



UK Modern Slavery Act Statement - 2017

The United Kingdom's (UK) 2015 Modern Slavery Act requires every organization (wherever incorporated) carrying on part of a business in the UK with a total annual turnover of £36 million or more to produce an annual slavery and human trafficking statement. We operate a molybdenum conversion plant located in Stowmarket, UK. The following statement highlights steps taken in 2017 to ensure that slavery and human trafficking is not taking place in our business and supply chain. For the purposes of this statement we use the UK government's definition of "modern slavery", including slavery, human trafficking and forced labor.

Organization Structure, Business and Supply Chain

[Freeport-McMoRan Inc.](#) (FCX) is a leading international mining company with headquarters in Phoenix, Arizona. We operate large, long-lived, geographically diverse assets with significant proven and probable reserves of copper, gold and molybdenum. We are the world's largest publicly traded copper producer.

FCX's portfolio of assets includes the Grasberg minerals district in Indonesia, one of the world's largest copper and gold deposits, and significant mining operations in North America and South America, including the large-scale Morenci minerals district in Arizona and the Cerro Verde operation in Peru.

As of year-end 2017 our global workforce, comprised of employees and contractors, included approximately 53,200 members. FCX has a strong commitment to safety performance, environmental management and the local communities where we operate. We are a founding member of the International Council on Mining and Metals (ICMM). Implementation of the ICMM Sustainable Development Framework across the company results in site-level sustainability programs that meet responsible sourcing objectives for the global marketplace.

The products we produce are critical for sustainability and higher standards of living. At the same time, our sustainability performance is critical to meeting society's responsible sourcing objectives so that we can place our products, which power societal advancement, into the global marketplace today and into the future. To supply essential metals to current and future generations, we are guided by our stated business objectives, principles and policies, and we work continuously to improve our systems.

Our supply chain begins with our suppliers' suppliers and ends with our consumption for the production of metals for the downstream value chain. In 2017, we conducted business with approximately 14,500 suppliers and contractors globally. Key categories of suppliers and contractors included:

- Labor – Contractors whose personnel work at our operations
- Commodities – Refer [here](#) for a list of the major commodities we source

Our operations provide significant direct and indirect economic impacts when we purchase supplies and services in local economies. Our Global Supply Chain Policy encourages consideration of local suppliers. Refer [here](#) for our 2017 procurement spend distribution by geography.

We are committed to avoiding infringing on the human rights of others, including prevention of modern slavery, despite the challenges associated with the size of our business and the thousands of actors within our direct and indirect supply chain. We continue to advance our systems, including implementation of the UN Guiding Principles on Business and Human Rights (UN Guiding Principles), to meet this objective as well as the respect for all human rights.

Policies and Governance

Respect for human rights is a long-standing commitment of FCX. This commitment is expressed in both our [Human Rights Policy](#), which was first established in the late 1990s and most recently updated in 2017, as well as our [Principles of Business Conduct](#) (PBC). Our Human Rights Policy requires our company to:

- Conduct operations in a manner consistent with the Universal Declaration of Human Rights and the UN Guiding Principles
- Provide human rights training to employees, contractors and local stakeholders
- Protect the confidentiality of anyone who reports potential human rights violations

The policy commits us to:

- Ensuring fair treatment and work conditions for all employees, including rights to freedom of association and collective bargaining
- Prohibiting forced, compulsory or child labor and human trafficking
- Prohibiting harassment and discrimination in all aspects of our activities

The policy applies to all FCX projects and operations, from exploration to project closure. We expect suppliers of goods and services to operate in accordance with it.

As highlighted in our PBC, we believe in doing business only with suppliers of goods or services, including contractors, consultants, vendors, their subcontractors and any other contracted third parties (collectively Suppliers) who share our values and demonstrate a high level of ethical and legal conduct.

Our [Supplier Code of Conduct](#), updated in early 2018, is based on our PBC and references our Human Rights Policy. Suppliers receive and are expected to perform in accordance with it. As set forth in our Supplier Code of Conduct, we expect our suppliers to treat everyone in and around our operations with dignity and respect. This includes:

- Ensuring fair treatment and work conditions for all employees, including rights to freedom of association and collective bargaining
- Prohibiting forced, compulsory or child labor, and human trafficking
- Prohibiting harassment and discrimination

In this context, we have incorporated standard language on human rights into our corporate contract templates.

These policies, along with relevant external standards and initiatives, form the overall framework that guides our sustainability programs, and by extension, our management of human rights. Supporting this framework are internal governance and management systems that provide details on how we operate.

The Corporate Responsibility Committee of our Board of Directors (Board) assists the Board in fulfilling its oversight responsibilities with respect to the management of risks associated with our Human Rights Policy and practices (respect for human rights). The Corporate Responsibility Committee oversees our sustainable development programs, including our human rights policy and practices.

Our Sustainable Development Leadership Team considers emerging trends while providing strategic guidance for our programs, including our human rights programs. The team is sponsored by our Executive Vice President and Chief Administrative Officer, and is led by our Vice President of Environmental Services and Sustainable Development. Our Chief Operating Officer, business unit presidents, as well as Vice-President-level or senior staff from the safety, supply chain, security, human resources, sales, legal/compliance, and land and water functions comprise the team.

At higher risk operations, our site-level human rights compliance officers oversee compliance and training activities, and manage grievance mechanisms for the reporting, documentation and addressing of human rights related allegations that are reported in our areas of influence.

In 2017, we undertook development of an internal multi-departmental Human Rights Working Group to support our implementation of our UN Guiding Principles and integration of human rights considerations across our business. The group was launched in 2018.

We formally engage with a range of stakeholders including rights holders (such as employees and community members) and other interested stakeholders (such as development institutions, investors, banks, NGOs, civil society, government and suppliers/contractors) on an ongoing basis. Our participation in multi- industry dialogue on respect for human rights continues via the Business for Social Responsibility human rights working group and Sustainability 50, an executive-level, peer-to-peer collaboration forum.

Due Diligence of Direct / Tier 1 Suppliers

The [Freeport Compliance eXchange](#) (FCeX) is our online survey-based due diligence compliance platform. FCeX is available in multiple languages. New and existing suppliers (including contractors) are asked to complete a questionnaire focused on issues of anti-corruption, international trade controls, and human rights compliance.

Completion of the questionnaire enables us and our affiliates to conduct supplier-specific risk assessments to ensure our company and those with which we work operate in compliance with relevant U.S. and international laws. New suppliers and contractors linked to locations not covered by the online system undergo manual screening by our Global Supply Chain department.

During 2017, the FCeX due diligence process did not identify modern slavery as a risk associated with new suppliers or supplier renewals.

Sustainable Development Risk Register

Our Sustainable Development framework is implemented based on operation-specific factors and influences, including regional context, type of operation and social setting. Essential to this framework is the Sustainable Development Risk Register process, which prioritizes the most significant risks that could have negative consequences to our business and our stakeholders in areas including health and safety, respect for human rights, the environment, community stability and economic impacts. The Sustainable Development Department and senior multi-disciplinary experts coordinate with operations to ensure prioritization processes are consistent with corporate procedures and provide associated guidance. Our Sustainable Development Risk Register process is being enhanced in 2018 to further integrate respect for human rights. Updates will include more robust categorical definitions for risk evaluation and will more clearly incorporate human rights considerations beyond traditional security and human rights risks, including modern slavery.

Sustainability focus areas identified through this process are reviewed annually by our Sustainable Development Leadership Team and communicated to our Board. Human rights is one of these focus areas.

During 2017, the Sustainable Development Risk Register process did not identify modern slavery as a risk at the corporate-level or at any of our operations.

Refer to our [2017 Working Toward Sustainable Development reporting](#) for more information.

Corporate and Site-Level Human Rights Impact Assessments

Our Human Rights Policy requires us to conduct business in a manner consistent with the Universal Declaration of Human Rights and the UN Guiding Principles. This includes utilizing human rights impact and risk assessments to prevent and mitigate impacts.

Corporate Human Rights Impact Assessment (Corporate HRIA)

In line with this commitment, we worked with a third party to complete a Corporate HRIA in 2014. The Corporate HRIA covered 28 mining and metals operations (in Chile, DRC, Finland, Indonesia, the Netherlands, Peru, Spain, the UK and the U.S.). The dashboard of human rights issues assessed in the Corporate HRIA included (amongst other elements):

- Contractors and workers in the supply chain
- Forced and compulsory labor
- Child labor
- Working conditions
- Freedom of association and collective bargaining

The Corporate HRIA did not identify any impacts related to either forced and compulsory labor or child labor. The results of the Corporate HRIA helped us begin to integrate human rights considerations across relevant business functions and processes in order to prevent and mitigate adverse human rights impacts.

Refer to our [2014 Working Toward Sustainable Development Report](#) for more information.

Site-level Human Rights Impact Assessments (Site-level HRIAs)

We are also implementing site-level HRIAs, which act as a form of ‘deep-dive’ verification that builds on our established Sustainable Development Risk Register process. These assessments use a comprehensive and dedicated HRIA methodology that is aligned with the UN Guiding Principles to identify and prioritize each site’s human rights risks and impacts. These site-level HRIAs help us test our established human rights relevant management systems to ensure they are effective in identifying and mitigating human rights risks and impacts.

In 2017, we worked with a third party to carry out a site-level HRIA at our Cerro Verde operation in Peru. This included completion of the desk-based assessment of potential human rights risks and impacts initiated in 2016, as well as planning for – and implementation of – the associated fieldwork, which was conducted in the fall of 2017. Field work for the Cerro Verde HRIA included extensive, on-the-ground engagement with 142 stakeholders in and around our Cerro Verde mine, including employees, contract workers and suppliers.

The Cerro Verde HRIA did not identify any impacts related to either forced and compulsory labor or child labor during the assessment period.

For information on the Cerro Verde HRIA and our overall human rights program, please refer to the [Human Rights](#) section of our website. Lessons learned from the Cerro Verde HRIA will further shape our global human rights strategy as well as site-level HRIA work at other sites over time.

Training

Although we do not carry out dedicated training on modern slavery, we promote awareness of our human rights commitments through a variety of mechanisms including conducting comprehensive training on our PBC. We conduct PBC training for all employees annually. This process consists of either computer-based training or classroom training depending on the employee’s location and access to the company’s computer network. Signed certifications by employees at the manager level and above are required, confirming that the employee understands the PBC and is not aware of cases of non-compliance. Managers and supervisors are responsible for ensuring that the employees who report to them understand these principles.

Access to Remedy - Reporting Mechanisms

While we seek to avoid causing adverse impacts, we acknowledge that they may occur despite our best efforts. Our [Human Rights Policy](#) outlines our commitment to remediating any proven adverse impacts on individuals, workers and communities that are caused by or contributed to by our operations. Grievance mechanisms support our commitment to remedy. We have multiple mechanisms for employees, community members, and members of

our supply chain to report concerns. These mechanisms help us address concerns early and remediate impacts directly.

Our global, publicly available reporting options associated with our Principles of Business Conduct are available to our employees and supply chain partners (via our Supplier Code of Conduct). This includes the FCX Compliance Line, a phone system managed by an independent third party that allows for anonymous reporting of issues or concerns relating to our PBC, policies or procedures. In addition, we offer a similar web-based reporting system, also operated by a third party, along with an option for direct email to our Compliance Department. We also maintain long-established site-level community grievance mechanisms at our operations, as well as human rights grievance mechanisms at higher risk operations. We are committed to:

- Protecting the confidentiality of anyone who reports potential violations
- Cooperating with human rights-related investigations
- Supporting appropriate remediation for proven violations

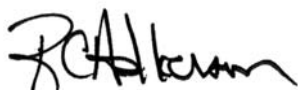
We do not tolerate retaliation against any employee for raising a question or concern in good faith. Per our Human Rights Policy, use of our internal and external grievance mechanisms does not preclude access to judicial or other non-judicial grievance mechanisms. By providing multiple reporting mechanisms, including anonymous communications, employees and others are encouraged to *Speak Up* if something violates or, could possibly violate, our policies.

In 2017, we advanced a global grievance review project to test our internal and external grievance mechanisms against the UN Guiding Principles effectiveness criteria (e.g., legitimate, accessible, predictable, equitable, transparent, rights-compatible, a source of continuous learning, and based on engagement and dialogue).

For information on complaints received via the Freeport-McMoRan Compliance Line and how they are processed, refer to: [PBC](#), [Supplier Code of Conduct](#) and the [Business Ethics](#) section of our website. For information on complaints received via the Community Grievance Mechanism and how they are processed, refer to: [Assessing and Managing Impacts](#). For information on complaints received via the Human Rights Grievance Mechanisms at PT-FI and Cerro Verde and how they are handled, refer to: [2017 Report to the Voluntary Principles Plenary](#). We did not receive any grievances regarding modern day slavery in 2017.

Freeport-McMoRan is committed to continuing its work with stakeholders to address its duty to respect human rights, including ensuring modern slavery does not occur in our business and supply chain.

This statement has been approved by the Freeport-McMoRan Board of Directors.



Richard C. Adkerson
Vice Chairman, President and Chief Executive Officer
Freeport-McMoRan Board of Directors