OUR APPROACH

The nature of our business impacts the environment and communities surrounding our operations. We mitigate impacts to the extent practicable through state-of-the-art control and remediation measures. We develop infrastructure, support health, safety and education efforts, and provide local employment and business development opportunities. The products we produce are critical for sustainability and higher standards of living. To supply essential natural resources to current and future generations, we are guided by our stated business objectives, principles and policies, and we continuously improve our sustainable development programs. Our approach has three core elements:

**Economic:** Leverage our operating and financial expertise, technologies and supply chain to ensure that we remain a vibrant, sustainable business entity.

**Environmental:** Evaluate environmental aspects continuously throughout a project’s life cycle to minimize adverse impacts and promote opportunities.

**Social:** Operate safely, and uphold and respect human rights. Engage openly and transparently with internal and external stakeholders and keep our commitments in order to build trust. This enhances our ability to obtain permits to operate and ensures we have a dedicated workforce.

DID YOU KNOW?

- Third-party assurance of the International Council on Mining & Metals Sustainable Development Framework has been completed at all major mining operations, and we maintain an ongoing site-level assurance program.
- Our annual Working Toward Sustainable Development Report has been prepared at the A+ level of the GRI G3 guidelines, including external assurance, for the sixth consecutive year.
- All operations maintain health and safety management systems certified to OHSAS 18001, which are independently audited on an annual basis.
- All operations maintain environmental management systems certified to ISO 14001, which are independently audited on an annual basis.
- Since 2007, we have directly invested approximately $1.2 billion in local communities including health, education and economic programs.
- We maintain formal stakeholder engagement programs near our major operations, some of which include memoranda of understanding, foundations, community partnership panels and community investment funds.
- We have been an active member of the Voluntary Principles on Security and Human Rights since it was first established in 2000.
- We endorse and are active members of the Extractive Industries Transparency Initiative; in addition, we publicly report material cash payments to governments in all countries where we conduct business.
- We regularly engage with investors, customers, analysts, banks and nongovernmental organizations on our sustainability programs.
## TREND DATA

<table>
<thead>
<tr>
<th>WORKFORCE&lt;sup&gt;a&lt;/sup&gt;</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees</td>
<td>28,400</td>
<td>29,700</td>
<td>31,800</td>
<td>34,000</td>
<td>36,100</td>
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<tr>
<td>Contractors</td>
<td>16,600</td>
<td>22,300</td>
<td>27,800</td>
<td>27,100</td>
<td>38,400</td>
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<tr>
<td>Percent Employees Under Collective Bargaining Agreements</td>
<td>45%</td>
<td>44%</td>
<td>49%</td>
<td>48%</td>
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<table>
<thead>
<tr>
<th>SAFETY AND HEALTH&lt;sup&gt;a&lt;/sup&gt;</th>
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<tbody>
<tr>
<td>Fatalities</td>
<td>3</td>
<td>2</td>
<td>5</td>
<td>6</td>
<td>35</td>
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<tr>
<td>Total Recordable Incident Rate&lt;sup&gt;b&lt;/sup&gt;</td>
<td>0.74</td>
<td>0.65</td>
<td>0.61</td>
<td>0.58</td>
<td>0.74</td>
</tr>
<tr>
<td>Occupational Illness Cases</td>
<td>9</td>
<td>6</td>
<td>16</td>
<td>25</td>
<td>41</td>
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<table>
<thead>
<tr>
<th>ENVIRONMENT</th>
<th></th>
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<th></th>
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</thead>
<tbody>
<tr>
<td>Direct Greenhouse Gas Emissions (millon metric tons)</td>
<td>5.2</td>
<td>5.6</td>
<td>5.4</td>
<td>5.7</td>
<td>5.9</td>
</tr>
<tr>
<td>Indirect Greenhouse Gas Emissions (millon metric tons)</td>
<td>4.4</td>
<td>4.4</td>
<td>4.6</td>
<td>4.0</td>
<td>4.3</td>
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<tr>
<td>Total Water Consumption&lt;sup&gt;c&lt;/sup&gt; (million cubic meters)</td>
<td>620</td>
<td>630</td>
<td>600</td>
<td>665</td>
<td>690</td>
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<tr>
<td>Percent Recycled Water&lt;sup&gt;c&lt;/sup&gt;</td>
<td>66%</td>
<td>66%</td>
<td>66%</td>
<td>71%</td>
<td>69%</td>
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<tr>
<td>Reportable spills or releases of hazardous or toxic chemicals</td>
<td>26</td>
<td>10</td>
<td>11</td>
<td>12</td>
<td>16</td>
</tr>
<tr>
<td>Notices of Violations related to permit exceedances, spills, releases or other compliance matters</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>4</td>
<td>10</td>
</tr>
<tr>
<td>Environmental Penalties&lt;sup&gt;d&lt;/sup&gt; ($ thousands)</td>
<td>$ 493</td>
<td>$ 83</td>
<td>$ 75</td>
<td>$ 47</td>
<td>$ 80</td>
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<table>
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<tr>
<th>SOCIAL</th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Community Investments ($ millions)</td>
<td>$ 180</td>
<td>$ 189</td>
<td>$ 191</td>
<td>$ 173</td>
<td>$ 173</td>
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<tr>
<td>Cash Payments to Governments&lt;sup&gt;e&lt;/sup&gt; ($ millions)</td>
<td>$ 2,432</td>
<td>$ 3,744</td>
<td>$ 4,838</td>
<td>$ 2,984</td>
<td>$ 2,814&lt;sup&gt;a&lt;/sup&gt;</td>
</tr>
<tr>
<td>Direct Economic Contributions&lt;sup&gt;e&lt;/sup&gt; ($ millions)</td>
<td>$15,040</td>
<td>$13,902</td>
<td>$16,559</td>
<td>$14,470</td>
<td>$17,283&lt;sup&gt;a&lt;/sup&gt;</td>
</tr>
</tbody>
</table>

<sup>a</sup> Includes FM O&G for period June 1, 2013, through December 31, 2013.

<sup>b</sup> TRIR = [(Fatalities + Lost Time Incidents + Restricted Duty Incidents + Medical Treatment) x 200,000] / Total Hours Worked.

<sup>c</sup> Excludes all facilities located in Arizona due to ongoing water rights litigation.

<sup>d</sup> Penalties are typically paid in periods subsequent to the year of the environmental event and/or enforcement action.

<sup>e</sup> Please see detailed information in our WTSD reports published on [www.fcx.com/sd](http://www.fcx.com/sd).
The Corporate Responsibility Committee of our Board of Directors is responsible for overseeing our sustainable development programs, including policies and programs related to the environment, human rights, safety and health, governmental and stakeholder relations, community health and social investments. The Committee examines key performance data and receives briefings concerning challenges and emerging issues in these areas. The Corporate Responsibility Committee reports to our Board of Directors, which provides oversight on all matters, including the economic viability of our Company – the first element of our approach to sustainable development.

The Freeport-McMoRan Sustainable Development Leadership Team provides strategic and operational guidance regarding our sustainability commitments. The team is sponsored by our Executive Vice President and Chief Administrative Officer, led by our Vice President of Environmental Services and Sustainable Development, and includes business unit presidents and senior personnel from the safety, supply chain, human resources, sales, compliance, and land and water functions.

This process allows us to integrate sustainability considerations into mine development or expansion projects. The review is designed to help multi-disciplined project teams identify risks, unintended consequences, trade-offs and opportunities, so they may be adequately addressed early and throughout each stage of project development. Project Development Sustainability Reviews occur at the scoping, pre-feasibility, feasibility, and/or engineering/construction stages of projects, and the process also applies to exploration projects. This process complements our operational Sustainable Development Risk Register process for existing operations.

This process prioritizes environmental, social and economic challenges and opportunities based on our views of potential impacts to our business and the importance of these topics to our stakeholders. Our Sustainable Development Department works with operational management teams to review operational risks to ensure the process is effective in prioritizing key business risks and associated action and monitoring plan elements. This process enhances decision making regarding operational planning and resource allocation. We report to stakeholders on sustainability focus areas identified through this process.

Project planning and project life-cycles can span decades. We consider early and effective engagement with stakeholders critical for creating mutual opportunities and reducing sustainability-risks to our plans. We seek strategic partnerships with host governments, communities and development partners to ensure the viability of our projects while delivering meaningful benefits. We aim to work with persons and entities that have pragmatic ideas to help us improve our performance, as well as with those who genuinely seek to understand the overall economic, social and environmental impacts of our operations.
BUSINESS ETHICS

Our Principles of Business Conduct set forth the global system of principles that our workforce must follow in all activities — from complying with laws and avoiding conflicts of interest to developing positive relationships in local communities.

- We conduct comprehensive training on our Principles of Business Conduct, including annual certification of management-level employees. Non-management employees are trained on a rotational basis and training is mandatory for all new hires.
- We maintain a Compliance Line to guide and assist workforce members with questions or concerns related to our Principles of Business Conduct. We provide anonymous reporting through this system.
- Our Supplier Code of Conduct ensures that our standards and expectations are clearly communicated to our supply chain partners.
- Our Political Activity and Spending Practices statement sets forth our practices regarding political activity and spending. Our practice is to make information concerning all political contributions by Freeport-McMoRan and Freeport-McMoRan-affiliated political action committees publicly available by annually posting our political contributions on our website.
- Our Anti-Corruption Policy and guidelines assist in ensuring compliance with the U.S. Foreign Corrupt Practices Act of 1977 and other relevant anti-corruption laws, including local laws.
- We do not tolerate the offering or payment of bribes, kickbacks or other similar payments to any person or organization or government official to secure advantages for our business. Likewise, we do not accept any of these payments.
- Our online due diligence platform, the Freeport Compliance eXchange is a survey-based software platform designed to assess risk in the areas of anti-corruption, international trade controls, and human rights.

SAFETY AND HEALTH

Our Safety & Health Policy establishes our objective of zero workplace injuries and occupational illnesses. The policy addresses the implementation of safety and industrial health audits at our operations on a regular basis and self-directed implementation of best safety practices throughout the organization.

- All active mining operations maintain accredited OHSAS 18001 certification of health and safety management systems, which are independently audited on an annual basis.
- We draw no distinction between contractors and our own employees with regard to health and safety performance and reporting.
- We continue to aggressively refine and improve elements of our Fatality Prevention Initiative which emphasizes identification of potentially fatal risks and the utilization and effectiveness of critical controls.
- A key component of our Fatality Prevention Initiative is company-wide communication of potential fatal event (PFE) advisories, which describe in detail any incident that has occurred and had the potential for a fatal consequence. Each PFE is treated as if an actual fatality occurred and a full root-cause analysis is required.
- Our operations maintain comprehensive occupational health programs to assess the risk of exposure to occupational health hazards and implement adequate controls for the workforce.
ENVIRONMENT

Our Environmental Policy addresses our duty to minimize the impact of our operations on the environment using risk management strategies based on valid data and sound science and, where practicable, to protect and enhance the quality of the environment in areas where we operate.

- All of our mining and mineral processing operations maintain environmental management systems certified to ISO 14001, which are independently audited on an annual basis.
- Water balance models are maintained at all operations in water-stressed regions and these operations utilize a common format for water management plans, including scenario planning.
- We engage with energy management experts, industry peers and suppliers to discuss the potential for new mining system practices that could economically reduce the energy and greenhouse gas intensity of future projects.
- We have exceeded our target for development of renewable energy projects on our mining related property.
- At tailings storage facilities located in arid areas, we implement measures to reduce fugitive dust emissions from the surface of impoundments, and increase reclaimed water capture to reduce freshwater consumption.
- All operating mines have developed Biodiversity Action Plans and Land Management Plans. We maintain 16 conservation and education based programs across our mining operations that are certified through Wildlife Habitat Council’s Wildlife at Work and Corporate Lands for Learning programs.

COMMUNITY

Our Community Policy explicitly recognizes our commitment to conduct our activities in a manner that promotes positive and open relationships with stakeholders to support sustainable benefits throughout the life cycle of a project. Engagement and consultation ensures communities have input into our projects and social investments, from development to closure. Our community development programs and investment objectives are significantly focused on indigenous Papuans in Papua, Indonesia; Native Americans in the United States; and the communities of Alto El Loa in Chile (Chile’s First People).

Our Community Engagement Model is supported by management processes or guidelines, including:

- 5-year community engagement and development plans, updated annually, that align engagement methods and development objectives with risks and opportunities;
- Formal community grievance management systems for recording, processing and responding to community feedback or concerns;
- Formal stakeholder engagement programs near our major operations, some of which include memoranda of understanding, foundations, community partnership panels and community investment funds; and
- Social Investment Criteria designed to ensure that resources are used effectively to address high-priority needs and facilitate local capacity building to sustain communities when our operations cease.
HUMAN RIGHTS

Our Human Rights Policy outlines our dedication to respecting and promoting human rights wherever we do business. The Policy requires our Company and its contractors to conduct business in a manner consistent with the Universal Declaration of Human Rights, educate and train our employees and protect any workforce member who reports suspected violations. We are committed to conducting our worldwide operations in a manner that ensures all employees treat everyone in and around our operations with dignity and respect.

- We have established site-specific human rights policies and procedures consistent with the Freeport-McMoRan Human Rights Policy, in-country laws and regulations, and the Voluntary Principles on Security and Human Rights (Voluntary Principles).

- Site Human Rights compliance officers oversee compliance and training, as well as a grievance mechanism for reporting, documenting and following-up on all human rights allegations that are reported in our areas of operations.

- We are conducting a corporate-level human rights impact assessment to identify potential impacts across our portfolio and assess opportunities for further due diligence at the operating level using a risk-based approach.

- We provide appropriate cultural and human rights education, training and guidance to all relevant staff and security personnel, including host government security where applicable.

- We have been an active member of the Voluntary Principles since it was first established in 2000, and publish our annual report to the Voluntary Principles Plenary on our website.

Find out more in our 2013 Working Toward Sustainable Development Report.

We encourage users of this information to contact our Sustainable Development Department at sustainability@fmi.com with inquiries or visit www.fcx.com/sd for additional information.