

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 Average turnover = 20%	Net employment creation = 414 Average turnover = 12.5%	Net employment creation: 1,147 Average turnover = 3.5%	Rotterdam: data not available for 2007. 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% Non union employees = 10,564 / 96.8% Total union employees by site: Chino = 293 employees / 2.7% Bayway = 52 employees / 0.5% <i>Note: In North America, only Chino and Bayway have union-represented employees.</i>	Total union employees = 1673 / 43% Total non-union employees = 2,205 / 57% Total union employees by site: Candelaria – 484 / 44% El Abra – 471 / 51% Cerro Verde – 684 / 42% Aurex – 34 / 31%	Total union employees = 4,260 / 44% Total non-union employees = 5,514 / 56% <i>Note: Indonesia's employees are represented by the All Indonesia Workers' Union.</i>	Total union employees = 275 / 38% Total non-union employees = 454 / 62% Total union employees by site: Rotterdam: 50 / 72% Stowmarket: 53 / 61% Atlantic Copper: 172 / 32%

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				
Bagdad	1.90 / 3.68	Candelaria	0.68 / 1.18			<u>Site</u>	<u>LTIR / TRIR</u>
Tyrone	4.34 / 4.56	Cerro Verde	1.95 / 2.09			Atlantic Copper	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.