

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>Component of Compensation</th> <th>Summary and Purpose of the Component</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>	Component of Compensation	Summary and Purpose of the Component	<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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