and privatized partners with the company's Social, Employment, and Human Rights Policy. The follow-up report and FCX's response were issued in November 2007. The summary text of the ICCA audit reports and FCX's responses are available on the FCX website or ICCA's website.</p> <p>We will continue to assess our company's social development, employment and human rights programs and will undertake independent professional audits on a periodic or as needed basis. We will provide regular updates in our annual sustainable reports as part of our ongoing commitment to transparent operations that respect the rights of individuals and communities around the world.</p>
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Global Reporting Initiatives
Economic Indicators
EC 01 - Net sales.

North America	South America	Indonesia	Europe¹	TOTAL FCX
Consolidated revenues for 2007 were \$8.603 billion.	Consolidated revenues for 2007 were \$2.265 billion.	Consolidated revenues for 2007 were \$3.640 billion	Consolidated revenues for 2007 were \$2.426 billion	\$16.939 billion

EC 02 - Economic breakdown of markets.

[Link to page 107 of 2007 Annual Report.](#)

FCX revenues attributable to various countries based on the location of the customer were: United States \$6.480 billion, Japan \$2.479 billion, Indonesia \$2.105 billion, Spain \$1.773 billion, and others \$4.102 billion.

The Business Segments footnote in the Annual Report has a breakdown of revenues by country and long-lived assets by country.

EC 03 - Cost of all goods, materials and services purchased².

North America	South America	Indonesia	Europe	TOTAL FCX
\$5.854 billion	\$1.122 billion	\$1.199 billion	\$2.319 billion	\$10.494 billion

EC 04 - Percentage of contracts that were paid in accordance with agreed terms, excluding agreed penalty arrangements.

Indonesia, South America, and Europe

In 2007, all contracts were paid in accordance with agreed terms.

North America

We pay approximately 80% of our invoices according to terms. We attempt to pay all our invoices on-time but several factors can delay the payment. The largest reason for late payment is that we receive the actual invoice past the due date. (Late invoice receipt accounts for well over half of the late payments). Other reasons include invoices not approved timely and invoices not entered into our accounts payable system timely. We do not hold payments past the payment terms unless there is a legitimate reason such as a dispute about the price, work performed or goods received.

EC 05 - Total payroll and benefits (including wages, pension, other benefits and redundancy payments) broken down by country or region.

North America	South America	Indonesia	Europe	TOTAL FCX
\$828 million	\$156 million	\$394 million	\$64 million	\$1.442 billion

¹ Europe includes Atlantic Copper, Rotterdam, and Stowmarket sites.

² This indicator has been calculated as procurement costs excluding employee-related costs (i.e. payroll, etc.) and represents unconsolidated costs.

MM 02 - Value added disaggregated to country levels.

North America	South America	Indonesia	Europe	TOTAL FCX
\$2.8 billion	\$2.7 billion	\$3.6 billion	\$0.1 billion	\$9.2 billion

EC 06 - Distribution to providers of capital broken down by interest on debt and borrowings, and dividends on all classes of shares with any arrears of preferred dividends to be disclosed³.

[Link to page 71 of the 2007 Annual Report.](#)

Interest and dividends paid are shown in the Statement of Cash Flows in the Annual Report. There are not dividends in arrears.

EC 07 - Increase/decrease in retained earnings at end of period⁴.

[Link to page 73 of the 2007 Annual Report.](#)

Data are reported in the Statement of Stockholders' Equity in the Annual Report.

EC 08 - Total sum of taxes of all types broken down by country or region.

FCX CASH taxes paid in 2007 (in millions):

	North America ⁵	South America	Indonesia	Europe	Total FCX
Income tax payments (refunds)	\$ 347	\$ 700	\$ 1,162	\$ (2)	\$ 2,207
Dividends paid to government	N/A	N/A	\$ 216	N/A	\$ 216
Royalty payments ⁶	N/A		\$ 164	N/A	\$ 164
Other taxes & duty (includes VAT) payments	\$ 114	\$ 204	\$ 247	\$ 19	\$ 584
Employee taxes & contributions	\$ 321	\$ 16	\$ 49	\$ 13	\$ 399
Total	\$ 782	\$ 920	\$ 1,838	\$ 30	\$ 3,570

EC 09 - Subsidies received and broken down by country or region.

No FCX operations received subsidies in 2007.

EC 10 - Donations to community, civil society, and other groups broken down in terms of cash and in-kind donations per type of group^{7 8}.

³ Response represents FCX as a whole.

⁴ Response represents FCX as a whole.

⁵ Includes North American Operations and all Corporate entity tax payments (FCX - PHX and FCX/FMS - NOLA).

⁶ Only Indonesia and Chile pay royalties. The royalty paid in Chile is classified within the income tax line consistent with how it is required to be classified on the company's US GAAP financial statements.

North America	South America	Indonesia	Europe
<p>Total for North America: \$11.6 million</p> <p><u>Breakdown:</u></p> <p>Freeport-McMoRan Copper & Gold Foundation Phoenix: \$4.1 million</p> <p>New Orleans: \$2.92 million</p> <p>PDC/PDMC (Corporate/Phoenix): \$397,528</p> <p>NA Operations:</p> <p>Ajo: \$4,680</p> <p>Bagdad: \$55,405</p> <p>Bayway: \$500</p> <p>Bisbee: \$21,223</p> <p>Chicago: \$10,000</p> <p>NM Ops (Chino & Tyrone): \$169,850</p> <p>El Paso: \$64,193</p> <p>Miami: \$41,647</p> <p>Morenci: \$3,561,871</p> <p>Norwich: \$12,800</p> <p>Safford/PTC/CASC : \$149,571</p> <p>Sierrita : \$62,555</p> <p>Tohono : \$5,049</p> <p>CTC : \$2,256</p> <p>Henderson/Climax : \$56,553</p> <p>Fort Madison : \$21,592</p> <p>TOTAL of ops (only): \$4.2 million</p>	<p>Total for South America: \$34 million</p> <p><u>Breakdown:</u></p> <p>Candelaria & Ojos: \$459,648</p> <p>El Abra: \$565,626</p> <p>PDMS/Santiago: \$39,874</p> <p>Cerro Verde: \$33,003,126</p> <p><i>Note: Cerro Verde committed \$32 million of this total to the Voluntary Social Contribution fund. It is currently being held in an escrow account until the structure of the Cerro Verde Civil Association (the governing body for the funds) is fully developed. The Voluntary Social Contribution (VSC) is 3.75% of after-tax profit, as agreed upon between local mining companies and the Peruvian government, and governed by Peruvian law. The VSC is temporary fund to support social development in the region of operation from 2006 through 2010.</i></p>	<p>In 2007, PT Freeport Indonesia contributed and committed a total of \$72.4 million to various community, civil society, and government groups. Contributions were comprised of:</p> <p>- \$70.6 million donations in cash and capital projects to community groups and foundations in Papua;</p> <p>Breakdown:</p> <ul style="list-style-type: none"> • \$52.6 million for the Freeport Partnership Fund for Community Development (The Partnership Fund management organization, the Amungme and Kamoro Community Development Organization (LPMAC), received \$22.2 million in 2007 and the remaining funds (\$30.4 million) have been committed to LPMAC and will be granted upon renewal of the organization's Memorandum of Understanding.) • \$17.4 million – Amungme and Kamoro Land Rights Trust Funds • \$0.1 million - Taurek Natkime Foundation donation • \$0.12 million - YAHAMAK donation • \$0.36 million – construction of LEMASA multipurpose hall <p>- \$1.8 million in donations and contributions to general Indonesia.</p>	<p>Stowmarket: \$3,278</p> <p>Rotterdam: \$1,411</p>

⁷ FCX has not yet developed an SOP for consistently recording and reporting this data across our global operations. The data in this indicator includes all monetary and capital contributions defined by FCX as “donations” to support community development.

⁸ We do not currently have a common SOP for tracking of in-kind donations and therefore will not report this figure for 2007.

EC 11 - Supplier breakdown by organization and country.

North America	South America	Indonesia	Europe
<p>North America is conducting business with over 9,000 suppliers. Suppliers are broken down by country as follows: USA – 95.3%, Canada – 2%, South Africa – 0.4%, Others – 2.4%</p>	<p>South America is conducting business with over 5,000 suppliers. Suppliers are broken down by country as follows: Chile – 55.6%, Peru – 36.4%, USA – 4.6%, Canada – 0.7%, Others – 2.7%</p>	<p>In 2007, PTFI conducted business with over 2000 suppliers (goods & service). Suppliers are broken down by country as follows: Indonesia 32%; Australia 27%; Singapore 22%; United States 12%; and other 7%.</p>	<p>Atlantic Copper does business with over 350 suppliers of materials and over 700 suppliers of services. These are broken down by country/region as follows: Materials – Spain 73%; Other Europe 17%; Oceania 10%; Services – Spain 85%, Other Europe 14%, Asia 1%.</p> <p>Climax Molybdenum Rotterdam does business with over 180 suppliers for materials and over 235 suppliers of services. These are broken down by country/region as follows: Materials – The Netherlands 91%; Europe 6%; North America 3%; Services – The Netherlands 94%; Europe 5%; North America 1%.</p> <p>Climax Molybdenum UK (Stowmarket) does business with 30 suppliers for materials and over 270 suppliers for services. These are broken down by country/region as follows: Materials – 57% UK; 34% rest of Europe; 3% Asia; 3% South America; 3% Middle East; Services – 100% UK.</p>

EC 12 - Total spent on non-core business infrastructure development.

PT Freeport Indonesia

In 2007, PTFI spent approximately \$1.7 million on non-core business infrastructure development.⁹

This indicator was not reported for other sites in 2007.

⁹ FCX's definition for this indicator was 'non-core business infrastructure for employees and their families'.

EC 13 - The organization's indirect economic impacts.

*South America*¹⁰

A study conducted by a third party consulting group (Malthus Consulting) reports the following indirect¹¹ economic impact was generated in South America in 2007 by the FCX mine sites in Chile and Peru:

- Personal income - \$270.4 million
- Business income - \$1.89 billion
- Government - \$1.75 billion
- Total - \$3.91 billion

Indirect economic impact - detail by country (South America):

Chile

- Personal income - \$193.6 million
- Business income - \$1.297 billion
- Government - \$814.7 million
- *Total Chile - \$2.305 billion*

Peru

- Personal income - \$76.8 million
- Business income - \$592.8 million
- Government - \$938.6 million
- *Total Peru - \$1.608 billion*

Indonesia

Based on a study conducted by the University of Indonesia, in 2007, each additional direct employee of PTFI generated 20 additional indirect jobs. Direct and indirect jobs totaled over 230,000 employment opportunities in various sectors and industries in 2007.

This indicator was not reported for North America or Europe/Atlantic Copper in 2007 as these regions are not deemed to be locations where local economic contribution and development impact is of particular significance and interest to stakeholders (e.g., remote sites).

MM 01 - Identify those sites where the local economic contribution and development impact is of particular significance and interest to stakeholders (e.g., remote sites) and outline policies with respect to assessing this contribution. Relevant information includes: percentage of goods, materials and services purchased locally; percentage of workforce from local communities; investment in public infrastructure and its maintenance; and compensation payments.

South America

The operating locations in Chile and Peru represent a significant economic contribution to the local and regional levels of each country, including to the community and government.

- South American operations donated \$2 million to various community, civil society and NGO groups to support social needs and development programs. An additional \$32 million was committed by Cerro Verde for the Arequipa region as part of the Voluntary Social Contribution commitment.¹²
- South American operations incurred total charges of \$1.12 billion for goods and services which boosted local, regional and national economies.¹³

¹⁰ These figure is repeated in MM 01.

¹¹ "Indirect" economic impact is defined as economic benefits that resulted from the creation of jobs (direct payments to "personal income"), the direct purchase of goods and services, and direct payments to the government (taxes, royalties and other). The estimated multiplier used by Malthus Consulting for the direct effects of FCX include:

Chile: For every \$1 (USD) spent directly, another \$1.60 (USD) was generated.

Peru: For every \$1 (USD) spent directly, another \$1.46 (USD) was generated.

¹² This figure is repeated in EC 10

- Peru: The total charges for goods and services purchased in 2007 was \$438 million of which approximately 80% or \$350 million was sourced domestically.
- Chile: The total charges for goods & services purchased in 2007 was \$684 million of which approximately 88% or \$602 million was sourced domestically.
- The majority of employees at the South American operations are local to the area. As of December 2007, the company's South America sites engaged 3,878 regular employees.¹⁴
- A study conducted by a third party reports the following indirect economic impact was generated in South America by the FCX mine sites in Chile and Peru:¹⁵
 - Personal income - \$270.4 million
 - Business income - \$1.89 billion
 - Government - \$1.75 billion
 - Total - \$3.91 billion

PT Freeport Indonesia (PTFI)

PTFI operates in the remote province of Papua, Indonesia, and the economic contribution and impact of PTFI's operation is significant to the community and government at the local, regional and national levels.

- PTFI donated and committed \$52.6 million to the Freeport Partnership Fund for Community Development managed by the Amungme and Kamoro Community Development Organization (LPMK) in 2007. Out of this total, \$22.2 million was paid to the LPMK and the remaining \$30.4 million has been committed to the LPMK and will be granted upon renewal of the organization's Memorandum of Understanding. The LPMK partners with local government, NGOs, and community partners to support education, health, and economic development in the local communities.¹⁶
- In addition to the \$52.6 million PTFI made donations totaling \$18 million to the local community. These figures include¹⁷:
 - \$17.4 million – Amungme and Kamoro Trust Funds
 - \$0.1 million - Taurek Natkime Foundation donation
 - \$0.12 million – YAHAMAK donation
 - \$0.36 million – construction of LEMASA multipurpose hall
- In addition to these donations, PTFI contributed \$25 million for social development and community recognition programs and infrastructure development in Papua:
 - \$17.6 million in direct social programs implemented by PTFI for the local community in Papua. Breakdown:
 - \$5.4 million -Social programs implemented directly by PTFI's Social Outreach and Local Development department¹⁸
 - \$1.5 million – Public Health and Malaria Control Program¹⁹
 - \$0.2 million – Tomawin Dormitory
 - \$9.95 million – Nemankawi Mining Institute (NMI)²⁰
 - \$0.55 million – NMI capital
 - \$1 million in post-recognition land use for the five Kamoro villages
 - \$4.7 million in Timika airport upgrades²¹
 - \$1.7 million on non-core business infrastructure development.²²

¹³ This figure is repeated in EC 03

¹⁴ This figure is repeated in LA 01

¹⁵ This figure is repeated in EC 13

¹⁶ This figure is repeated in EC 10.

¹⁷ This figure is repeated in EC 10.

¹⁸ This figure does not include PTFI employee salaries.

¹⁹ This figure does not include salaries, and only includes programs and activities implemented for the benefit of the community and not PTFI employees.

²⁰ NMI is included because it was created to develop the skills and education of the Papuan workforce; NMI apprenticeship graduates are not under any obligation to work for PTFI.

²¹ Includes runway, terminal, and tower.

²² FCX's definition for this indicator was 'non-core business infrastructure for employees and their families'.

- Under an MOU signed with the Governor of Papua, PTFI has committed to contribute tailings as construction material for infrastructure development in Papua, including roads and public facilities. PTFI has also committed \$400,000 a year for five years (starting in 2006) for Mimika Regency development projects.
- Total value of domestic goods purchased locally was \$266 million, an increase of 31.3% from 2006; domestic goods comprised 24.6% of all goods purchased by PTFI.
- PTFI purchased 82% of all services domestically with a total value of \$378 million. Out of all services purchased domestically, 6% are sourced from companies based in Papua; and out of all services purchased in Papua, 37% are purchased from Papuan-owned businesses with a total value of \$8.7 million.
- As of the end of 2007, PTFI directly employed 9,774 workers; of these, 2,729 (28 percent) were Papuans. Another 10,845 workers were employed by contractors serving PTFI. A total of 20,619 workers were employed at PTFI operations at the end of 2007.²³

This indicator was not reported for North America or Europe/Atlantic Copper in 2007 as these regions are not deemed to be locations where local economic contribution and development impact is of particular significance and interest to stakeholders (e.g., remote sites).

²³ This figure is repeated in LA 01.

**FCX GRI Environmental Indicators
Summary Table**

GRI Indicators		Units of Measurement	Region				FCX	Comments
			Indonesia	N.A.	S.A.	Europe		
MATERIALS								
EN1 - Total materials use	Ore	MM tonnes	77.0	353.4	167.2	0.0	597.6	
	Concentrate	MM tonnes	0.00	0.82	0.00	1.06	1.88	
	Scrap copper	K tonnes	0.0	135.5	0.0	7.2	142.7	
	Explosives	K tonnes	56.4	72.0	63.6	0.0	192.0	
	Lubricants	K tonnes	7.87	31.22	3.14	0.03	42.27	
	Caustic materials	K tonnes	95.0	151.1	52.6	14.4	313.2	
	Acid and acid solutions	K tonnes	0.7	762.9	802.8	2.9	1,569.3	
	Flotation & SX/EW reagents	K tonnes	5.6	52.2	12.8	0.0	70.6	
	Wearing steel	K tonnes	44.2	40.4	48.5	0.0	133.0	
	Other process materials	MM tonnes	0.00	1.14	0.00	0.45	1.59	
EN2 - Percentage of recycled materials used from external sources							Two processing facilities in N.A. and one in Europe utilize recycled materials from external sources, with less than 6% in N.A. and less than 1% in Europe.	
	%		0	<6.0	0	<0.8		
MM4 - Percentage of products derived from secondary materials							Two processing facilities in N.A. and one in Europe utilize secondary materials, with less than 2% of products derived from secondary materials at the N.A. facilities and less than 1% in Europe.	
	%		0	<1.5	0	<0.1		

**FCX GRI Environmental Indicators
Summary Table**

GRI Indicators		Units of Measurement	Region				FCX	Comments
			Indonesia	N.A.	S.A.	Europe		
ENERGY								
EN3 - Direct energy use	Coal	Terajoules	18,588	0	0	0	18,588	
	Liquid fossil fuels	Terajoules	15,099	15,491	5,354	1,753	37,697	Includes diesel, gasoline, jet fuel, natural gas, fuel oil, coke, used oil, popane and liquid natural gas.
EN4 - Indirect energy use	Grid electricity	Terajoules	0	16,962	9,254	880	27,096	
	Coal	Terajoules	0	10,664	4,047	204	14,915	
	Liquid fossil fuels	Terajoules	0	4,780	1,050	212	6,042	Includes diesel, natural gas, fuel oil and coke.
	Hydroelectric	Terajoules	0	135	4,209	129	4,473	
	Nuclear	Terajoules	0	1,172	0	181	1,353	

**FCX GRI Environmental Indicators
Summary Table**

GRI Indicators	Units of Measurement	Region				FCX	Comments
		Indonesia	N.A.	S.A.	Europe		
EN17 - Initiatives to use renewable energy sources and to increase energy efficiency	FCX has no current initiatives to use direct renewable energy sources. The Grasberg mine in Papua Indonesia, the Atlantic copper smelter in Spain and the El Paso copper refinery in North America generate all or part of the electrical energy needed to power their operations. At other FCX European, North American and South American sites electrical power is purchased from local and regional utilities. Several of our electrical power suppliers generate up to 10 % of their energy from supplemental wind and biomass operations. To increase energy efficiency, FCX has focused on process technology changes and improvements. These efforts are guided by our Process Technology Center's overall energy consumption study of our various operations from ore extraction to final product delivery into the marketplace. Examples, include the use of new engine technology for mining equipment to improve diesel fuel consumption, new material transport technologies are being developed to move large volumes of ore from within open pit mines more efficiently than large haul trucks, the installation at the Cerro Verde mine in Peru of high pressure grinding rollers (HPGR) to reduce mill site electrical power needs. The Grasberg mine has also completed a similar installation of HPGR in late 2007. Two other energy efficiency projects are in progress at two remote mine sites in North American where concentrate leaching operations offset transportation energy costs and emissions of shipping mill concentrate to a smelter site. The El Abra mine has implemented a new system to reduce energy consumption at its electro-winning facility that resulted in being awarded the 2007 National Prize on Energy Efficiency by the Chilean Commerce and Production Corporation, the largest industry association in Chile.						
EN18 - Energy consumption footprint	Terajoules	Information is not available					
EN19 - Other indirect energy use and implications	FCX has mines, mineral processing sites and exploration offices in Europe, Indonesia, and North and South America. Additional exploration offices are located in Africa, Asia and Australia. Business-related travel related to our operations consists of air and vehicle travel using commercial and contract air carriers. At our corporate office location in Phoenix, Arizona, employee commuting via car pools and municipal bus service is advocated and sponsored. The most energy intensive materials used at FCX mine sites consists of wearing steel used in our crushing and grinding units. Other indirect energy consumption occurs when the company conducts mine reclamation work such as capping inactive tailings impoundments.						

**FCX GRI Environmental Indicators
Summary Table**

GRI Indicators		Units of Measurement	Region				FCX	Comments
			Indonesia	N.A.	S.A.	Europe		
WATER								
EN5 - Total Water Use	Surface water	MM cubic meters	62.8	3.4	21.0	1.8	88.9	Quantities for Arizona sites are not reported due to ongoing litigation concerning water rights.
	Groundwater	MM cubic meters	1.4	9.9	21.1	0.0	32.4	Quantities for Arizona sites are not reported due to ongoing litigation concerning water rights.
	Drinking water	MM cubic meters	0.0	0.5	0.2	0.2	0.9	Quantities for Arizona sites are not reported due to ongoing litigation concerning water rights.
	Municipal wastewater	MM cubic meters	0.0	0.7	0.0	0.0	0.7	Quantities for Arizona sites are not reported due to ongoing litigation concerning water rights.
EN20 - Water sources & related ecosystems/habitats significantly affected by use of water	Detailed hydrologic and hydrogeologic information is not available in all the FCX sites at this time to quantify impacts to water sources as a result of water withdrawal. No ecosystems have been identified as being significantly affected as a result of surface water withdrawal. At El Abra in northern Chile, permitted groundwater withdrawals took place during a natural drought period, which temporarily reduced spring flow that supports a sensitive ecosystem. This impact has been mitigated by the artificial supply of groundwater to the sensitive ecosystem and subsequent ecosystem rehabilitation, in accordance with local agency requirements. In North America, the Morenci and Tyrone operations in cooperation with the US Fish and Wildlife Service have developed management plans that cover habitat on mine property for two protected fish species (Spikedace and Loach Minnow) and a second plan (Tyrone) to cover habitat for the endangered Southwestern Willow Flycatcher. At Tyrone, a flexible, grazing management system has contributed to the success of local Southwestern Willow Flycatcher populations.							
EN21 - Annual withdrawals of ground and surface water as a percent of annual renewable quantity of water available from the sources		%	Information is not available					Hydrologic and hydrogeologic studies required for this indicator are not available for all FCX operations at this time.
EN22 - Total recycling and reuse of water		MM cubic meters	74.6	156.9	204.5	8.4	444.3	Quantities for Arizona sites are not reported due to ongoing litigation concerning water rights.

**FCX GRI Environmental Indicators
Summary Table**

GRI Indicators	Units of Measurement	Region				FCX	Comments
		Indonesia	N.A.	S.A.	Europe		
BIODIVERSITY							
EN6 - Location and size of land owned, leased, or managed in biodiversity-rich habitats	Location	<p>Bagdad mine in North America is located in proximity to a National Wilderness Area. Critical habitat has not been identified, however wildlife is found in the areas where facilities are located, and several species of flora and fauna are on the IUCN red list, as identified in EN28. Where necessary, Biodiversity Action Plans are in place to manage areas of concern, and no irreversible impacts to sensitive or protected areas have been identified.</p> <p>PT Freeport Indonesia is located adjacent to the Lorentz National Park which was named as a World Heritage site in 1999. The entire region of southern Papua exhibits a high level of endemism and one of the highest levels of biodiversity in Southeast Asia. The site has funded extensive botanical and taxonomy surveys with its project area. Additional studies were conducted by staff of the Royal Botanical Gardens at Kew, England and in conjunction with assistance from Indonesian institutions.</p> <p>Ancillary facilities of El Abra operations in northern Chile are located within a legally recognized protected area. Where necessary, Biodiversity Action Plans or mitigation measures are in place to manage impacts.</p> <p>Atlantic Copper processing facility in Spain is located near the Paraje Natural Marismas de Odiel (Odiel River Marshes). No impacts to this Biosphere Reserve as a result of site operations have been identified.</p>					
	Area	Hectares	292,900	20	25	6,775	299,720
EN7 - Description of the major impacts on biodiversity associated with activities and/or products and services in terrestrial, freshwater, and marine environments		<p>The primary impact to biodiversity at FCX's facilities is the alteration of natural habitat due to the operation and expansion of mine and process facilities, and the resulting displacement of natural species. This impact is reversible in the long term, when closure and reclamation activities take place. Where necessary, Biodiversity Action Plans are in place to manage areas of concern. In North American, Morenci and Tyrone operations in cooperation with the US Fish and Wildlife Service have developed habitat management plans. Morenci and Tyrone plans cover habitat on mine property for two protected fish species (Spikedace and Loach Minnow) and a second plan (Tyrone) covers habitat for the endangered Southwestern Willow Flycatcher. At Tyrone, a flexible, grazing management system has contributed to the success of local Southwestern Willow Flycatcher populations. At El Abra mine in northern Chile, permitted groundwater withdrawals took place during a natural drought period which temporarily reduced spring flow that supports a sensitive ecosystem. This impact has been mitigated by the artificial supply of groundwater to the site in accordance with local agency requirements.</p>					
EN 23 - Total amount of land owned, leased, or managed for production activities or extractive use	Total land purchased/leased	Hectares	292,900	120,411	45,118	56	458,485
	Total land disturbed & not rehabilitated (opening balance)	Hectares	26,000	23,493	8,502	20	58,014
	Total land newly disturbed	Hectares	0	275	1,210	0	1,485
	Total land newly rehabilitated	Hectares	0	15	15	0	30
	Total land disturbed & not rehabilitated (closing balance)	Hectares	26,000	23,753	9,697	20	59,470
EN24 - Amount of land with impermeable surface	Total land with impermeable surface	Hectares	321	1,128	1,105	20	2,573

**FCX GRI Environmental Indicators
Summary Table**

GRI Indicators		Units of Measurement	Region				FCX	Comments
			Indonesia	N.A.	S.A.	Europe		
impermeable surface as a percentage of land purchased or leased	Percent impermeable surface	%	0.1	operations; up to 100 process facilities	<4.5	<49	Mining operations - less than 4.5% at any one site; Process facilities - up to 100%	
EN25 - Impacts of activities on protected & sensitive areas		<p>The Bagdad mine in North America is located in proximity to the Burro Creek National Wilderness Area. Critical habitat has not been identified, however wildlife is found in the areas where site facilities are located, and several species of flora and fauna are on the IUCN red list, as identified in EN28. The primary impact to these areas is the alteration of habitat due to the construction of mine and process facilities, and the potential displacement of natural species. This impact is reversible in the long term, when closure and reclamation activities take place. Where necessary, Biodiversity Action Plans are in place to manage areas of concern.</p> <p>Several IUCN red list species are present at FCX facilities in South America. Impacts are generally limited to physical displacement of habitat and species. Where habitat is lost, species are relocated and habitat is enhanced in nearby areas to compensate for any negative effects. At El Abra mine in northern Chile, permitted groundwater withdrawals took place during a natural drought period which temporarily reduced spring flow that supports a sensitive ecosystem. This impact has been mitigated by the artificial supply of groundwater to the sensitive ecosystem and subsequent ecosystem rehabilitation, in accordance with local agency requirements.</p> <p>In Indonesia, the Contract of Work area exhibits a high level of endemism and one of the highest levels of biodiversity in Southeast Asia. Activity produces localized disruptions, but monitoring indicates that recovery is rapid when activity ceases.</p>						
EN26 - Changes to natural habitats		The primary changes to natural habitat at FCX's facilities results from the construction of mine and process facilities on previously undisturbed land. At the end of mine life, these areas will generally be reclaimed to a post-mining land use as stipulated in the respective reclamation and closure plans.						
EN27 - Protecting & restoring native ecosystems		At FCX's mine sites, extensive protection and restoration of native ecosystems is taking place in areas where operations have ceased or in areas adjacent to mining operations. This includes active restoration and revegetation; limiting use and access to sensitive areas; livestock management practices; and the construction of self sustaining ecosystems compatible with native ecosystems. These initiatives are generally focused on ephemeral stream and riparian habitats, and associated floral and faunal species.						
EN28 - Number of IUCN Red List Species		Number	50 Unique Species	66 Unique Species	83 Unique Species	13 Unique Species	216 unique species are present across all FCX facilities, with 4 species shared between regions. The large majority of IUCN species are in the Least Concern or lesser categories of conservation.	Includes IUCN species for all categories.
EN29 - Business units in/around protected/sensitive areas		Number	1	2	1	1	5	
MM3 - The number of sites identified as requiring biodiversity	Number of sites requiring a biodiversity management plan	Number	0	1	1	0	2	

**FCX GRI Environmental Indicators
Summary Table**

GRI Indicators		Units of Measurement	Region				FCX	Comments
			Indonesia	N.A.	S.A.	Europe		
management plans, and the number of sites with plans in place	Number of sites with biodiversity management plans in place	Number	0	1	1	0	2	

**FCX GRI Environmental Indicators
Summary Table**

GRI Indicators		Units of Measurement	Region				FCX	Comments
			Indonesia	N.A.	S.A.	Europe		
EMISSIONS, EFFLUENTS & WASTE								
EN8 - Greenhouse gas emissions	CO ₂ from direct and indirect energy sources	MM tonnes	2.7	2.3	0.9	0.1	6.1	
	CH ₄ from direct and indirect energy sources	tonnes	213.9	146.5	58.5	4.8	424	
	N ₂ O from direct and indirect energy sources	tonnes	34.4	22.9	9.6	0.7	68	
	HFCs	tonnes	This indicator has not been calculated.					
	PFCs	tonnes	This indicator has not been calculated.					
	SF ₆	tonnes	This indicator has not been calculated.					
EN09 - Emissions of ozone-depleting substances		tonnes	4.6	4.5	0.2	0.2	9.5	Emissions from units taken out of service are generally not included.
EN10 - NOx, SOx, and other significant air emissions	Nox emissions	tonnes	14,092	1,021	542	124	15,778	Inconsistencies between sites for NOx calculations as a result of blasting. Only Grasberg includes emissions from fuel combustion for mobile and stationary sources.
	SOx emissions	tonnes	8,480	8,539	NA	3,428	20,447	Only stationary sources reported. Data not available for S.A. sites.
	PM-10 Emissions	tonnes	Information is not available	3,303	8,486	138	11,927	Grasberg and Rotterdam do not have emissions inventories for PM10. Tyrone and Chino inventories do not include fugitive PM10 emissions. South American operations include eolic erosion in emissions inventories.

**FCX GRI Environmental Indicators
Summary Table**

GRI Indicators	Units of Measurement	Region				FCX	Comments	
		Indonesia	N.A.	S.A.	Europe			
EN11 - Total amount of waste by type and destination	HAZ Waste - Treatment & Landfill or Direct Landfill	tonnes	744	1,942	1,071	19,614	23,371	
	HAZ Waste - Recycled	tonnes	92	342	535	0	969	
	HAZ Waste - Treatment	tonnes	0	126	3	1,626	1,755	
	NON HAZ Waste - Treatment & Landfill or Direct Landfill	tonnes	19,864	27,569	7,727	1,081	56,241	
	NON HAZ Waste - Recycled	tonnes	13,040	35,358	7,374	590	56,363	North America quantities largely a result of demolition projects in 2007.
	NON HAZ Waste - Treatment	tonnes	0	1,968	0	48	2,015	North America quantities reflect removal of petroleum contaminated soils at Tryone mine site.
	Used Oil	cubic meters	6,800	8,813	2,603	90	18,306	
EN12 - Significant discharges to water by type	Cooling water	MM cubic meters	0.2	0.1	0.0	54.4	54.7	
	Process water	MM cubic meters	2.8	3.5	0.0	0.2	6.4	
	Transport water	MM cubic meters	50	0	0	0	50	
	Other water discharge	MM cubic meters	0.00	0.02	0.00	0.04	0.06	
EN13 - Significant spills of chemicals, oils, and fuels	Significant spills	Number	88	13	3	0	104	Numbers reflect reportable spills in respective jurisdictional area.
	Volume spilled	MM cubic meters	0.5	9.5	1.3	0.0	11.2	
EN30 - Other relevant indirect GHG	tonnes	Information is not available						
EN31 - Production, transport, import, or export of waste deemed "hazardous" under the terms of the Basel Convention	tonnes	0	0	0	1,526	1,526		
EN32 - Water sources and related ecosystems/habitats significantly affected by discharges of water and runoff	Discharges of water and storm run-off are not applicable indicators for a majority of FCX's operations, since facilities capture process waters for reuse within the mine and collect all impacted stormwater. In Colorado, discharged water meets all applicable water quality standards, and to date no receiving water bodies or ecosystems have been significantly affected. In Indonesia, discharge to the estuary from the tailings deposition area is building new lands and wetlands. At this time, no water sources or ecosystems have been significantly affected by storm water discharge.							

**FCX GRI Environmental Indicators
Summary Table**

GRI Indicators	Units of Measurement	Region				FCX	Comments
		Indonesia	N.A.	S.A.	Europe		
SUPPLIERS							
EN33 - Performance of Suppliers		FCX contractually requires vendors and contractors to meet all applicable international, national and state government regulations with regard to handling of hazardous materials while entering or working at FCX properties. Prior to entering an FCX site, vendors and contractors are provided a brief summary of site-specific safety and environmental requirements. Each must then signify that they will comply with these requirements. Vendors and contractors must also comply with FCX's policy that all chemicals brought onto a facility must be pre-approved by local Environment, Health and Safety, and Global Supply departments. FCX also maintains long term agreements with major equipment and consumable material suppliers that address the quality of goods and services provided to FCX. Engineering and maintenance service providers must also comply with FCX safety and environmental requirements and each can be subject to monthly FCX compliance audits.					
PRODUCTS & SERVICES							
EN14 - Significant environmental impacts of principal products & services		The FCX principal end products are copper, molybdenum, and gold. The following are web addresses to international industry associations dealing with downstream users: http://www.copperinfo.com/index5.html http://www.imoa.info http://www.gold.org					
EN15 - Percentage of the weight of products sold that is reclaimable at the end of the products' useful life		The entire weight of copper wire, tubing and electronic components are 100% reclaimable. The reclaimable percent molybdenum in manufactured products will depend on product usage. Molybdenum specialty chemicals in catalysts can be reclaimed and regenerated or used in the manufacture of molybdenum based steel alloys. Machined parts and tools containing molybdenum can be recycled for the combined metal content of these materials. The percentage actually reclaimed of the end products cannot be accurately determined.					
COMPLIANCE							
EN16 - Incidents of and fines for non-compliance	EN16.01 Incidents	The Sierrita mine located southwest of Tucson, Arizona was required to pay \$140,000 in stipulated penalties to reduce outstanding issues associated with a 2004 air quality consent degree with US EPA Region 9.					
	EN16.02 Fines	MM US\$	0.00	0.14	0.00	0.00	0.14
TRANSPORT							
EN34 - Significant environmental impacts of transportation used for logistical purposes		Link to Environmental Performance section of WTSD					
OVERALL							
EN35 - Total environmental expenditures		Link to page 56 of 2007 Annual Report					
MATERIALS STEWARDSHIP							
MM5 - Policies for eco-efficiency & sustainability		Link to Policies					
LARGE VOLUME MINING & MINERAL PROCESSING WASTE							
MM6 - Approach to management of overburden rock, tailings and sludges/residues		Link to Overburden & Waste Rock Management section of WTSD					
Notes:							
Terajoule = 1x10 ¹² joules							
MM = Million							

**FCX GRI Environmental Indicators
Summary Table**

GRI Indicators	Units of Measurement	Region				FCX	Comments
		Indonesia	N.A.	S.A.	Europe		
K = Thousand							

Global Reporting Initiatives

Labor Indicators

LA 01 - Breakdown of workforce, where possible, by region/country, status (employee/non employees, employment type (full time/part time), and by employment contract (indefinite or permanent/fixed term or temporary)

All workforce numbers are as of 12/31/07

North America	South America	Indonesia ¹	Europe																																																																		
Total regular employees for North America: 11,082 <i>Regular full-time employees = 10,871</i> <i>Regular part-time = 156</i> <i>Temporary full-time = 49</i> <i>Temporary part-time = 6</i>	Total regular employees for South America: 3,878 Regular employees by site: <table border="1"> <thead> <tr> <th>Site</th> <th>Number</th> </tr> </thead> <tbody> <tr><td>Candelaria</td><td>1,111</td></tr> <tr><td>Ojos del Salado</td><td>16</td></tr> <tr><td>El Abra</td><td>923</td></tr> <tr><td>Aurex</td><td>109</td></tr> <tr><td>PDMS</td><td>81</td></tr> <tr><td>Cerro Verde</td><td>1,616</td></tr> <tr><td>Minera PD Peru</td><td>22</td></tr> </tbody> </table>	Site	Number	Candelaria	1,111	Ojos del Salado	16	El Abra	923	Aurex	109	PDMS	81	Cerro Verde	1,616	Minera PD Peru	22	Total regular employees for PTFI: 9,774 employees (2,453 Staff and 7,321 Non-Staff/hourly workers) <i>(Note: approximately 98 percent of regular employees were Indonesian).</i>	Total regular employees for Europe: 729 Regular employees by site: <table border="1"> <thead> <tr> <th>Site</th> <th>Number</th> </tr> </thead> <tbody> <tr><td>Rotterdam</td><td>74</td></tr> <tr><td>Stowmarket</td><td>83</td></tr> <tr><td>Atlantic Copper</td><td>572 *</td></tr> </tbody> </table> <i>*Note: this figure includes 23 people partially retired.</i>	Site	Number	Rotterdam	74	Stowmarket	83	Atlantic Copper	572 *																																										
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¹ This number includes those apprentices from NMI who are working for PTFI or one of PTFI's contractors. Even though this is a Papuan development program, these apprentices are working for these companies and therefore must be included in labor and safety calculations. It is also important to point out that employee turnover (particularly contractors) is high and these figures fluctuate.

El Paso	88		
Ft. Madison	450		
Miami	42		

LA 02 - Net employment creation and average turnover segmented by region/county

North America	South America	Indonesia	Europe
Net employment creation = 1,724	Net employment creation = 414	Net employment creation: 1,147	Rotterdam: data not available for 2007.
Average turnover = 20%	Average turnover = 12.5%	Average turnover = 3.5%	Stowmarket: Net employment creation = 2 Average turnover = 16.9%
			Atlantic Copper: Reported that the difference between 2006 and 2007 employment was not significant.

LA 03 - Percentage of employees represented by independent trade union organizations or other bona fide employee representatives broken down geographically OR percentage of employees covered by collective bargaining agreements broken down by region/country

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North America	South America	Indonesia	Europe
Total union employees = 345 / 3.2%	Total union employees = 1673 / 43%	Total union employees = 4,260 / 44%	Total union employees = 275 / 38%
Non union employees = 10,564 / 96.8%	Total non-union employees = 2,205 / 57%	Total non-union employees = 5,514 / 56%	Total non-union employees = 454 / 62%
Total union employees by site:	Total union employees by site:	<i>Note: Indonesia's employees are represented by the All Indonesia Workers' Union.</i>	Total union employees by site:
Chino = 293 employees / 2.7%	Candelaria – 484 / 44%		Rotterdam: 50 / 72%
Bayway = 52 employees / 0.5%	El Abra – 471 / 51%		Stowmarket: 53 / 61%
<i>Note: In North America, only Chino and Bayway have union-represented employees.</i>	Cerro Verde – 684 / 42%		Atlantic Copper: 172 / 32%
	Aurex – 34 / 31%		

LA 04 - Policy and procedures involving information, consultation, and negotiation with employees over changes in the reporting organization's operations (e.g., restructuring)

FCX has retained the authority and freedom to suspend, limit, curtail or restructure its operations as it deems appropriate to respond to different economic conditions. When such decisions are made they are communicated to employees at the earliest appropriate time along with information on whose employment will be affected by the change in operations and the benefits that are available should they be laid off. The company's established policies, past practices, and collective bargaining agreements set forth the processes used for determining who may be affected by any layoffs/reductions in force associated with such operational changes.

PT Freeport Indonesia (PTFI)

PTFI has a Position Management Policy which provides guidelines for managing jobs throughout the organization, organization structure, and a consistent basis for promotion, recruiting, and career planning.

PTFI's Collective Labor Agreement specifies the rights of the Company and its employees with regard to all employment matters.

Promotions involve meeting performance and occupational assessment standards required for the position. Career Planning involves a review of the Succession Plan twice during the year and the completion of Personal Development Plans for high potential employees and all Papuan staff.

Atlantic Copper

Atlantic Copper has written procedures on organization, labor staff modification, personnel recruitment, employee social security registration, responsibilities, and the like, in accordance with ISO 9002 Norm Quality Management System. In addition, all workers' rights and duties are covered and labor and trade union relations are regulated in Atlantic Copper's IV Agreement for 2005-2007.

LA 05 - Practices on recording and notification of occupational accidents and diseases, and how they relate to the ILO Code of Practice on Recording and Notification of Occupational Accidents and Diseases

FCX operations' recording and notification of occupational accidents and diseases conforms to the ILO Code of Practice on Recording and Notification of Occupational Accidents and Diseases.

All incidents corporate-wide are reported (including near-misses, dangerous occurrences, and property damage) and classified according to standards as required by the U.S. Mine Safety and Health Administration (MSHA).

To ensure consistency in reporting, FCX follows MSHA reporting criteria for corporate reporting at all operations. Incidents are reported into the corporate department of occupational health and safety through the company's internal reporting system which produces a daily safety report, and month-end summary reports.

Incident rates are calculated and reported routinely to all levels of management and to the Public Policy Committee of the FCX Board of Directors. All serious injuries and accidents, in addition to potentially serious near-miss incidents are fully investigated, with corrective actions identified and implemented to prevent re-occurrence.

Atlantic Copper

Atlantic Copper complies with the regulations of notification of work-related accidents and illnesses. Also, all of the notifications are sent electronically to the corresponding organizations (Delta Systems for accidents and RED systems for illnesses).

LA 06 - Description of formal joint health and safety committees comprising management and worker representatives and proportion of workforce covered by any such committees

All FCX operations have dedicated site Health and Safety professionals who serve as technical resources to operations management in their responsibility to lead and manage safety. These safety professionals are also a conduit to the workforce, responsible to teach and reinforce key safety behaviors.

All FCX employees are actively involved in the safety processes at their respective sites. Expectations have been established and are consistently communicated through a variety of forums, including training, workplace safety "conversations" with supervisors, involvement in safety programs (audits, observations, risk management, etc.), daily safety tailgates and regular safety meetings.

The majority of FCX locations are union-free. Hence, formalized committees between management and worker representatives are not a part of the safety management system. Rather, interaction between management and the workforce is proactive in nature, and is enhanced by the implementation of recognized health and safety management systems in place at our operations (i.e. OHSAS 18001, NOSA 5-Star, OSHA VPP).

PT Freeport Indonesia (PTFI)

PTFI has a Safety, Health & Environment (SHE) Steering Committee chaired by the Senior Vice President of Operations and comprised of all PTFI Division Heads and representatives of major contractors. PTFI also has SHE Steering Committees at each division and department level.

South America

Both in Peru and Chile, the operations have structures made up of management and worker representatives, with the purpose of strengthening the work performed by the corporation in terms of occupational health and safety according to the applicable regulations in both countries.

In Peru (Cerro Verde) this preventive task is managed by the Committee of Mining Safety and Hygiene in accordance with the EO No. 046, 2001 of the Ministry of Energy and Mines (MEM); in Chile, all operations are part of a Joint Committee of Order, Hygiene and Safety, pursuant to Law 16,744, and it is in charge of the "Comités Paritarios".

Atlantic Copper

Atlantic Copper has a Committee of Directors of Security (CDSH) that is comprised of director-level personnel and presided over by the General Director of Metallurgy. Atlantic Copper also has a Health and Safety Committee comprised of employee representatives; 100% of the workforce is covered by these committees.

LA 07 - Standard injury, lost day, and absentee rates and numbers of work-related fatalities (totals include FCX employees and contracted workers)

The following are the 2007 lost time and total recordable injury rates for FCX Operations (TRIR includes lost time injuries, medical treatment injuries, restricted duty injuries and occupational illnesses).^{2 3}

North America		South America		Indonesia		Europe	
Regular employees:		Regular employees:		Regular employees:		Regular employees:	
<u>Site</u>	<u>LTIR/TRIR</u>	<u>Site</u>	<u>LTIR/TRIR</u>	<u>Site</u>	<u>LTIR/TRIR</u>	<u>Site</u>	<u>LTIR / TRIR</u>
Miami Mine	0.90 / 0.90	El Abra	0.42 / 0.64	Grasberg	0.14 / 0.37	Rotterdam	0 / 0.90
Miami Smelter	1.73 / 2.69	Candelaria	0.75 / 1.13			Stowmarket	3.60 / 4.80
Safford	1.11 / 2.22	Cerro Verde	1.67 / 1.76	Number of work-related fatalities: 3		Atlantic Copper	2.25 / 2.25
Sierrita	1.15 / 2.49	Contract employees:				Number of work-related fatalities: 0	
Chino	2.26 / 2.86	<u>Site</u>	<u>LTIR/TRIR</u>			Contract employees:	
Morenci	2.57 / 3.38	El Abra	0.83 / 1.00			<u>Site</u> <u>LTIR / TRIR</u>	
Bagdad	1.90 / 3.68	Candelaria	0.68 / 1.18			Atlantic Copper	
Tyrone	4.34 / 4.56	Cerro Verde	1.95 / 2.09			3.3 / 3.3	
El Paso Rod	0.00 / 0.00	Number of work-related fatalities: 2				Number of work-related fatalities: 0	
El Paso Refinery	1.03 / 3.09	<i>(A contractor fatality at Candelaria Norte in Chile and an employee fatality at Cerro Verde in Peru)</i>					
Chicago	1.51 / 1.51						
Norwich	0.00 / 0.72						
Miami Rod	2.48 / 2.48						
Bayway	2.47 / 8.65						
Ft. Madison	0.00 / 0.00						
Kinetics	0.00 / 0.00						
Henderson	3.14 / 3.92						
Number of work-related fatalities: 0							

MM 13 (Health & Safety) - Number of new cases of occupational disease by type. Describe programs to prevent occupational disease

FCX has numerous programs in place to prevent occupational disease, including respirator protection program, hearing conservation program, blood borne pathogen program, silica medical management program, arsenic exposure program, and control of Health Hazards from Welding & Generation of Metal Particulates.

² All injuries corporate wide are reported per U.S. MSHA reporting definitions.

³ Total Injury Rates and Lost Time Injury Rates are calculated per 200,000 man hours worked.

North America

In 2007 there were three cases of occupational diseases reported. Two resulted from arsenic exposure and the other was a hearing loss case.

PT Freeport Indonesia (PTFI)

In 2007, one case of occupational disease (pneumoconiosis) was diagnosed. PTFI's Safety & Industrial Health Department has in place a program to prevent occupational disease. The program includes surveys and samples of potential risks in all project areas. The results are analyzed and communicated to area owners and industrial health training focuses on risk and disease prevention.

Europe

Rotterdam and Stowmarket reported no new cases of occupational disease in 2007.

There were no new cases of occupational illnesses at Atlantic Copper in 2007. The Health Vigilance Unit, coordinating with the Atlantic Copper Prevention Service, has developed annual prevention programs on labor risks, safety, security, and health for the employees at Metallurgical Complex level and at each one of the departments and group levels. The programs set up annual commitments for continuous improvement in security. As a summary, the programs consist of:

- Annual objectives to reduce the number of accidents
- Security Committees for different groups and departments
- Internal and external audits
- Internal Inspections
- Coordination meetings with contractor companies
- Risk prevention program in the Metallurgical Complex
- Checking and reviewing rules and procedures
- External and internal training, including fire fighting
- Continuous improvement in risk evaluations in the work and hygiene risk prevention plan.

LA 08 - Description of policies or programs (for the workplace and beyond) on HIV/AIDS

FCX has a corporate policy on HIV/AIDS, however this policy is still undergoing integration for the new company and has not yet been implemented at the recently acquired Phelps Dodge operations in North and South America or in Europe.

PT Freeport Indonesia (PTFI)

PTFI is aware of and concerned about the incidence and prevalence of HIV and AIDS, particularly in the community within PTFI's Contract of Work area. The Company recognizes that HIV and AIDS are medical illnesses and must be addressed with standard medical approaches and cognizance of the social aspects of the problem. PTFI's HIV and AIDS Statement of Policy, published in January 2004, clarifies the Company's policy and procedures on the medical, social, and employment issues surrounding HIV and AIDS.

PTFI recognizes the serious implications of HIV and AIDS to the workforce and to the local community and endeavors to control the transmission of the diseases in accordance with regulations of the Government of Indonesia (GOI) and recommendations of the World Health Organization (WHO), the International Labor Organization (ILO), the Center for Communicable Diseases (CDC), and other relevant international health organizations.

Through the PTFI Public Health and Malaria Control Department, the Company also implements a comprehensive HIV and AIDS awareness and prevention program targeting our employees and their dependents, as well as neighboring communities. HIV and AIDS awareness and prevention activities include HIV and AIDS education as part of all new employee induction classes, ongoing education via workshops, posters, and television and website announcements, as well as outreach to the community with village-based education sessions. In addition to disease awareness, PTFI distributed 184,000 condoms in 2007 and provided confidential Voluntary Counseling and Testing (VCT) services at all PTFI employee health facilities, as well as at a sexually transmitted disease clinic operated in cooperation with local government in Timika.

In accordance with the Company policies of non-discrimination, government regulations regarding HIV and AIDS, and the tenets of the ILO, PTFI maintains a nondiscriminatory and fair approach to people with HIV or AIDS.

Atlantic Copper

Atlantic Copper has annual Health Vigilance plans in accordance with regulations on this matter. The impact of HIV/AIDS in Europe as well as in the Atlantic Copper working areas is not significant, as no HIV or AIDS cases have been detected in more than 15 years. Atlantic Copper, in coordination with the health authorities, has established written protocols for action if such a case were to occur.

LA 09 - Average hours of training per year per employee by category of employee. (e.g., senior management, middle management, professional, technical, administrative, production, and maintenance)

North America	South America	Indonesia	Europe
North America does not currently track hours of training per employee.	<p>Training hours completed in 2007 for South American operations employees were 134,824.</p> <p>The average training hours per employee was 35.</p>	<p>Training hours completed in 2007 for PTFI employees (including 'off the job' and 'on the job' training hours) were 8 million (including staff and non-staff / regular and contract employees).</p> <p>The average training hours per employee was 384.</p>	<p>Rotterdam and Stowmarket do not currently track hours of training per employee.</p> <p>Atlantic Copper completed the following average hours per year of training per employee in 2007:</p> <p>Management: 80 Maintenance: 10 Production: 34 Services and others: 32</p>

LA 10 - Description of equal opportunity policies or programs, as well as monitoring systems to ensure compliance and results of monitoring

FCX is committed to a policy that assures equal employment opportunity for all employees and all employment decisions are made on the basis of the demonstrated qualifications of each individual for those positions. This policy is set forth in the company's Principles of Business Conduct, which states FCX's commitment to diversity and a work environment free of discrimination and harassment. This policy is also communicated to employees in the company's Guiding Principles and in its collective bargaining agreements.

FCX also has established Affirmative Action Programs in which it has reaffirmed its commitment to equal employment opportunity and set forth metrics by which it can monitor its progress in achieving its affirmative action goals.

PT Freeport Indonesia

PTFI is unequivocally committed to supporting certain fundamental principles within the area of employment and employee relations, including the elimination of discrimination in the workplace. PTFI is determined to ensure that all of its activities have the full support of senior management and employees. PTFI also wishes to engender public confidence and trust in the Company's compliance with its policies. To achieve these goals, PTFI will undergo regular audits of all activities covered under the Social, Employment, and Human Rights Policy and FCX will engage an independent monitoring organization to conduct periodic verification audits to assess compliance with the Social, Employment, and Human Rights Policy.

LA 11- Composition of senior management and corporate governance bodies (including the board of directors), including female/male ratio and other indicators of diversity as culturally appropriate

The FCX Board of Directors is comprised of 16 members, including one member who is an African American woman. FCX's senior management team of five includes one woman.

PT Freeport Indonesia (PTFI)

The PTFI Board of Commissioners consists of 19 members, eight of whom are Indonesian (including three Papuans) and three of whom are women.

LA 12 – Employee benefits beyond those legally mandated

North America	South America	Indonesia	Europe
<p>In North America (U.S.), with the exception of social security contributions, all benefits provided by the company are voluntary.</p> <p>FCX provides a competitive benefits package to its U.S. employees, including medical, dental and vision services; short and long-term disability benefits; life insurance; retirement plans, an employee savings plan and profit sharing; adoption and education, and legal assistance; paid time off; an employee assistance program; and annual salary increases for merit.</p> <p>For U.S. employees covered under collective bargaining agreements, benefits are provided according to the terms of the contract.</p>	<p>All South American sites:</p> <ul style="list-style-type: none"> - Marriage allowance and leave - Newborn allowance and leave - Funeral allowance and leave - Education annual bonus - National holidays bonus - Christmas bonus - Vacation allowance - Sickness allowance - Productivity and performance bonus - Food allowance - Transportation allowance - Seniority severance 	<p>Employee benefits exceed the normative standard as set forth in Indonesian laws and regulations.</p> <p>As per the recent Collective Labor Agreement (CLA), PTFI's lowest wage as of December 2007 is IDR 3,100,000, while the minimum wage required for Papua province is IDR 995,225.</p>	<p>Employee benefits exceed the normative standard as legally mandated in the UK, The Netherlands and Spain where FCX operations are located.</p>

LA 13- Provision for formal worker representation in decision making or management, including corporate governance.

While FCX welcomes input from workers in decision making or management, including corporate governance, there is not a formal corporate provision for this.

LA 14 - Evidence of substantial compliance with the ILO Guidelines for Occupational Health Management Systems.

FCX safety programs are in compliance with the ILO Guidelines and are designed so that all employees have a safe environment in which to work.

PT Freeport Indonesia (PTFI)

PTFI safety programs are in compliance with the ILO Guidelines and are designed so that all employees have a safe environment in which to work. The program is based on an approach called FRESH (Freeport Safety and Health) that seeks continuous improvement. Toward that end, PTFI has:

- Developed standards that apply project-wide and that refer to the NOSA Five Star System framework: Premises and Housekeeping; Mechanical, Electrical and Personal Safeguarding; Management of Fire and Other Emergency Risks; Occupational Health and Safety Recording and Investigation; and Occupational Health and Safety Management.

- Ensured compliance with the Indonesian Government regulations on Occupational Health, through activities such as:
 - Periodic employee medical check-ups
 - Reporting standards for occupational illness
 - Health care services for employees and families
 - Ensuring protection of employees against health risks caused by airborne and solid contaminants, hazardous chemicals, and hazards from noise, illumination, and vibration.
- Demonstrated occupational incident rate trends which show significantly decreasing Lost Time Incidents.
- Explored tools to further strengthen our safety culture to achieve injury and illness rate goals for Five Star Grading in Safety and Health.

LA 15 - Description of formal agreements with trade unions or other bona fide employee representatives covering health and safety at work and proportion of the workforce covered by any such agreements.

PT Freeport Indonesia

The Collective Labor Agreement between PTFI and the labor union, which represents all non-staff (hourly) workers, addresses industrial health and safety. It states that:

- The Company is obliged to comply with mining safety and health regulations and laws of the Republic of Indonesia and commits to prevent work accidents and maintain employees work health by conducting safety training and meetings as well as providing work safety equipment.
- Employees shall abide by the safety and health regulations in the implementation of duties, prevent unsafe acts or conditions, and report them immediately to the Supervisor to prevent employee injury or damage to Company property.

The Industrial Relations Guidebook, which applies to all employees, both staff and non-staff (hourly), also addresses industrial health and safety, specifically, they stipulate that the Company:

- Shall conduct OSH education and training for employees
- Shall ensure that employees obtain periodic health examinations
- Shall provide all tools, equipment, personal protective equipment, and facilities required by employees in order to work safely and securely
- Shall install, provide, and maintain adequate traffic signs and other OSH signs in the workplace, according to prevailing regulations and legislation
- Shall provide adequate emergency equipment and emergency system
- Shall develop safe work procedures, socialize the procedures, and conduct sufficient training to create a safe and secure work atmosphere in Company operations
- Shall provide a Company manual on "Procedural Regulations to Prevent Accidents."

Employees also have roles and responsibilities, including the obligation to:

- Understand and comply with Company policies and all occupational safety and health regulations
- Undergo Health Examination scheduled by the Company
- Work according to OSH procedures to prevent injuries and accidents
- Perform a pre-operation inspection of equipment, tools and work area, and make repairs or report unsafe conditions to the Supervisor for immediate rectification
- Not perform particular work, including operating equipment, if they have not been trained and/or have no license for the equipment in question
- Wear and maintain personal protective equipment assigned to them, according to the area and type of work done, for their own safety
- Stop unsafe acts in the workplace and report them to the supervisor
- Immediately report all accidents or incidents (including near-miss incidents) to the supervisor
Attend Safety Meetings and Safety Training as required.

North and South America / Europe

This indicator was not reported for other sites in 2007 as LA15 is an "additional" indicator and not a "core" indicator. Sites acquired from Phelps Dodge only reported "core" indicators, with some exceptions.

LA 16 - Description of programs to support the continued employability of employees and to manage career endings.

PT Freeport Indonesia (PTFI)

PTFI allows staff employees, upon mutual consent, to participate in a "Retirement Preparation Program" where they can take up to 12 paid months off the job prior to their retirement to prepare for their retirement activities. PTFI conducts "Retirement Preparation" seminars in conjunction with the Freeport Pension Fund to assist employees who are retiring or about to enter their retirement preparation period.

The average non-staff (hourly) workers basic competency levels have been raised from 30% and have reached 84% by the end of 2007. This helps the Company to do more work but also helps employees to find other work after PTFI.

This indicator was not reported for other sites in 2007.

LA 17 - Specific policies and programs for skills management or for lifelong learning.

PT Freeport Indonesia (PTFI)

In cooperation with the Nemangkawi Mining Institute and the Institute Teknologi Bandung, PTFI provides an MBA program for staff of PTFI, privatized companies and contractors. In addition, the Nemangkawi Mining Institute serves as a center for training and development for PTFI employees and offers opportunities for training and development, as well as assessment for PTFI employees to improve their knowledge and skills and increase their competencies. PTFI's extensive training programs are carried out by the Quality Management Services Department and are designed for skills development and opportunities for lifelong learning.

North America

It is the policy of the company to help employees maintain their current skill level and to develop new or improved skills required for their current or next position with the company by providing financial assistance for approved continuing education. Employees are encouraged to pursue advanced education and learning for both professional and personal growth.

Employees in North America who pursue an advanced degree or certificate are eligible to receive financial assistance with tuition and other educational expenses. All full-time salaried and nonunion hourly employees will be considered for tuition reimbursement for courses initiated after 90 days of continuous employment.

South America

It is the policy of the company to help employees maintain their current skill level and to develop new or improved skills required for their current or next position with the company by providing financial assistance for approved continuing education. Employees are encouraged to pursue advanced education and learning for both professional and personal growth.

Employees in South America receive an annual education bonus as part of their benefits package.

Human Rights Indicators

HR 01 - Description of policies, guidelines, corporate structure, and procedures to deal with all aspects of human rights relevant to operations, including monitoring mechanisms and results. State how policies relate to existing international standards such as the Universal Declaration and the Fundamental Human Rights Conventions of the ILO.

FCX has a Social, Employment, and Human Rights Policy. This policy is under review for the new/integrated company and has not yet been implemented in North and South America / heritage Phelps Dodge sites. Implementation is expected to occur in late 2008.

PT Freeport Indonesia (PTFI)

PTFI and its employees are dedicated to the promotion of the rule of law and protection of human rights. The Company is committed to ensuring that its operations are conducted in a manner that respects the Universal Declaration of Human Rights, the Voluntary Principles on Security and Human Rights, other applicable international standards of human rights, the laws and regulations of the host country, and the culture of the people who are indigenous to the areas in which the Company operates. This is evident in the company's Social, Employment and Human Rights Policy.

PTFI has instituted several methods of accountability, including an annual self-certification process and the engagement of an independent firm to audit the Company's implementation of the Social, Employment, and Human Rights Policy. Employees are expected to respect human rights principles and to report any acts that may constitute violations of human rights.

Atlantic Copper

Atlantic Copper has implemented and complies with the FCX Social, Employment, and Human Rights Policy.

HR 02 - Evidence of consideration of human rights impacts as part of investment and procurement decisions, including selection of suppliers/contractors.

FCX has a Social, Employment, and Human Rights Policy. This policy is currently undergoing review/revision as part of acquisition/integration activities and has not yet been addressed with the corporate Global Sourcing (procurement) department.

PT Freeport Indonesia (PTFI)

PTFI requires all of its subsidiaries, affiliates, and partners to comply with its Social, Employment, and Human Rights Policy or to implement similar policies for their organizations. PTFI also conducts human rights training to contractor companies as agreed.

Atlantic Copper

Atlantic Copper has implemented and complies with the FCX Social, Employment, and Human Rights Policy.

HR 03 - Description of policies and procedures to evaluate and address human rights performance within the supply chain and contractors, including monitoring systems and results of monitoring.

FCX has a Social, Employment, and Human Rights Policy. This policy is currently undergoing review/revision as part of acquisition/integration activities and has not yet been addressed with the corporate Global Sourcing (procurement) department.

PT Freeport Indonesia (PTFI)

PTFI requires all of its affiliates and partners to comply with its Social, Employment, and Human Rights Policy or to implement similar policies for their organizations.

In 2007, PTFI contracted a third party to conduct an external audit of contractor performance in terms of adherence to and implementation of human rights policies.

Atlantic Copper

Atlantic Copper has implemented and complies with the FCX Social, Employment, and Human Rights Policy.

HR 04 - Description of global policy and procedures/programs preventing all forms of discrimination in operations, including monitoring systems and results of monitoring.

FCX is committed to a policy that assures equal employment opportunity for all employees and all employment decisions are made on the basis of the demonstrated qualifications of each individual for those positions. This policy is set forth in the company's Principles of Business Conduct, which applies to all FCX operations and states FCX's commitment to diversity and a work environment free of discrimination and harassment. This policy is also communicated to employees in the Company's Guiding Principles and in its collective bargaining agreements.

FCX also has established Affirmative Action Programs in which it has reaffirmed its commitment to equal employment opportunity and set forth metrics by which it can monitor its progress in achieving its affirmative action goals.

PT Freeport Indonesia

The FCX Social, Employment, and Human Rights Policy states our unequivocal commitment to supporting fundamental principles within the area of employment and employee relations, including the elimination of discrimination in the workplace. Hiring, promotion, and termination data are reviewed regularly by senior management in order to ensure that discrimination is prevented. In addition, PTFI engages an independent organization to conduct audits of its employment practices.

Atlantic Copper

Atlantic Copper has also implemented and complies with the FCX Social, Employment, and Human Rights Policy.

HR 05 - Description of freedom of association policy and extent to which this policy is universally applied independent of local laws, as well as description of procedures/programs to address this issue.

Freeport-McMoRan complies with the principles set forth by the International Labor Organization's (ILO) in its International Labor Standards with respect to the freedom of association of employees and workers. Freeport recognizes, consistent with these standards, the right of its employees to organize and form workers associations and that such associations provide a foundation for effective collective bargaining and for the efficient negotiation of appropriate working relationships. This commitment has been demonstrated by Freeport successfully negotiating collective bargaining agreements in North and South America consistent with the standards set forth by the ILO.

North America

FCX complies with the policy and provisions of the National Labor Relations Act, which states among other provisions, that it is the "declared policy of the United States to eliminate the causes of certain substantial obstructions to the free flow of commerce and to mitigate and eliminate these obstructions when they have occurred by encouraging the practice and procedure of collective bargaining and by protecting the exercise by workers of full freedom of association, self organization, and designation of representatives of their own choosing, for the purpose of negotiating the terms and conditions of their employment or other mutual aid and protection."

PT Freeport Indonesia (PTFI)

The FCX Social, Employment, and Human Rights Policy states our commitment to supporting fundamental principles within the area of employment and employee relations, including the freedom of association. In addition, freedom of association is covered in the PTFI Collective Labor Agreement and is addressed in the Indonesian labor laws, with which PTFI complies.

Atlantic Copper

Atlantic Copper has also implemented and complies with the FCX Social, Employment, and Human Rights Policy, which states our commitment to supporting fundamental principles within the area of employment and employee relations, including the freedom of association.

HR 06 - Description of policy excluding child labor as defined by the ILO Convention 138 and extent to which this policy is visibly stated and applied, as well as description of procedures/programs to address this issue, including monitoring systems and results of monitoring.

North America

FCX complies with the child labor provisions of the Fair Labor Standards Act and any applicable state child labor laws of the states in which it operates. This commitment is communicated to the company's employees through the posting of required U.S. Department of Labor and other posters

South America

FCX complies with the child labor provisions of the Fair Labor Standards Act and any applicable state child labor laws of the states/countries in which it operates. This commitment is communicated to the company's employees through the posting of required country labor law and other posters.

PT Freeport Indonesia (PTFI)

PTFI does not permit child labor under any circumstances. The FCX Social, Employment, and Human Rights Policy states our commitment to supporting fundamental principles within the area of employment and employee relations, including the abolition of child labor.

Atlantic Copper

FCX complies with the child labor provisions of the Fair Labor Standards Act and any applicable state child labor laws of the states in which it operates. This commitment is communicated to the company's employees through the posting of required U.S. Department of Labor and other posters.

Atlantic Copper has implemented and complies with the FCX Social, Employment, and Human Rights Policy, which states our commitment to supporting fundamental principles within the area of employment and employee relations, including the abolition of child labor.

HR 07 - Description of policy to prevent forced and compulsory labor and extent of which this policy is visibly stated and applied as well as description of procedures/programs to address this.

North America

Consistent with the laws of the United States the company does not permit forced and compulsory labor.

South America

Consistent with the laws of the United States, Chile and Peru the company does not permit forced and compulsory labor.

PT Freeport Indonesia (PTFI)

PTFI does not permit forced or compulsory labor under any circumstances. The FCX Social, Employment, and Human Rights Policy states our commitment to supporting fundamental principles within the area of employment and employee relations, including the elimination of forced and compulsory labor.

Atlantic Copper

Consistent with European laws, the Company does not permit forced and compulsory labor. Atlantic Copper has also implemented and complies with the FCX Social, Employment, and Human Rights Policy, which states our commitment to supporting fundamental principles within the area of employment and employee relations, including the elimination of forced and compulsory labor.

HR 08 - Employee training on policies and practices concerning all aspects of human rights relevant to operations.

FCX has a Social, Employment, and Human Rights Policy. This policy is currently undergoing review/revision as part of acquisition/integration activities and thus training has not yet commenced at North American, South American or European sites.

PT Freeport Indonesia (PTFI)

PTFI conducts ongoing and extensive human rights training for all of its employees, including employees of contractor companies serving the PTFI project. All personnel participate in periodic human rights training and receive ongoing communication about the application of human rights within our Company. In addition, selected personnel participate in our annual human rights certification. PTFI also promotes and socializes its human rights policy throughout the job site via posters, cartoons and other educational materials. In 2007, a total of 11,411 individuals completed PTFI human rights training.

HR 09 - Description of appeal practices, including, but not limited to, human rights issues.

FCX has a business ethics hotline available to any party internal or external to any operation for the purpose of expressing grievances and reports of suspected violations of the Company's Principles of Business Conduct, including but not limited to human rights issues.

PT Freeport Indonesia (PTFI)

The Employee Grievance component of the Industrial Relations Guidebook addresses appeals practices, including:

- The Company and the employees agree that observing and following the grievance procedure is in the interests of both parties.
- An employee may submit a grievance to the Company through the direct supervisor without any prejudice whatsoever.
- The grievance shall, to the extent possible, be settled in the first step of the procedure in the least amount of time.
- Employees are entitled to be accompanied by another employee or a representative from the Workers Union when submitting their grievance.
- The Industrial Relations Officer shall give advice to all parties and assist them at all levels of the process.
- A grievance in connection with the quality of living, including accommodation, food, and travel must be submitted to the officer responsible for handling grievances through the Department or Division Head in the presence of the representative of the Company.

In addition, the Social, Employment, and Human Rights Policy refers to the Human Rights Implementation Guide and Action Plan, which describes the procedure for initiating a complaint.

HR 10 - Description of non-retaliation policy and effective, confidential employee grievance system (including, but not limited to, its impact on human rights).

All Operations

The company's Principles of Business Conduct outline a process for reporting possible violations of company policies, including but not limited to providing a mechanism for communicating confidential employee grievances, as follows:

All suspected violations of our policies, procedures or the law should be reported to appropriate personnel as quickly as possible to ensure that any issues are addressed and resolved in a timely manner. The company has an open-door culture and all should feel free to openly discuss any questions or concerns about the way we conduct business. The open communication is vital to our growth as employees, a team and a company.

If an employee suspects that a policy has been violated, has a question about a policy or practice, or has a suggestion for how to improve things, they are encouraged to discuss it with their supervisor. If they are not comfortable discussing it with their supervisor, the issue may also be discussed with or reported to:

- The next level of management
- The manager responsible for the area concerned
- The local Human Resources or Compliance representative
- Corporate Human Resources, Legal or Compliance departments
- The internal Principles of Business Conduct Question Line or one of the designated compliance officers
- The FCX Compliance Line

Employees are encouraged to discuss their concerns with their supervisor or local HR representative first as they are usually the best individuals to deal with the issues. They are required to gather all information, start the process to ensure it is investigated appropriately and report back to the employee.

Non-Retaliation Policy

Anyone making a report in good faith or participating in investigations involving the Principles of Business Conduct will not be subject to retaliation of any kind.

FCX will not tolerate retaliation against any employee who raises a question or concern about FCX's business practices in good faith or who utilizes the FCX Compliance Line. Even if the concern is determined to be unsubstantiated, retaliation will not be tolerated as long as the report was made in good faith. Any retaliation that occurs will result in disciplinary action for the individual seeking retaliation. If any employee believes they have experienced any retaliation because they have participated in an investigation involving the Principles of Business Conduct, they should immediately report that concern in accordance with the procedure described in the policy.

PT Freeport Indonesia (PTFI)

The Human Rights Implementation Guide and Action Plan describes the Company's policy for non-retaliation and the confidential employee grievance system as follows:

- Any member of the PTFI community may issue a complaint.
- All information reported will remain confidential.
- An employee's department will be contacted only with the employee's express consent.
- Anonymous complaints are accepted.
- Any employee who engages in discrimination or harassment or who is in a supervisory position and fails to take action when advised of discrimination or harassment will be subject to appropriate disciplinary action.
- If a supervisor uses his or her position to retaliate against any employee who has initiated a complaint, the Company will conduct an investigation, which may end in termination.

This indicator was not reported for other sites in 2007. (Other sites comply with/support this indicator as covered under the Principles of Business Conduct outlined above).

HR 11 - Human rights training for security personnel.

FCX has a Social, Employment, and Human Rights Policy. This policy is currently undergoing review/revision as part of acquisition/integration activities and thus training has not yet commenced at North American, South American or European sites – but is currently being planned.

PT Freeport Indonesia (PTFI)

PTFI conducts ongoing and extensive human rights training for all of its employees, including employees of contractor companies serving the PTFI project. Our commitment is for all security personnel to participate in human rights training twice annually, participate in our annual human rights certification, and receive ongoing communication about the application of human rights within our Company.

HR 12 - Description of policies, guidelines, and procedures to address the needs of indigenous people.

FCX has a range of procedures and programs that address the needs of the indigenous people (where applicable), including community outreach and development programs. The Company also has a Social, Employment, and Human Rights Policy, however this has not yet been implemented and is still being reviewed as part of integration activities. Implementation is planned for 2008/2009.

PT Freeport Indonesia (PTFI)

PTFI has a wide range of policies, guidelines, and procedures that address the needs of the indigenous people. These include the Social, Employment, and Human Rights Policy, our extensive community outreach and development programs (as described in the 2007 WTSD report), and our Guiding Principles for Indonesian Operations – People and the Community.

HR 13 - Description of jointly managed community grievance mechanisms/authority.

PT Freeport Indonesia (PTFI)

The PTFI community grievance mechanism is primarily managed by the PTFI Community Liaison Officers, who use the following process to document and manage grievances:

- Collect information on the grievance,
- Engage relevant stakeholders,
- Facilitate reaching mutual resolution.

(Source note: SLD CLO Case Analysis and Resolution Plan form)

North and South America

Operations in North and South America currently do not have any grievance mechanisms that are "jointly managed". Various formal and informal grievance mechanisms exist to allow stakeholders to voice their concerns/grievances and receive a response.

Grievance mechanisms are currently under review and assessment as part of the company integration to determine where more formalized processes are needed. This is expected to be completed in 2009.

HR 14 - Share of operating revenues from the area of operations that are redistributed to local communities.

PT Freeport Indonesia

One percent of annual PTFI gross revenue⁴ was redistributed and committed to local communities in 2007 by the local NGO, LPMK (described in EC10 and MM01). \$22.2 million was paid to the LPMK during 2007 and the remaining \$30.4 million has been committed to them and will be granted upon renewal of the organization's Memorandum of Understanding.

An additional 0.8% of annual PTFI gross revenues was redistributed to local communities in 2007 through joint venture projects with local organizations (described in EC10 and MM01).

North and South America / Europe

This indicator was not reported for other sites in 2007 as HR14 is an "additional" indicator and not a "core" indicator. Sites acquired from Phelps Dodge only reported "core" indicators, with some exceptions. Thus, this indicator and the corresponding calculation has not yet been done for North and South America or Europe. This indicator is not included in the new G3 reporting guidelines.

Social Indicators

SO 01 - Description of policies to manage impacts on communities in areas affected by activities, as well as description of procedures/programs to address this issue, including monitoring systems and results of monitoring.

FCX has a Social, Employment, and Human Rights Policy. This policy is under review for the new/integrated company and has not yet been implemented in North or South America. Implementation is expected to occur in late 2008.

Even though the policy is still in process, the company employs various programs to manage impacts on communities in areas affected by company activities.

North America

In North America, three active mine sites (Bagdad, Safford and Sierrita) and two care and maintenance sites (under reclamation) (Ajo and Bisbee) have formal stakeholder engagement programs ("Community Partnership Panels") that allow the company to work cooperatively with the communities affected by our activities. The Partnership Panels facilitate a two-way dialogue to identify, understand and address community questions and concerns and work collaboratively to address impacts and community planning. Issues raised during Panel meetings are monitored and responded to.

Additional sites are in the process of developing/implementing formal stakeholder engagement programs ("Community Partnership Panels"). Sites in the process of developing/implementing Panels include active mine sites of Chino, Tyrone, Miami, Morenci and Climax.

Also link to Environmental Policy with regard to monitoring of environmental impacts.

South America

In Chile, Candelaria/Ojos and El Abra have engaged with stakeholders with regard to specific operational impacts/projects (such as slag removal near Ojos in the community of Tierra Amarilla and the El Abra Sulfolix project). Both sites have periodic meetings with stakeholder groups/communities to share information and address concerns.

In Peru, Cerro Verde has community outreach offices located near the mine accessible to the surrounding communities and the city of Arequipa. This office is open daily to receive community members' questions and concerns. Community meetings are held periodically/as needed to address specific issues.

⁴ Contributions to the Partnership Fund attributable to our operations in 2007, including the share of our joint venture partner, Rio Tinto plc, totaled \$52.6 million.

Cerro Verde also facilitates a participatory community environmental monitoring program through which community leaders/stakeholders participate in air and water quality monitoring.

In both North and South America, stakeholder engagement activities serve as a primary basis for monitoring social impacts in communities. In addition, in many communities the company has conducted socio-economic or social baseline studies to determine the current social climate and issues / factors that might be impacted by operational activities, including environmental impacts. [link to Environmental Policy](#).

PT Freeport Indonesia (PTFI)

[Link to FCX Social, Employment, and Human Rights Policy.](#)

[Link to Environmental Policy.](#)

[Link to 2007 WTSD Report.](#)

Atlantic Copper

[Link to FCX Social, Employment, and Human Rights Policy.](#)

[Link to Environmental Policy.](#)

[Link to 2007 WTSD Report.](#)

MM 07 - Describe significant incidents affecting communities during the reporting period, and grievance mechanisms used to resolve the incidents and their outcomes.

North America

In 2007, the Sierrita Mine located in Green Valley Arizona had an incident with tailings dust that was blown into the local community. The dust stabilization material, magnesium chloride, apparently failed to hold down the Sierrita tailings because rains caused it to break apart, leaving behind unstabilized mine tailings vulnerable to heavy wind events.

The tailings dust that blew into residential properties left a thin layer of white, powdery material across the area. The company set up a voluntary effort to clean all affected yards and homes and reimburse homeowners who had already had their yards or homes cleaned. The company also completed an investigation into potential human health effects, which concluded that the tailings dust is similar to desert dust. This study was provided to the public. Community members could register for the clean-up program and voice questions/complaints via a specially dedicated "hotline". All calls received prompt response.

PT Freeport Indonesia (PTFI)

In 2007, a tribal war erupted in Banti killing and displacing many local residents. To help resolve the conflict and bring peace to the area, PTFI provided food and supplies to many of the people affected as well as found temporary accommodation for people displaced from their homes. PTFI facilitated the logistics for bringing in additional security/ police personnel and encouraged local government officials to intervene and resolve the conflict and provide reconciliation measures to victims of the war.

There were no incidents in South America or Europe.

MM 08 - Describe programs in which the reporting organization has been involved that addressed artisanal and small-scale mining (ASM) within company areas of operation.

PT Freeport Indonesia (PTFI)

To address the artisanal miners in the COW area, PTFI developed the *Panners' Task Force* made up of various related PTFI departments, local police and government officials, and representatives of the artisanal miners. The Task Force's main objective is to maintain clear lines of communication and positive dialogue with the miners on issues such as: health and disease, safety, the dangers of mercury use, and Company policy.

This indicator is not applicable to North America, South America and Europe.

MM 09 - Describe resettlement policies and activities.

PT Freeport Indonesia (PTFI)

There were no resettlement activities in 2007.

This indicator is not applicable for North America, South America or Atlantic Copper.

MM 11 - Describe processes for identifying local communities' land and customary rights, including those of indigenous peoples, and grievance mechanisms used to resolve any disputes.

North and South American and European operations comply with all legal requirements related to land ownership.

PT Freeport Indonesia (PTFI)

Under the Indonesian constitution, all unimproved land is, by law, owned by the Government of Indonesia and all minerals belong to the Government of Indonesia. PT Freeport Indonesia's "January Agreement" of 1974 with the Amungme was the first recognition in Indonesia of *hak ulayat*, or the right of traditional people to land used for hunting and gathering. Subsequent to that agreement, the Government of Indonesia formally recognized the right to compensation for *hak ulayat* land rights. Compensation in the form of *rekognisi*, or recognition, is paid to communities for a release of *hak ulayat* rights, as *hak ulayat* is a communal property right. Such payments are made in the form of mutually agreed projects or programs benefiting the community. PT Freeport Indonesia has paid *rekognisi* in several instances over the years through programs mutually agreed upon with the local Papuans and the Government of Indonesia.

Two such multi-year *rekognisi* programs are currently ongoing in the highland and lowland areas of our operations. These two programs are providing millions of dollars worth of infrastructure, social and economic development projects including housing, school buildings and student dormitories, medical clinics, places of worship, community buildings, office buildings, roads, bridges, water tanks, electrical power, motorboats for transportation and fishing, sports facilities and feasibility studies for business opportunities. Specifically:

In addition, land rights trust funds for the Amungme and Kamoro tribes were created in 2001 to provide voluntary special recognition for the holders of the *hak ulayat* in the mining area and for the expanded scope and continuing success of the mining operations. The company has contributed approximately \$26 million to the fund through 2007 and, in conformance with the applicable land rights agreement, will continue to make contributions of \$1 million annually. These funds are in addition to the social development fund (see Freeport Partnership Fund for Community Development) established by PT Freeport Indonesia, which has received approximately \$300 million from our operations since 1996 for investments in projects selected by a board of local stakeholders.

[Link to page 7 of the 2007 WTSD Report.](#)

SO 02 - Description of the policy, procedures/ management systems, and compliance mechanisms for organizations and employees addressing bribery and corruption.

FCX is committed to conducting business in accordance with high ethical standards and in compliance with all applicable laws. FCX has a comprehensive Principles of Business Conduct which applies to the parent company, all subsidiaries and affiliates, and associated contractors, and which clearly establishes the Company's policy on appropriate Business Conduct.

SO 03 - Description of policy, procedures/ management systems, and compliance mechanisms for managing political lobbying and contributions.

As stated in FCX's Principles of Business Conduct Policy, "it is FCX's policy not to contribute any funds to any candidate for political office, official of a political party, or committee or organization for the election of a particular candidate to any political office (federal, state, or local) in the United States or in foreign countries."

SO 04 - Awards received relevant to social, ethical, and environmental performance

PT Freeport Indonesia (PTFI)

Indonesian Ministry of Energy and Mineral Resources Award. "Achievement in Reclamation Activities for the Extractive Industry Sector from 2004-2006"

Certification of Recognition from Metro TV and the UN Special Ambassador for MDG for Asia and the Pacific.

Certificate of Recognition as a contributor toward achieving the Millennium Development Goals (MDG) to combat HIV/AIDS, malaria, and other diseases.

North America

Safford Operation - Safford, AZ

U.S. Department of Labor Mine Safety and Health Administration / Sentinels of Safety Certificate of Achievement. For safety achievement in the small, open-pit classification/category for working without a lost work day because of injury. MSHA's Sentinels of Safety awards recognize mining operations in various categories that record the most hours in a calendar year without a single lost-time injury. A minimum of 4,000 hours is required for consideration, and the award categories recognize accomplishments of both small and large mines.

Miami Operation – Miami, AZ

U.S. Department of Labor – Safety Achievement Award. Miami's mine operations group and the hydromet group were honored for their safety achievement at the Joint Western Regional Mine Safety & Health Conference by the U.S. Department of Labor. Among Arizona companies, Miami's mine operations and hydromet groups were the top safety performers in the state.

Clarkdale, AZ

U.S. Bureau of Land Management – Hardrock Mineral Environmental Award. The Clarkdale tailings dam reclamation project was awarded the Hardrock Mineral Environmental award from the U.S. Bureau of Land Management which recognizes efforts made by the company in implementing the principles of sustainable development. The Clarkdale Tailings Reclamation project is located on private land just below the Tuzigoot national monument. The impoundment covers an area of approximately 129 acres of land. It contains about 4 million tons of tailings brought in between 1927 and 1953 from copper-containing ore from the United Verde copper mine five miles southwest of Jerome, Arizona. The company undertook a series of measures to remediate and reclaim the site, including hiring an outside company to design a soil cap for the former tailings pond. Capping and revegetation of the tailings impoundment has achieved a variety of environmental objectives. The BLM also recognized company officials for engaging in open and honest communication with the public and other stakeholders from project startup to completion.

South America

El Abra Mine – Calama, Chile

2007 Benjamin Teplizky Award for Safety and Sustainable Development. The highest award given annually by the Chilean Ministry of Mines. Award applicants must submit economic performance data and statistical information on safety, community relations and environmental efforts. The Benjamín Teplizky Prize constituted a significant recognition for El Abra since the Ministry of Mines annually grants the award to the national or foreign company established in Chile that shows continuous improvement and excellence in the promotion of sustainable development in environmental and safety matters.

Corema Public Recognition. El Abra became the first private entity to receive public recognition from the regional environmental authority Corema. The special recognition award was given to commemorate the 13-year anniversary of Corema, which is the authority that supervises the environmental impact system. El Abra received the award for "outstanding work in favor of environmental care and constant work with communities." El Abra was the first private company to receive the recognition from Corema.

National Service of Geology and Mining – 2007 Award for Operational Excellence. The mine was evaluated on 24 various subjects, including safety, environment, communications and community relations. El Abra was one of only three sites in the region that received the award out of the 800 institutions and companies that were evaluated.

2007 Energy Efficiency Award by CPC Chile

SO 05 - Amount of money paid to political parties and institutions whose prime function is to fund political parties or their candidates.

FCX does not make any payments to political parties or institutions whose prime function is to fund political parties or their candidates.

Link to Principles of Business Conduct Policy.

SO 06 - Court decisions regarding cases pertaining to anti-trust and monopoly regulations.

There were no court decisions regarding cases pertaining to anti-trust and monopoly regulations that impacted FCX in 2007.

SO 07 - Description of policy, procedures/management systems, and compliance mechanisms for preventing anti-competitive behavior.

FCX's Principles of Business Conduct Policy addresses Conflicts of Interest, Trade Secrets and Fair Dealing, and Antitrust Matters.

Link to Principles of Business Conduct Policy.

MM 10 - Number of operations with closure plans, covering social, stakeholder engagement processes, frequency of plan review, and amount and type of financial provisions for closure.

North America & South America

North and South American operations have closure plans which are reviewed periodically. The ultimate amount of reclamation and closure costs to be incurred will be determined based on applicable laws and regulations at the time of closure. With the exception of Cerro Verde, existing closure plans have not been reviewed in depth for social provisions / considerations. They will be reviewed over the next 12-18 months to determine if appropriate social and stakeholder engagement processes are included.

PT Freeport Indonesia (PTFI)

PTFI has developed a closure plan which is reviewed annually.

Estimates of the ultimate costs of closure involve integrated assessments of complex issues over a period of many years, and are subject to change. Closure cost estimates are updated appropriately and reported annually. The ultimate amount of reclamation and closure costs to be incurred will also be determined based on applicable laws and regulations at the time of closure. In 1996, PTFI began contributing to a cash fund designed to accumulate at least \$100 million (including interest) by the end of its Indonesian mining activities. PTFI plans to use this fund, including accrued interest, to pay for mine closure and reclamation costs.

Link to page 43 of the 2007 Annual Report.

Atlantic Copper

Atlantic Copper, Rotterdam and Stowmarket have closure plans, which are reviewed periodically.

MM 12 - Describe approach to identifying, preparing for, and responding to emergency situation affecting employees, communities, or the environment.

All operations have in place comprehensive Emergency Response Plans. The plans provide for procedures and protocols for responding to and managing an emergency situation. Each site maintains its own Plan.

Product Responsibility Indicators

PR 01 - Description of policy for preserving customer health and safety during use of products and services, and extent to which this policy is visibly stated and applied, as well as description of procedures/programs to address this issue, including monitoring systems and results of monitoring.

PT Freeport Indonesia (PTFI)

FCX products are all covered by Material Safety Data Sheets.

PR 02 - Description of policy, procedures / management systems, and compliance mechanisms related to product information and labeling.

FCX complies with the appropriate product information and labeling requirements. Compliance is assured through the environmental auditing process.

PR 03 - Description of policy, procedure/ management systems, and compliance mechanisms for consumer privacy.

This indicator is not applicable to any sites.

PR 04 - Number and type of instances of noncompliance with regulations concerning customer health and safety, including the penalties and fines assessed for these breaches.

PT Freeport Indonesia (PTFI) & Atlantic Copper

There have been no instances of noncompliance with regulations concerning customer health and safety, therefore no fines or penalties have been assessed.

This indicator was not reported for other sites in 2007.

North and South America / Europe

This indicator was not reported for other sites in 2007 as PR04 is an "additional" indicator and not a "core" indicator. Sites acquired from Phelps Dodge only reported "core" indicators, with some exceptions. Thus, this indicator and the corresponding information has not yet been collected for North and South America or Europe. Information will be gathered and reported for 2008.

PR 05 - Number of complaints upheld by regulatory or similar official bodies to oversee or regulate the health and safety of products and services.

PT Freeport Indonesia (PTFI) & South America

There have been no complaints upheld by regulatory or similar official bodies to oversee or regulate the health and safety of products and services.

This indicator was not reported for other sites in 2007.

North and South America / Europe

This indicator was not reported for other sites in 2007 as PR05 is an "additional" indicator and not a "core" indicator. Sites acquired from Phelps Dodge only reported "core" indicators, with some exceptions. Thus, this indicator and the corresponding information has not yet been collected for North and South America or Europe. Information will be gathered and reported for 2008.

PR 06 - Voluntary code compliance, product labels or awards with respect to social and/or environmental responsibility that the reporter is qualified to use or has received.

PT Freeport Indonesia (PTFI)

PTFI received a Silver Environmental Award from the Indonesian Minister of Energy and Mineral Resources in 2007 for work on mine reclamation.

Atlantic Copper

At Atlantic Copper, a total quality management program has been implemented based on the most up-to-date control technology, with laboratories that cater to customer requirements. The quality system is certified by AENOR, who in 1994 registered the Company under number ER 0128/94 based on UNE-EN-ISO 9002. As a consequence, Atlantic's FMX Cathode is registered as Grade A on the LME and Grade 1 on the COMEX.

PR 07 - Number and type of instances of noncompliance with regulations concerning product information and labeling, including any penalties or fines assessed for these breaches.

PT Freeport Indonesia (PTFI) & South America

There were no instances of non-compliance with regulations concerning product information and labeling.

This indicator was not reported for other sites in 2007.

North and South America / Europe

This indicator was not reported for other sites in 2007 as PR07 is an "additional" indicator and not a "core" indicator. Sites acquired from Phelps Dodge only reported "core" indicators, with some exceptions. Thus, this indicator and the corresponding information has not yet been collected for North and South America or Europe. Information will be gathered and reported for 2008.

PR 08 - Description of policy, procedures/management systems, and compliance mechanisms related to customer satisfaction, including results of surveys measuring customer satisfaction.

Due to the nature of FCX's main product, copper concentrate, customer satisfaction is not an applicable metric.

PR 09 - Description of policies, procedures/management systems, and compliance mechanisms for adherence to standards and voluntary codes related to advertising.

FCX's practice is to ensure that all advertising and external communications undergo extensive internal review for technical accuracy and legal compliance.

PR 10 - Number and types of breaches of advertising and marketing regulations

There have been no breaches of advertising or marketing regulations.

PR 11 - Number of substantiated complaints regarding breaches of consumer privacy

There have been no complaints regarding breaches of consumer privacy.