

PROVING OUR METTLE



A member of
ICMM
International Council
on Mining & Metals

Fm **FREPORT-McMoRAN**

2015 Working Toward Sustainable Development Report

Freeport-McMoRan Inc. (Freeport-McMoRan or the company) is a natural resources company with headquarters in Phoenix, Arizona. The company operates large, long-lived, geographically diverse assets with significant proven and probable reserves of copper, gold, molybdenum, cobalt, oil and natural gas. We are the world's largest publicly traded copper producer, the world's largest producer of molybdenum, and a significant gold, oil and natural gas producer.

Freeport-McMoRan's portfolio of metal assets includes the Grasberg minerals district in Indonesia, one of the world's largest copper and gold deposits; significant mining operations in North and South America, including the large-scale Morenci minerals district in Arizona and the Cerro Verde operation in Peru; and the Tenke Fungurume minerals district in the Democratic Republic of Congo (DRC).

ABOUT THIS REPORT

This 2015 Working Toward Sustainable Development (WTSD) report is meant to provide stakeholders with summary information on our sustainability programs, including policies, management systems and performance data. Additional information is located on our website at fcx.com/sd, and a 5-year trend of performance metrics is presented on page 35. Data presented in the report includes the primary operations of Freeport-McMoRan's mining subsidiaries: Freeport Minerals Company (FMC) and PT Freeport Indonesia (PTFI) for the period January 1, 2015 to December 31, 2015. FCX Oil & Gas Inc. (FM O&G) data, is included in this report where noted. Workforce data presented is as of year-end 2015.

FCX Oil & Gas Inc.

This WTSD report primarily focuses on our mining and metals operations which are implementing programs developed in alignment with the ICMM Sustainable Development Framework. While our oil and gas operations are excluded from the boundary of this framework, FM O&G operates in accordance with all Freeport-McMoRan policies and governance structures. Operating in a highly-regulated industry in the U.S., FM O&G maintains audited safety and environmental management systems and emergency response procedures. The business also maintains stakeholder engagement mechanisms, primarily surrounding our onshore operations near high density populations.

CAUTIONARY STATEMENT

This report contains forward-looking statements in which we discuss factors we believe may affect our performance in the future. Forward-looking statements are all statements other than statements of historical facts, such as statements regarding projected production and sales volumes. We caution readers that our actual results may differ materially from those anticipated or projected in the forward-looking statements. Important factors that can cause our actual results to differ materially from those anticipated in the forward-looking statements are described in Freeport-McMoRan's Annual Report on Form 10-K for the year ended December 31, 2015, filed with the Securities and Exchange Commission and available on our website at fcx.com.

GLOBAL REPORTING INITIATIVE

We are reporting in accordance with the Global Reporting Initiative (GRI) G4 core option reporting guidelines for the first year and in accordance with the Mining and Metals Sector Supplement for the sixth consecutive year. A Sustainability Reporting Prioritization Assessment process was utilized to delineate the aspect categories and indicators reported under the G4 core option. More about this process, which included broad stakeholder consideration, as well as a GRI content index, is located on our website. Prior to this report, we have reported according to the GRI G3 A+ level since 2008.

EXTERNAL ASSURANCE

Since 2005, Freeport-McMoRan has sought independent verification of its annual sustainability reports. We are implementing the International Council on Mining & Metals (ICMM) Sustainable Development Framework, including implementation of 10 Sustainable Development Principles across the company. External assurance of our 2015 WTSD reporting was conducted by Corporate Integrity in accordance with the ICMM Sustainable Development Framework Assurance Procedure. Since 2009, site-level external assurance has been completed at all active mining operations. We are continuing site-level external assurance at operations at a minimum of once every three years, with annual assurance engagements at Tenke Fungurume Mining (TFM), PTFI and Cerro Verde. The 2015 Assurance Statement can be found on page 36.



Metals (ICMM) Sustainable Development Framework, including implementation of 10 Sustainable Development Principles

**NORTH AMERICA
MORENCI**



**SOUTH AMERICA
CERRO VERDE**



**INDONESIA
GRASBERG**



**AFRICA
TENKE
FUNGURUME**



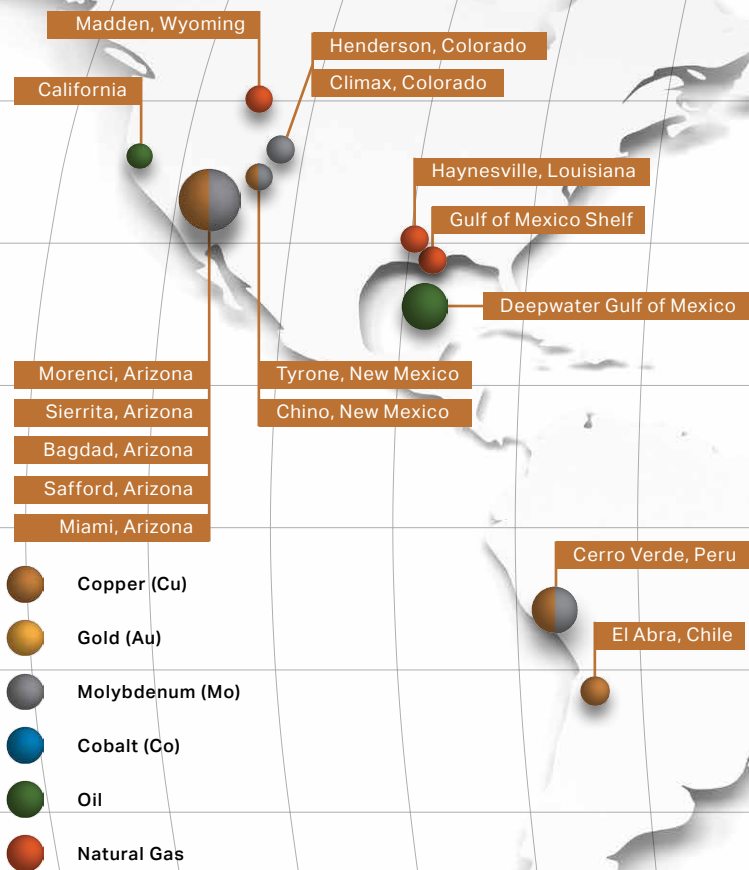
PROVING OUR METTLE

The people of Freeport-McMoRan, who provide vital resources to the global economy, are united in a spirit of resolve to execute our business plans in a volatile market. Our positive long-term view of our industry is underpinned by our portfolio of exceptional assets and our commitment to sustainable development.

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OPERATIONS



OPERATIONS

MINING

	NORTH AMERICA	SOUTH AMERICA	INDONESIA	AFRICA	CONSOLIDATED TOTALS
RESERVES AT 12/31/15	Cu 33.5 billion lbs	Cu 30.8 billion lbs	Cu 28.0 billion lbs	Cu 7.2 billion lbs	Cu 99.5 billion lbs
	Au 0.3 million ozs	Mo 0.67 billion lbs	Au 26.8 million ozs	Co 0.9 billion lbs	Au 27.1 million ozs
	Mo 2.38 billion lbs				Mo 3.05 billion lbs
					Co 0.9 billion lbs

OIL AND GAS

UNITED STATES

Oil	310 MMBbbls
Natural Gas	350 Bcf
Natural Gas Liquids	14 MMBbbls
MMBOE	381

Note: lbs=pounds; ozs=ounces; MMBbbls=million barrels; Bcf=billion cubic feet; MMBOE=million barrels of oil equivalents.



Grasberg, Indonesia

Tenke Fungurume, Democratic Republic of Congo

SUMMARY OF KEY ECONOMIC CONTRIBUTIONS BY OPERATING REGION

For the year ended December 31, 2015 (\$ millions)	North America ^a	South America	Indonesia	Europe	Africa	Other Countries	Total
Payments to suppliers	\$ 4,496	\$ 1,057	\$ 1,303	\$ 2,119	\$ 631	\$ –	\$ 9,606
Employee wages and benefits	1,526 ^b	316	488	91	124	4	2,549
Payments to providers of capital:							
Dividends	605	66	1	–	24	–	696
Interest	709	38	13	10	–	–	770
Payments to governments ^c	12	328	129	7	211	2	689
Community investments ^d	43	8	87	–	27	–	165
Direct economic contributions	\$ 7,391	\$ 1,813	\$ 2,021	\$ 2,227	\$ 1,017	\$ 6	\$ 14,475
Capital expenditures^e	\$ 3,359	\$ 1,722	\$ 901	\$ 142	\$ 229	-	\$ 6,353

Note: These amounts were derived primarily from Freeport-McMoRan's publicly reported segment data, including amounts for FM O&G. For disclosure of Freeport-McMoRan's segment data in accordance with generally accepted accounting principles (GAAP), see pages 196-200 of our 2015 Form 10-K.

a. Includes parent company results.

b. Includes employee wages and benefits capitalized to FM O&G oil and gas properties totaling \$79 million.

c. Excludes employee payroll taxes, dividends, property taxes and certain other taxes, which are included in payments to suppliers and dividends. A reconciliation to the 2015 Cash Payments to Governments schedule on page 18 is available on our website.

d. Please refer to page 22 for a description of our community investments.

e. Includes costs for capital projects, including additional payments to suppliers, employee wages and benefits, payments to providers of capital and payments to governments, not included above.



TO OUR STAKEHOLDERS

“Proving our Mettle”, this year’s report theme, reflects our resolve to position Freeport-McMoRan for long-term success. Doing so requires fulfilling our commitment to sustainable development, even during periods of difficult market conditions like we faced during 2015. Our sector is experiencing economic turbulence and stakeholder expectations are rising. From securing community trust and acceptance to increasing attention to human rights impacts in various metal supply chains, there are many risks and opportunities to navigate. At Freeport-McMoRan we have long known the importance of proactively working with stakeholders, from community leaders to customers, to implement smart solutions for challenging problems. This is what we do every day and is the basis for delivering significant benefits from our long-lived assets well into the future. In this report we are pleased to report the progress we are making along this journey.

The safety of the men and women in our workforce continues to be our highest priority. In 2015, our incident rate tied the company’s historical best the year prior. Regrettably, three fatal injuries occurred, including two at our Grasberg operations and one at our Cerro Verde operation. Fatality prevention continues to be a focus of our management team and the leadership at all operations. Ensuring understanding of the critical controls necessary to eliminate or reduce fatal risks is of greatest importance.

Our sector was reminded again in 2015 about the need to eliminate tailings impoundment failures; the loss of life and environmental consequences are not acceptable. We have studied the lessons learned from recent failures experienced by others in the sector and implemented improvements to our already sound tailings management controls and programs. We are contributing to an ICMM-commissioned global review of tailings storage facility standards and critical controls, to learn from experts and implement recommendations for continuous improvement of our programs.

Energy and water management efforts gathered significant international attention in 2015, with COP 21 in Paris focused on steps to address climate change and international drought conditions impacting water supplies. During 2015, we continued to invest in projects that provide the efficient use of energy and adaptation measures to establish more efficient water utilization where sources of water are limited. TFM is completing the refurbishment of four turbines at the N’seke hydropower station, which will provide 260 megawatts of zero emission capacity to a power-constrained region. The new milling circuits at Cerro Verde and Morenci are now delivering significant energy efficiency gains versus traditional technologies. Our operations in arid regions continue to maintain water models and utilize specialized instrumentation to reduce water losses while improving recycling rates. We are engaged with local farmers around Arequipa, Peru, on adaptation measures in response to drought conditions in the Andes.

Our policy commitment to respect human rights is demonstrated by our implementation of the UN Guiding Principles on Business and Human Rights and the Voluntary Principles on Security and Human Rights. We engaged Verisk Maplecroft to complete a human rights impact assessment at our TFM operation in the DRC that included over 70 independent interviews, followed by international-level feedback meetings with nongovernmental organizations, investors and businesses. The most serious potential and actual impacts identified were associated with illegal mining and often related violent criminal acts – issues well known to us. Our operating teams and corporate support personnel continue to explore strategies to maintain the safety and security of our workforce, as well as to discourage illegal mining and associated activities.

The expected long-term operational lifespan of our mining portfolio makes local investment core to our business. Freeport-McMoRan

Photo: Morenci is the largest copper mine in North America

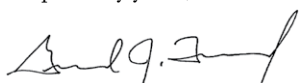


employees are ambassadors for sustainable development within our communities and provide a nexus to informed community acceptance of our operations. The successful completion of the Cerro Verde expansion in Peru, now the largest concentrating facility in the world, is a testament to how consistent and open two-way engagement with local stakeholders, along with targeted community investments, can result in trust and acceptance at the local level. We again congratulate the Cerro Verde operations and project management teams on this tremendous accomplishment.

While we are cognizant of the substantial societal contributions we deliver today, thinking forward, we are contemplating how our business can advance the United Nations Sustainable Development Goals adopted last September. Coupled with the importance of our products for technological advancement and economic growth in the face of an increasing focus on the circular economy, our portfolio of assets and associated sustainability programs position us well to make a positive difference in our local communities for decades to come.

Finally, we want to acknowledge our employees who continue to demonstrate unwavering resilience as we execute our business plans in this volatile market. We appreciate their hard work and commitment to our success. We would also like to thank the Corporate Responsibility Committee and our entire Board of Directors for their continued support and counsel as we work toward sustainable development.

Respectfully yours,



GERALD J. FORD

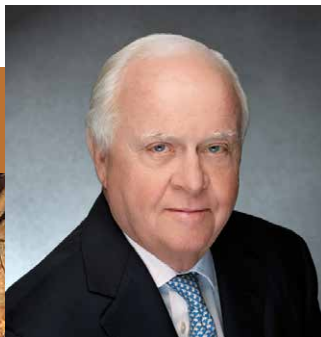
Non-Executive Chairman
of the Board



RICHARD C. ADKERSON

Vice Chairman of the Board,
President and Chief Executive Officer

The expected long-term operational lifespan of our mining portfolio makes local investment core to our business.



June 8, 2016



To supply essential natural resources to current and future generations, we are guided by our stated business objectives, principles and policies, and we continuously strive to improve our sustainable development programs. Throughout this report, we report the daily progress our workforce is making on key issues, including some emerging, which affect our company and our stakeholders.

The nature of our business impacts the environment and communities surrounding our operations. We mitigate impacts to the extent practicable through advanced 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. 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.

PRINCIPLES OF BUSINESS CONDUCT

The overarching values detailed in 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. The Freeport-McMoRan Supplier Code of Conduct sets forth our expectations for our supply chain partners in areas such as safety, anti-corruption, environment and human rights.

Our supporting policies, along with external standards and initiatives, form the overall framework that guides our sustainability programs. Supporting this framework are internal governance and management systems that provide the details on how we operate.

GOVERNANCE

The Freeport-McMoRan Board of Directors (board) as a whole is responsible for risk oversight, with reviews of certain areas being conducted by the relevant board committees that report to the full board. In its risk oversight role, the board reviews, evaluates and discusses with appropriate members of management whether the risk management processes designed and implemented by management are adequate in identifying, assessing, managing and mitigating material risks facing the company. In addition, as reflected in our Principles of Business Conduct, the board seeks to establish a “tone at the top” communicating the board’s strong commitment to ethical behavior and compliance with the law.

The board believes that full and open communication between senior management and the board is essential to effective risk oversight. Our non-executive chairman regularly meets with and discusses with our chief executive officer a variety of matters including business strategies, opportunities, key challenges and risks facing the company, as well as management's risk mitigation strategies. Senior management attends all regularly scheduled board meetings where they conduct presentations on various strategic matters involving our operations and are available to address any questions or concerns raised by the board on risk management-related or any other matters. The board oversees the strategic direction of the company, and in doing so, considers the potential rewards and risks of our business opportunities and challenges, and monitors the development and management of risks that impact our strategic goals.

Board committees assist the board in fulfilling its oversight responsibilities with respect to certain areas of risk. Each committee regularly reports on these matters to the full board. The Corporate Responsibility Committee of our board is responsible for overseeing our policies and programs related to management of risks associated with the company's safety and health policies and programs, environmental policy and implementation programs, human rights policy and practices, community health programs and related public health and medical matters, community policy and practices, governmental and stakeholder relations and social investment and sustainable development programs, charitable contributions, and political activity and spending practices. The committee examines key performance data and receives briefings concerning challenges and emerging issues in these areas.

During 2015, the Corporate Responsibility Committee received various reports and considered numerous items with a particular focus on safety, which included reviewing the root causes of fatal accidents, corrective actions implemented to prevent accidents in the future, enhancements to our fatality prevention program and improvement in our safety procedures and practices. In addition, during the year, the Corporate Responsibility Committee reviewed community public health services including our malaria and other disease prevention programs in Indonesia and the DRC, our global social and sustainability programs and expenditures, community engagement efforts, political activity and spending practices, the safety reporting process at our operations, our risk management and sustainability programs, our human rights program, and our tailings stewardship program. The Corporate Responsibility Committee also reviewed and recommended to our board amendments to our Environmental Policy, Safety and Health Policy, Community Policy and Human Rights Policy, which our board approved. The Corporate Responsibility Committee reports to our board, which provides oversight on all matters, including the economic viability of our company – the first element of our approach to sustainable development.



The Sustainable Development Leadership Team meets at corporate headquarters in Phoenix to discuss Sustainable Development Risk Register program updates, product stewardship and the TFM human rights impact assessment results.

SUSTAINABLE DEVELOPMENT LEADERSHIP TEAM

The Freeport-McMoRan Sustainable Development Leadership Team provides long-term, strategic and tactical operational guidance regarding our sustainability commitments and emerging issues. 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. The team includes all business unit Presidents and Vice President-level or senior staff from the safety, supply chain, human resources, sales, compliance, and land and water functions.

During 2015, the team reviewed and addressed key issues and projects including:

- Environmental and Social Responsibility Scorecard relating to portion of executive compensation (see proxy statement)
- Results of the site-level Human Rights Impact Assessment at our TFM operation in the DRC
- Updated Principles of Business Conduct and associated company values to be published in 2016
- Minimum sustainability commitments for consideration to promote to other commercial interests in the global mining sector, potentially through commodity associations
- Emerging global regulations and initiatives related to product stewardship, including sustainability in the value chain and access to markets
- Long-term water management and supply projects and associated critical partnerships
- Our global sustainability program which is aligned with the ICMM Sustainable Development Framework, including observations from the independent assurance provider



- Engagements with the socially responsible investment community and other financial stakeholders regarding safety, human rights, community development and environmental management
- Input into the ICMM Climate Change statement in advance of Conference of Parties (COP) 21
- Evaluating a variety of topics and learnings through participation in peer-to-peer, multi-industry associations with a sustainability focus

STAKEHOLDER ENGAGEMENT

In the mining sector, project life-cycles can span decades. That is why early, transparent and consistent engagement with stakeholders is critical. Doing so creates mutually beneficial opportunities and reduces sustainability-related risks to our plans. We always seek strategic partnerships with host governments, communities and development partners to ensure the viability of our projects while delivering meaningful benefits, including post-closure.

Our operational-level teams regularly engage with community stakeholders, development institutions and nongovernmental organizations (NGOs). Mining operations maintain 5-year community engagement and development plans that identify affected or interested parties and programs for ongoing engagement and consultation. Issues raised through stakeholder engagement help inform the risks and opportunities identified in each operation’s sustainable development risk register and assist in developing social investment strategies. Resulting engagements with hundreds of entities occur via community foundations, formal grievance systems, workshops, participatory group panels or focus groups, town hall meetings and surveys.

From a medium to longer-term risk radar perspective, Freeport-McMoRan’s corporate Sustainable Development Department and senior personnel regularly work with the socially responsible investment community and NGOs to understand issues of concern or interest and where Freeport-McMoRan may have influence to advance sustainability progress such as contributions to the UN Sustainable Development Goals.

STAKEHOLDERS GATHER TO INAUGURATE THE CERRO VERDE EXPANSION PROJECT

In May 2016, local, national and international stakeholders met to inaugurate the Cerro Verde expansion project. The expansion provides a significant positive economic impact to the Arequipa region and Peru, including increased employment opportunities, business opportunities with local suppliers of products and services to the mining operations as well as revenues to the governments and local communities. A key component to the Cerro Verde expansion is the construction of a wastewater collection and treatment facility that provides the increased water requirements for the expanded operations, while improving the water quality in the Rio Chili, benefitting more than 1 million people in Arequipa. Cerro Verde’s expanded operations, now operating at full rates, will benefit from its large-scale, long-lived reserves and cost efficiencies.



Richard C. Adkerson, Freeport-McMoRan Inc. President and CEO (center right) and Peru Prime Minister Pedro Cateriano (center left) join with Cerro Verde stakeholders to inaugurate the expansion project. Prime Minister Cateriano stated, “Cerro Verde’s Expansion proves that it is possible to do mining in Peru, respecting the regulations, complying with environmental standards and, something very important, generating wealth. I would like to emphasize something: that conviction of respect to the environment, which will allow the Rio Chili, with technical work and state-of-the-art technology, to have a water flow ‘respecting the environment’.”



Archbishop Javier del Río presided over prayer during the ceremonies and commented, “We will ask God to bless not only this huge infrastructure and its good functioning, but also everyone who made this investment possible. At a time when other investors chose to stop, some others decided to bet. May God also bless the thousands of workers who have made this possible, workers of private and public sectors and public officers. May God bless everyone.”

PRODUCT STEWARDSHIP

Environmental and social performance within operations and of product properties is of critical interest to many within the value chain and among global regulatory bodies. We generally view this interest as a positive opportunity to engage on the critical importance of our products for a sustainable future as well as on the sustainability performance of our operations. However, we want to communicate effectively and efficiently, and are cautious of the potential for redundant or unnecessary regulations, policies, initiatives or ad-hoc requests for auditing schemes concerning our products and sustainability within our operations.

To remain a viable business entity, we must maintain market access for our products over the long term. Our multi-functional product stewardship team is led by our Vice President of Environmental Services and Sustainable Development and is coordinated with our global product sales and legal teams with support from technical experts. The group regularly addresses topics including:

- Recent draft European Union and European Commission proposals regarding “conflict minerals” and responsible sourcing
- Business-to-business relationships, which include advancing sustainability opportunities in geographic regions, by commodity or certain stages within the value chain; this includes responsiveness to due diligence information requests from value chain members
- Analysis and input regarding globally emerging regulations, or policies from international governmental agencies regarding product labeling and operations due diligence
- Emerging nongovernmental sustainability certification or reporting initiatives
- Tracking and interfacing on the product stewardship work of trade associations, including the International Copper Association, ICMM, Cobalt Development Institute and International Molybdenum Association
- Public health areas of interest that affect access to markets for our various products
- Other associated current or emerging mandatory compliance requirements

AUDITS AND ASSESSMENTS

To ensure our policy commitments and objectives are being met, we implement a combination of audit and assessment programs along with an annual program for site-level independent assurance of

our sustainability framework, which covers the requirements of the ICMM Sustainable Development Framework. Every major operation undergoes a comprehensive internal audit (including contractors) of environmental and health and safety systems at least once every two years. Our operations also are routinely inspected by regulatory agencies or ministries of host governments. The health and safety management systems and environmental management systems of our operations obtain independent certification to Occupational Health and Safety Assessment Series (OHSAS) 18001 and International Organization for Standardization (ISO) 14001, respectively. These systems include corrective and preventive action tracking for internal and external audit findings. From time to time, customers or financial institutions also request to conduct sustainability-focused audits or assessments at certain facilities. In recent months, we have participated in multiple business-to-business engagements and sustainability reviews, particularly regarding our sustainability practices at TFM.

SUSTAINABLE DEVELOPMENT RISK REGISTER

The Freeport-McMoRan Sustainable Development framework is implemented based on operation-specific factors and influences, including regional context, type of operation and social setting. It also includes longer-term monitoring of key trends and issues that can affect our business and stakeholders. Essential to our framework is the Sustainable Development Risk Register process, which prioritizes safety, environmental, social, economic and value chain challenges and opportunities based on our views of potential impacts to our business and the importance of these issues to stakeholders. As part of this process, local multi-disciplined leadership teams utilize a matrix with consequence categories, including potential safety, community, environmental and production impacts. Our Sustainable Development Department works with these teams to review processes to ensure prioritization of key business risks and implementation of action and monitoring plans. On an annual basis, a corporate, cross-functional team of senior personnel reviews the Sustainable Development Risk Registers of our major operations. This process provides a mechanism to ensure risk profiles are commonly understood at the operating and corporate levels.

Resulting sustainability focus areas identified through this Sustainable Development Risk Register process are reviewed annually by our Sustainable Development Leadership Team and communicated to the Corporate Responsibility Committee of the board. The focus areas have not changed significantly over recent years and are described on the following pages and throughout the report.



TFM faces a number of security risks associated with illegal artisanal mining and continues to socialize the hazards of this activity.

ARTISANAL MINING

Illegal artisanal and small-scale miners have limited equipment and expertise with respect to operating in hazardous conditions. The presence of these miners and their associated activities can create concerns of violence and personal safety, as well as concerns relating to child labor and poor and unsafe working conditions. (p. 26)

BIODIVERSITY

We own, lease and operate large land holdings around the world, some of which are in and adjacent to areas of high biodiversity value. We manage our operations in a manner to identify potential impacts and, where practicable, implement actions that conserve and enhance biodiversity, including reclamation activities. (p. 32)

COMMUNITY ENGAGEMENT AND DEVELOPMENT

Our social and economic development programs are responsive to issues raised by communities, including vulnerable groups such as indigenous peoples, and help us maintain good relations and avoid disruptions of operations. Nevertheless, social and political instability in the areas of our operations may adversely impact our operations. (p. 22)

CORRUPTION

As a company with global operations, our business may be adversely affected by issues related to corruption. Our international operations must comply with the U.S. Foreign Corrupt Practices Act and similar anti-corruption and anti-bribery laws of the other jurisdictions in which we operate. Any violation of these laws could result in significant criminal or civil fines and penalties, litigation, and loss of operating licenses or permits, and may damage our reputation. (p. 17)

ENERGY MANAGEMENT

Carbon-based energy is a significant input in our operations, and our revenues include sales of oil, NGLs and natural gas, and other carbon-based energy products. Increased regulation of greenhouse gas emissions may increase our costs and may also affect the demand for the oil and gas we produce. We have modeled multiple carbon tax scenarios to understand possible impacts, or the range of possible increases to our operating costs. (p. 28)

HUMAN RIGHTS

Our operations may be adversely affected by impacts from security risks stemming from events or activities including political instability, labor strikes, illegal artisanal mining and civil strife. The Voluntary Principles on Security and Human Rights serve as guidelines for our security and human rights programs, interactions with host government police and military personnel, and with private security contractors. We also are integrating the UN Guiding Principles on Business and Human Rights into our business systems. (p. 19)

LABOR RELATIONS

As of December 31, 2015, 48 percent of our global labor force was covered by collective labor agreements. We engage openly with our employees and union leadership to successfully negotiate labor agreements recognizing that prolonged strikes or other work stoppages at our operations can adversely affect our business and local and regional stakeholders. (p. 14)

PRODUCT STEWARDSHIP

Our product stewardship team engages both downstream customers and international governmental agencies on sustainability topics. The team also addresses specific environmental and public health areas of interest that affect access to markets for our products within the value chain. (p. 9)

SAFETY AND HEALTH

The safety of our workforce at all of our operations is our highest priority. Although we met the lowest Total Recordable Incident Rate in the company's history, we sadly incurred three fatalities in 2015. Our Fatality Prevention program aims to eliminate fatalities by identifying and implementing critical controls reinforced by technical training and communications throughout the workforce. (p. 15)



Operating the controlled riverine tailings management system is a key focus at PTFI. The leveed deposition area (example segment shown above) contain the footprint of coarser tailings and natural sediments being colonized by aquatic plant species.

TAILINGS AND WASTE ROCK MANAGEMENT

Managing the volume of waste rock, leach material and tailings produced in our mining operations presents significant environmental, safety and engineering challenges and risks. We maintain large leach pads and tailings impoundments containing viscous material, which are effectively large dams that must be engineered, constructed and monitored to assure structural stability and avoid leakages. Our tailings impoundments in arid areas must have effective programs to suppress fugitive dust emissions, and we must effectively monitor and treat acid rock drainage at all of our operations. (p. 31)

WATER SUPPLY AND MANAGEMENT

Most of our North and South America mining operations are in areas where competition for water supplies is significant. We maintain programs to promote efficient use of water and are advancing alternative water supply projects with stakeholders. (p. 30)

PERFORMANCE TARGETS



PERFORMANCE TARGETS	2015 STATUS	2015 PERFORMANCE DESCRIPTION	TARGET DATE
BUSINESS ETHICS			
With our online training module, annually train 90% of targeted employees who interact with, or have the potential to interact with, government officials on anti-corruption laws, regulations and company policies and procedures	X	Our online anti-corruption training was placed on hold in 2015 as a result of transitioning to a new training module provider. Training has resumed in 2016.	Annually Recurring
WORKFORCE			
Increase the percentage of women in our workforce, including representation in managerial positions, to 15%	X	Women comprise 10% of our employee population and hold 11% of all managerial positions (300), which is relatively unchanged from recent years.	Ongoing
SAFETY & HEALTH			
Incur zero fatalities ^a	X	Sadly, we incurred three work-related fatalities at our mining operations in 2015.	Annually Recurring
Meet company-wide total recordable incident rate (TRIR) ^a of 0.56	✓	We met our target TRIR ^a at 0.56 for 2015.	Annually Recurring
HUMAN RIGHTS			
Incur zero gross ^b human rights violations at our operations caused by employees and contractors	X	A security employee at our TFM operation was charged and sentenced for his alleged involvement in a rape on the concession. For more information on this event and our human rights programs, please see our Voluntary Principles on Security and Human Rights 2015 Report to the Plenary on our website.	Annually Recurring
COMMUNITIES			
Invest (in aggregate) 1% of the average of the previous three years annual mining operations revenue, as reported in Freeport-McMoRan's audited consolidated financial statements, in community programs, including in-kind support and administration (2015 target of \$177 million)	X	Approximately \$165 million was invested in community programs across our operations (93% of our target).	Annually Recurring
Work with regional and local governments, community stakeholders, private sector developer(s) and businesses, to commence construction of town infrastructure and residential housing in the Integrated Development Zone (IDZ) in our TFM concession to support sustainable urban growth	Ongoing	Implementation of a limited set of IDZ development options is planned for 2016, including establishment of working relationships with government stakeholders in the newly-designated province of Lualaba.	2016
ENVIRONMENT			
Incur zero significant environmental events (rating of three or higher on Sustainable Development Risk Register)	✓	We did not incur any significant environmental events. We did have 13 spills or releases that were reportable to national agencies based on applicable regulations.	Annually Recurring
Incur zero penalties more than \$100,000	✓	Our operations did not incur any penalties exceeding \$100,000.	Annually Recurring

a. Includes FM O&G

b. There is no uniform definition of gross human rights violations under international law; however, the United Nations Office of the High Commissioner report: The Corporate Responsibility to Respect Human Rights – An Interpretive Guide, provides guidance on identifying such types of violations.



The ability to achieve our business goals depends on successfully recruiting and retaining talented employees from a variety of backgrounds. We offer rewarding careers as part of a team that embraces safety, sustainability and the importance of giving back to the community. With opportunities for continued training, education and advancement, we offer employees a culture of professional and personal development. We also provide a wide range of competitive benefits for health, financial security and quality of life.

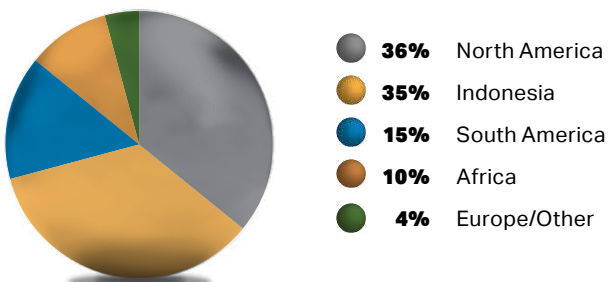
LOCAL HIRING AND SKILLS DEVELOPMENT

We make concerted efforts to hire locally, as this practice incorporates local cultures and knowledge into our business systems and helps fulfill our commitment to supporting local economic development both directly and indirectly. For example, at our largest operation, PTFI, located in the remote province of Papua, Indonesia, we prioritize the hiring of indigenous Papuans. At year-end 2015, 99 percent of PTFI employees were Indonesian and of that total, 36 percent were indigenous Papuans (up from 32 percent four years prior). At TFM, located in the DRC, 98 percent of employees are Congolese citizens.

Our regional technical training programs prepare community members for careers in mining, even though trainees have no obligation to join our company. The Nemangkawi Mining Institute in Papua, Indonesia has placed nearly 2,600 apprentices into permanent employee and contractor positions to date at PTFI, 90 percent of whom are indigenous Papuans. As PTFI transitions from open-pit mining to underground mining, Nemangkawi is also transitioning from focusing on new employee development to focusing on retraining existing employees for the underground operating environment.

EMPLOYEES

Approximately 34,500

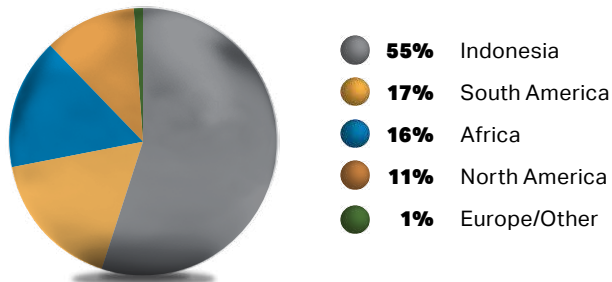


Over 300 Native American students have graduated from the San Carlos Training Institute, where they received training in fields including heavy equipment operations and maintenance, welding, electrical work and instrumentation. Yvette Quade, a recent graduate, is now a haul truck driver at the Safford operation.

The San Carlos Training Institute in Arizona was developed from our joint partnership with the San Carlos Apache Tribe and provides a local, reservation-based training center to increase the employability and skills of Apache students. The organically designed program provides training courses in heavy equipment operations and industrial maintenance. Through December 2015, a total of 714 students have entered the program and 304 have graduated – over half of whom have been hired or are in the process of being hired by the company. At year-end 2015, we employed approximately 300 Native Americans at our U.S. operations, an increase of over 40 percent from four years prior.

CONTRACTORS

Approximately 37,500



Workforce data includes FM O&G



LABOR RELATIONS

At year-end 2015, our workforce consisted of approximately 34,500 employees and 37,500 contractors. We work cooperatively with 27 unions worldwide. Approximately 48 percent of our employee population is covered by collective bargaining agreements, 9 percent of which is covered by agreements that will be renegotiated during 2016. Our policy is to ensure fair treatment and work conditions for all employees, including rights to freedom of association and collective bargaining. Employees have the right to exercise freedom of association at all of our operations. During 2015, PTFI and the employee union agreed to a new two-year Collective Labor Agreement at our Grasberg operation in Indonesia. During the successful and collaborative negotiation process, there were no work stoppages.

Due to the market downturn in 2015, we revised our production plans to adjust for the lower commodity prices. Unfortunately the lower production meant our workforce also had to be reduced. About 1,100 positions in the Americas were eliminated in 2015. The stress of facing possible job loss takes its toll on everyone, that is why we focus on transparency and fairness when conducting a reduction-in-force process.

In North America, eligible impacted employees were offered voluntary resignation packages, early retirement programs, severance packages and outplacement services. Employees were also encouraged to transfer to other locations when qualified for an open position.

At El Abra in Chile, we implemented a short-duration shutdown and the 648 employees who were laid off during that time were provided supplemental severance benefits. The plant safely and peacefully restarted with new schedules and crew assignments.

DIVERSITY

We operate in regions of varying ethnic, religious and cultural backgrounds and are generally the largest employer in local communities. The resulting diverse backgrounds and perspectives within our workforce are an asset to our business. We prohibit discrimination and harassment, and our Principles of Business Conduct and Human Rights Policy require that all employees treat everyone in and around our operations with dignity and respect.

Freeport-McMoRan defines discrimination as an act or practice of treating a person differently than others, causing a negative impact, based on that person belonging to a class or category rather than treating the person fairly on the basis of individual merit. Discrimination can take a number of forms and can be based on various categories, such as disability, use of genetic information, age, race, ethnicity, religion and gender.

The Freeport-McMoRan Compliance Line, a phone system managed by an independent third party, allows concerns to be reported anonymously. In 2015, of the reports made through the Freeport-McMoRan Compliance Line, 40 included allegations of some form of discriminatory or harassing conduct. Sixteen of these reports included allegations that were substantiated, and appropriate disciplinary and remedial action was taken.



Fiorella "Fio" Giana, Bagdad mine manager, was awarded the Medal of Merit Under 40 award from the Mining Foundation of the Southwest, the first woman to receive the honor. Each year, the foundation selects a recipient under age 40 who through their leadership has made a significant contribution to mining.

PERCENTAGE OF EMPLOYEES UNDER COLLECTIVE BARGAINING AGREEMENTS

By Operating Region

	Africa	Indonesia	Europe/other	South America	North America	Company-wide
	98%	75%	67%	64%	<1%	48%

Safety is integral to all Freeport-McMoRan operations, is the responsibility of all employees, and is managed by a formal structure starting with our Safety and Health Policy. Our board and senior management team believe that proper safety and health management enhances production and reduces costs – otherwise known to us as Safe Production. Our board also requires comprehensive audits to assure the safety management system is effective, weaknesses are identified and resources are applied to achieve the company’s policy objectives.

Our Health and Safety Management System consists of a framework for managing risks and compliance obligations. Our management system is certified in accordance with the internationally recognized OHSAS 18001 standard. OHSAS surveillance audits are conducted at our metal and mining operations on a yearly basis. Twenty-four OHSAS surveillance audits were conducted in 2015. Fatality prevention audits, conducted by an independent organization using experts within the mining sector, focus specifically on high-risk activities.

We draw no distinction between contractors and our own employees with regard to health and safety performance and reporting. The Freeport-McMoRan Contractor Safety Manual defines the minimal expectations and requirements for contractors working at our operations. Site-specific training is conducted with each contractor regarding health and safety matters specific to their work location, including task-specific hazard identification and control implementation. Training on regulatory-specific topics also occurs regularly.

We measure progress toward achieving our objective against regularly established benchmarks, including measuring company-wide Total Recordable Incident Rates (TRIR) across our businesses. Our TRIR, including contractors, was 0.56 per 200,000 man-hours worked in 2015, meeting our target. The company-wide TRIR in 2015 ties 2014 for the lowest in the company’s history. We worked 200.5 million hours in 2015 compared to 202.5 million hours in the prior year, and we recorded a total of 563 reportable injuries in 2015 compared to 567 in 2014.

FATALITY PREVENTION

Working with industry experts through our Fatality Prevention Program, we implement critical controls and aim to eliminate hazards completely. Ensuring workforce understanding of the critical controls necessary to mitigate fatal risks is our clear focus. In 2015, we focused on educating our leaders in fatality prevention techniques, followed by training sessions for all employees. Approximately 40,000 workforce members were trained in seven different languages over the course of the year.

In 2015, we also established proactive metrics or leading indicators around our fatality prevention efforts. These will be utilized in 2016 to develop Safe Production plans and objectives to drive process improvements. The intent is to engage employees and leaders to drive proactive safety activities. These objectives will be focused on risk reduction activities such as critical control improvements, effective use of risk registers, critical control verification auditing and reduction of high-risks tasks performed.

When hazards cannot be eliminated from a working environment, technologies we implement include:

- Collision Avoidance Systems (CAS) for large haul trucks and mining machinery that have extensive blind spots, and often travel roadways with limited visibility
- Driver Safety System (DSS) technology, which is a non-intrusive, in-cab solution that alerts operators instantly if fatigue is detected
- Unmanned Aerial Systems (UAS) and slope stability radar to monitor changing mine environments, including pit slopes, tailings storage impoundments and leach pads

In 2015, the Global Significant Risk (GSR) reviews continued with subject matter experts from operations, maintenance and the safety function. The purpose is to set minimum policy requirements and identify potential gaps in existing guidelines or procedures. Through these reviews, we identified the critical controls being used effectively at certain operations and within the industry, and we shared that knowledge at all operations.

SAFETY AND HEALTH SUMMARY DATA

Including Contractors

	2011	2012	2013*	2014*	2015*
Workplace Fatalities	5	6	35	7	3
Total Recordable Incident Rate	0.61	0.58	0.74	0.56	0.56
Occupational Illness Cases	16	25	41	46	43

* Includes FM O&G

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



GLOBAL SIGNIFICANT RISKS

- » Aviation Safety
- » Berm Management
- » Blasting
- » Bluestake (Locating Utilities Prior to Work)
- » Bulk Material Handling – Conveyor Belt Management
- » Bus Safety
- » Confined Space Entry
- » Crane Operation (Mobile and Overhead)
- » Specific Electrical Policies
- » Energy Control – LOTOTO
- » Excavation and Trenching
- » Fatigue Management
- » Fire Prevention
- » HDPE Pipe Handling & Transportation
- » Hot Work
- » Mobile Equipment Operation
- » Open Hole
- » Overhead Power Line
- » Rigging and Suspended Loads
- » Round Stock Unloading and Storage
- » Slope Stability and Ground Control
- » Stockpile Management
- » Tailings and Impoundment Stewardship
- » Working at Heights (Fall Protection)



PTFI operators remotely pilot automated loaders from the underground mines control facility, maintaining worker safety and increased productivity.

PROJECT SAFETY HIGHLIGHTS

In Papua, Indonesia, we are developing the largest underground block cave mining operations in the world where through surface control rooms we operate cutting-edge automation technology to improve safety and production efficiency. This includes remote automation, operation and monitoring of trains, loaders, ore chutes, conveyors and ventilation systems. We are implementing an updated ground control management plan including high definition 3D scanners to detect ground movement. The scanners consist of a series of wireless extensometer devices to measure convergence in real time, and a micro-seismic listening system.

Our Cerro Verde expansion project in Peru includes the world’s largest concentrating facility. At the project’s peak, over 17,000 construction workers were transported daily through steep mountainous terrain. Vehicle Safety Monitoring (VSM) systems installed on approximately 375 busses allowed for the monitoring of driver behaviors including vehicle speed, rapid acceleration and hard braking. One month following implementation, speeding events were reduced by 80 percent.

2015 WORKPLACE FATALITIES

Including Contractors

OPERATION	DATE	EVENT DESCRIPTION
PTFI Papua, Indonesia	January	A contractor was fatally injured when he was pinched between an underground Getman flatbed truck and the steel door of a shop at the surface mill area.
Cerro Verde Arequipa, Peru	January	A contractor supervisor was struck by lightning and killed while he and his crew were evacuating due to changing weather conditions.
PTFI Papua, Indonesia	July	A metallurgist was fatally injured when he was caught and pulled into a tail pulley of a running belt conveyor while trying to dislodge a ball using a steel pipe.

We are committed to the highest level of ethical and legal conduct. The Freeport-McMoRan Principles of Business Conduct are a commitment to integrity and define the expected behavior of all employees and our board. We conduct comprehensive training on our Principles of Business Conduct, including annual certification of management-level employees (approximately 97 percent were trained in 2015). This process consisted of computer-based training, as well as a signed certification that the employee understands the Principles of Business Conduct and is not aware of any cases of non-compliance. Principles of Business Conduct training is also provided annually to non-management employees on a rotating basis by geographic location.

ANTI-CORRUPTION

Corruption is sometimes widespread in local government systems and cultures near our operations. 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 Anti-Corruption Policy and Guidelines require compliance with the U.S. Foreign Corrupt Practices Act of 1977 (FCPA) and other relevant anti-corruption laws, including local laws.

The company developed an online anti-corruption training module in 2012. Along with the transition to a new third party training provider, the company will introduce a new anti-corruption module in 2016. Going forward, completion of the anti-corruption training will be required annually. The online training is not meant to replace our existing classroom training programs; rather, it has been developed to supplement existing systems and extend the reach of the company's overall compliance efforts. In the future, we will continue to broaden our training selection process to include additional employees within key departments and executive-level groups who may interact with government officials. This approach is expected to increase the number

of employees selected for the training and provide a more consistent and automated selection process.

During 2015, we held in-person classroom training at Cerro Verde, corporate offices, FM O&G, PTFI, TFM, and for Exploration teams in Serbia. Training was also conducted for support functions, including the Accounting, Communications, Environmental Services, Global Supply Chain, Human Resources, Legal, and Sales and Marketing departments along with senior management responsible for approval procedures and internal controls. In addition, classes were held for 99 contractors at PTFI. Principles of Business Conduct, FCPA and Fair Competition training was also provided to the Climax Molybdenum and Sales and Marketing management teams.

In recognition of the potential legal liability that could result from actions of our business partners under the FCPA and other laws, the company has implemented its online due diligence platform, the Freeport Compliance eXchange (FCeX). FCeX is a survey-based software platform designed to assess risk in the areas of anti-corruption, international trade and human rights. FCeX has significantly enhanced the company's ability to identify, assess and mitigate compliance risks.

Annually, Freeport-McMoRan performs company-wide audits with the assistance of our internal audit firm to assess risk and plan for the next year's audit strategy. Formal fraud risk assessments have been implemented at Atlantic Copper, corporate offices, FM O&G, and PTFI, and mapped with business controls which are tested and reviewed annually. The fraud risk assessments consist of more than 100 risk scenarios spanning across more than 15 process areas, such as Asset Management, Purchasing, Payables, Financial Reporting, etc. All of these risk assessments include corruption as a risk factor.

INFORMATION AND REPORTING

Freeport-McMoRan maintains a Compliance Line to provide guidance and assistance to workforce members with any questions or concerns related to our Principles of Business Conduct, policies or procedures. To encourage our workforce to raise any potential violations of business conduct, we also provide anonymous reporting through our compliance system. Spain, which prohibits anonymous reporting in accordance with Spain's Data Protection Act (Organic Law 15/1999 on the Protection of Personal Data), is an exception. During 2015, 268 reports were made through the Freeport-McMoRan Compliance Line relating to various topics, including employee workplace conduct; environment, health, and safety; protecting company assets; and conflicts of interest. All reports are investigated and, if substantiated, appropriate disciplinary action is taken including possible termination of employment.



Freeport-McMoRan's Global Compliance Team meets for its annual meeting at corporate headquarters in May 2015 to address Principles of Business Conduct subject matter ranging from anti-corruption programs to anonymous, non-retaliation reporting systems.



TRANSPARENCY OF GOVERNMENT PAYMENTS

Freeport-McMoRan has endorsed and committed to support the Extractive Industries Transparency Initiative (EITI) since 2008. EITI is a global standard to promote transparent and accountable management of natural resources. The initiative is a commitment by governments to disclose revenues received, and by oil, gas and mining companies to disclose natural resource payments to governments in an annual EITI report. In implementing countries, the initiative is supported by governments, extractives companies and civil society working together in a multi-stakeholder group forum.

Today, Freeport-McMoRan maintains significant mining operations in EITI implementing countries, including the DRC, Indonesia, Peru and the United States. Senior-level Freeport-McMoRan employees are representatives on these countries' multi-stakeholder groups or are very active within the in-country processes. A company executive also serves on the EITI International Board of Directors.



In April 2015, we were honored to have hosted visits of the EITI International Board and Secretariat, along with other stakeholders, to our TFM copper and cobalt operation in the DRC. A similar visit was hosted by our Cerro Verde operation near Arequipa, Peru in 2012. These visits included the opportunity for local stakeholders to interact with the Board, Secretariat and managers from these operations. To help support a successful seventh EITI Global Conference in Lima, Peru in February 2016, Freeport-McMoRan provided a financial sponsorship and multiple employees attended as delegates.



Freeport-McMoRan's Dr. Jim Miller (center) joins fellow EITI International Board members, Congolese officials and other stakeholders for a tour of TFM's operations and community development programs.

The payments our company makes to host governments via taxes, royalties and other obligations are a significant contribution to national, regional and local development. We believe that increased transparency of natural resource revenues and payments promotes better governance and accountability regarding the distribution of natural resource revenues. In addition to our country-level EITI commitments, our practice is to report annual material cash payments to governments, including sub-national payments, in all countries where we conduct business, as presented below.

CASH PAYMENTS TO GOVERNMENTS^a

For the year ended December 31, 2015 (\$ millions)	U.S.	Chile	Peru	Indonesia	DRC	Other Countries ^b	Total
Corporate Income Taxes, Net of Refunds	\$ (165)	\$ 56	\$ 113	\$ 6	\$ 187	\$ 9	\$ 206
Withholding Taxes on Foreign Dividends	-	135	-	1	-	-	136
Employee Payroll Taxes	418	12	9	64	42	23	568
Royalties and Net Severance Taxes	177	12	12	122	24	-	347
Property Taxes	138	1	-	17	-	2	158
Other Taxes and Fees	125	12	162	169	127	(17)	578
Total	\$ 693	\$228	\$296	\$379	\$380	\$17	\$1,993

a. This schedule reflects a voluntary effort by Freeport-McMoRan to capture its cash payments to governments (net of refunds), including payments by FM O&G. Schedule includes sub-national payments.

b. Represents cash payments to governments by Freeport-McMoRan's other business groups that are located outside of the countries where Freeport-McMoRan conducts its primary operations.



We are committed to respecting human rights. Our Human Rights Policy requires us (and our contractors) to conduct business in a manner consistent with the Universal Declaration of Human Rights, and to align our human rights due diligence practices with the United Nations Guiding Principles on Business and Human Rights (UN Guiding Principles).

Our site-specific human rights programs are consistent with our corporate Human Rights Policy, in-country laws and regulations, and the Voluntary Principles on Security and Human Rights (Voluntary Principles). Our human rights compliance officers oversee compliance and training, as well as grievance mechanisms for reporting, documenting and following up on human rights allegations that are reported in our areas of operation. We promote human rights awareness through outreach and the provision of training to our employees, contractors and local communities, and we protect anyone who reports suspected violations.

In 2015, we continued to integrate the UN ‘Protect, Respect and Remedy’ framework and the supporting Guiding Principles into our business. This included coordination between corporate resources and operational teams to review site sustainable development risk registers from a human rights perspective and to identify related risks, beyond traditional security matters. We worked with a third party to complete a site-level human rights impact assessment (HRIA) at our TFM operation in the DRC. TFM was prioritized for a site-level assessment on the basis that it was identified as our highest ranking site for both potential and actual impacts in the corporate-level HRIA completed in 2014.

Our multi-sector industry dialogue on human rights training and due diligence practices continued through the Business for Social Responsibility human rights working group and Sustainability 50, an executive-level peer to peer sharing forum. In addition, our team regularly engages with socially responsible investors and downstream members of our value chain to discuss and receive feedback and ideas on issues ranging from illegal artisanal mining to our public human rights reporting efforts.

TFM HUMAN RIGHTS IMPACT ASSESSMENT

The TFM HRIA built upon the methodology developed for the corporate HRIA, but included extensive local stakeholder engagement. The exercise involved the engagement of more than 70 stakeholders in and around TFM, and in the broader southeastern DRC, representing employees (such as managers, workers and trade union representatives), the community (such as women’s representatives, farmers, traditional leaders and doctors) and third parties (such as public and private security providers, public officials and NGOs).

The TFM HRIA applied the ‘but for’ test, asking whether the impact would have taken place in the absence of TFM, and whether the impact would have been as severe in the absence of TFM. Alleged impacts were included even if there was uncertainty as to the facts behind them and/or the causative relationship to TFM.

The high severity and high volume/low severity impacts identified by the TFM HRIA included the following:

Employees (including supply chain)

- Higher severity criminal attacks against TFM personnel, including by illegal artisanal miners
- Higher severity health and safety impacts reflecting the latent risks associated with mining
- A relatively high volume of lower severity impacts reflecting ‘normal’ workplace human resource issues
- Possible worker-related impacts in the operation’s supply and logistics chain relating to working conditions and health and safety

Community

- A large volume of lower severity impacts linked to property damage and resettlement. This reflects impacts on local agricultural land, as well as resettlement activity (current and historic). In addition to the underlying causes, the volume of identified impacts reflect: (a) TFM’s mature community grievance mechanisms and resettlement compensation framework; and (b) the monetized nature of the claims, which may encourage affected individuals to file formal grievances
- A smaller number of higher severity impacts relating to community health and safety, with a specific focus on traffic/vehicle incidents

Third-parties

- Higher severity impacts including incidents associated with illegal artisanal miners and the conduct of the police that resulted in fatalities and/or serious injury. Findings reflect the very poor health and safety conditions in which illegal artisanal miners operate, as well as violent interactions between the police, illegal artisanal miners and civilians

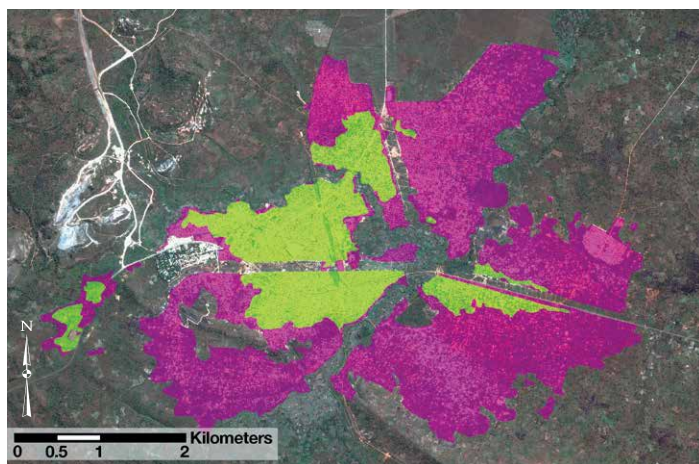


TFM HUMAN RIGHTS IMPACT ASSESSMENT

EMPLOYEES	COMMUNITY	THIRD PARTIES	ENVIRONMENT
Working conditions	Standards of living /quality of life	Conduct of private security forces	Pollution
Safe and healthy working conditions	Community health and safety	Conduct of government security forces	Water security
Contractors / workers in the supply chain	Economic activity / livelihoods	Contribution to conflict	Waste and hazardous materials management
Discrimination	Minorities and indigenous peoples	Presence of artisanal / small-scale miners	Increased exposure to natural hazards
Freedom of association and collective bargaining	Displacement / resettlement	Corruption	
Child labor	Cultural heritage	NGOs and civil society groups	
Privacy	Children's rights, including access to education	Judicial system (access to remedy)	
Forced and compulsory labor			

Dashboard of human rights issues addressed by the TFM HRIA

The most serious impacts were associated with illegal artisanal mining and the conduct of host government security, and were already recognized by the TFM management team. Unfortunately, limited scope exists for TFM to make significant further improvements to its management of human rights issues associated with these issues. This, in part, reflects the extensive management measures TFM already has in place, as well as the involvement of independent external parties. Nonetheless, TFM is committed to continuing its engagement with government, industry participants and other stakeholders on these complex issues.



Population influx has transformed the towns of Tenke and Fungurume from small rural settlements into urbanized areas. The rapid growth, somewhat driven by illegal artisanal mining activities, has put considerable pressure on infrastructure and public services. Pictured above, an aerial view of Fungurume and map showing its growth from an estimated 40,000 in 2005 (green) to 150,000 in 2015 (purple).

The HRIA results confirmed that TFM's mature workforce grievance mechanism was effective in identifying employee-related impacts, and that its community grievance management system was largely effective in capturing community-related impacts. It also suggested that TFM's ISO 14001 environmental management system and OHSAS 18001 health and safety management system was relatively effective in helping minimize related human rights impacts.

Action plans for the potential and actual impacts described above are embedded and tracked within TFM's sustainable development risk register process. These plans were developed to support continuous improvement of existing systems and processes, and establish new measures to investigate, avoid, mitigate and/or remedy identified human rights impacts.

We conducted international-level stakeholder meetings aimed at verifying the TFM HRIA methodology and reviewing the findings of the assessment. Approximately 20 entities, representing academia, investors, business partners and the NGO community, participated in these meetings. Lessons learned from the TFM HRIA will further shape our global human rights strategy. We are developing a work plan to roll out the site-level HRIA framework to other higher-risk sites over time.

SECURITY

The Voluntary Principles on Security and Human Rights serve as guidelines for our security and human rights programs, interactions with host government police and military personnel, and with private security contractors. We have remained active in the Voluntary Principles organization and have recently been appointed to a two-year term on the Steering Committee. For more detailed information, please see our Voluntary Principles on Security and Human Rights 2015 Report to the Plenary on our website.



PRODUCT CONTROL AT TFM

Freeport-McMoRan recognizes the international concern over trade in minerals referred to as “conflict minerals” (defined by Dodd-Frank as tin, tantalum, tungsten and gold) that are being mined in certain areas of the DRC. The company is also attentive to concerns of stakeholders and minerals value chain participants regarding responsible sourcing of metals, with a focus on potential and actual human rights impacts associated with unregulated and illegal artisanal mining of other minerals in the DRC.

TFM, an affiliate of Freeport-McMoRan, is an industrial copper and cobalt mine in southeastern DRC. While copper and cobalt mined at TFM are not classified as “conflict minerals” under Dodd-Frank, TFM is committed to apply a duty of care in product stewardship commensurate with its policy commitments and conditions in the DRC.

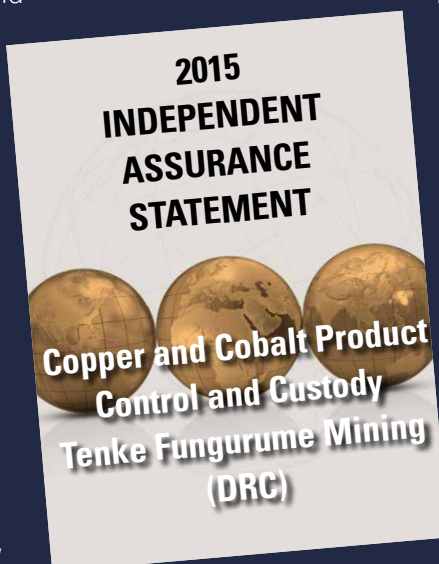
TFM implements robust product control and custody procedures to ensure that it mines, processes and sells only those minerals that

originate within its mining concession. These procedures include specific actions to track illegally mined ore confiscated by government authorities within the TFM concession. TFM does not purchase ore that is not commercially

mined by its own operations within its concession. TFM maintains a system to track its copper and cobalt products from its operations to the point of transfer to customers outside of the DRC.

TFM’s product control and custody procedures are designed to address Freeport-McMoRan’s policy commitments of ethical business practices and respect for human rights.

Due to the importance of these procedures for the respect of human rights in the minerals value chain, Freeport-McMoRan contracted for and received independent assurance of TFM’s product control and custody procedures in April 2016 for the 2015 period.





Mining operations inevitably create economic, social and environmental impacts on local communities. Some of these impacts include changes to land use and population influx, while others include economic opportunities and development in the areas of infrastructure, health and education. We engage openly and transparently with local stakeholders throughout project lifecycles to build the trust needed to operate and grow our business. Our Community Policy calls for collaboration with communities to minimize and mitigate unavoidable adverse impacts and to cultivate opportunities to maximize benefits.

Engagement and consultation ensure communities have input into our development and operating projects, promote a better understanding of our business, and ultimately reduce risk to our business.

Communication with local stakeholders takes place via a number of channels, such as formally through open houses linked to regulatory processes, informally through interactions with our community development representatives in the field, or through community partnership panels and community investment foundations.

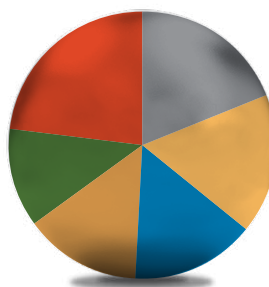
GRIEVANCE MANAGEMENT SYSTEMS

Our operations utilize a community grievance management system for recording, processing and responding to local concerns. Approximately 525 community grievances were recorded at worldwide operations during 2015, of which over half were related to resettlement at TFM. At TFM, an Independent Mediation Committee (IMC) provides an impartial venue to review and resolve grievances related to resettlement. Mediation occurs only if the complainant is not satisfied with TFM’s resolution to the initial grievance recorded through the grievance system and the complainant requests the grievance be presented to the IMC.

In 2015, the IMC received 26 cases and resolved 38, including cases from the prior year. Three cases remained in process at the end of the year. IMC cases related to community resettlement, property damage and employment.

2015 COMMUNITY INVESTMENT

\$165 million



- **19%** Community Trust Funds
- **17%** Economic Development and Infrastructure
- **15%** Safety, Health and Environment
- **14%** Education and Training
- **12%** Administration
- **23%** Other*

* Includes arts, culture, heritage, resettlement and employee programs such as Matching Gifts and United Way.

COMMUNITY INVESTMENT

Freeport-McMoRan’s community investment strategy addresses high-priority needs and facilitates local capacity building to sustain communities post-closure. Our social investment criteria are a set of guidelines designed to ensure that resources are used effectively to decrease community dependencies on our operations and promote sustainable futures.

In addition to direct community investment from operations and the corporate Freeport-McMoRan Foundation, we have established community trust funds or social funds in Chile, the DRC, Indonesia, Peru and the U.S. These foundations are managed by community members who determine the allocation of funds to programs that focus on education, health and economic development.

During 2015, we continued our support of improvement in science, technology, engineering and mathematics (STEM) education through teacher development and retention initiatives, programs to spark student interest and efforts to strengthen STEM education systems. We launched an initiative in the U.S. specifically aimed at professional development for elementary and middle school math

COMMUNITY TRUST FUNDS

(\$ millions)	Year Started	2015 Contributions	Contributions Through 2015
PTFI Partnership Fund (Indonesia)	1996	\$27.0	\$660.0
Freeport-McMoRan Foundation (U.S. / some international)	2007 ^a	\$13.5	\$109.0
Cerro Verde Civil Association (Peru)	2008	–	\$132.0 ^c
TFM Social Community Fund (DRC)	2009	\$ 3.7	\$ 23.6
North America Community Investment Funds (AZ, CO, NM)	2009 ^b	\$ 2.6	\$ 11.2
Fundación Freeport-McMoRan (Chile)	2013	\$ 1.8	\$ 3.3

Note: Amounts exclude social expenditure from operating budgets

a. There were two separate foundations prior to the acquisition of Phelps Dodge in 2007. Totals reported only reflect the time period from the acquisition forward (2007-2015) when all resources were combined.

b. In 2009, there was one Community Investment Fund. One to two Funds were established each year thereafter, with six in total by 2013.

c. From 2008-2011, Cerro Verde contributed \$132 million to the Cerro Verde Civil Association. The Association manages these contributions for projects in the Arequipa Region, ranging from education to basic infrastructure.



The Gerbang Emas (Golden Gate) program, implemented by PTFI and the Mimika Regency, promotes indigenous community participation in agricultural cooperatives. As part of the program, over 300 local farmers grow and market cocoa, coffee and coconut products.

teachers in rural school districts near our operations to increase their content knowledge and confidence in teaching math so students can master core mathematical concepts by the eighth grade. We also invested significantly in higher education programs that trained students in the trades, as well as four-year degree programs related to our business needs. Our focus on STEM is aligned with the long-term technical requirements of our business, as well as outdoor environmental education opportunities near most of our operations.

We have also advanced our investments in women's economic empowerment programs, such as "DreamBuilder—The Women's Business Creator," an online entrepreneurship skills training program that has reached more than 11,460 women in 47 countries around the world via a network of 75 dedicated partners on the ground. Of the women enrolled, 94 percent are from countries in our focus area of Latin and North America and 6 percent are from other parts of the world. Impact evaluation of graduates over a year after graduation indicated that 92 percent increased sales, 44 percent hired new employees and 66 percent paid themselves a salary versus only



The TFM Social Community Fund engages with a formal Stakeholder Forum comprised of community leaders whom prioritize local sustainability needs. Above, the Secretariat and Education Working Group of the Forum discuss a women's literacy program to be implemented in the town of Tenke.

18 percent who did so before participating in the program. Other empowerment initiatives included an agricultural training program in the DRC in partnership with Women for Women International, as well as PTFI's mother and child clinics.

INDIGENOUS PEOPLES

Our community engagement and local investment objectives are significantly focused on indigenous peoples in Papua, Indonesia; Native Americans in the United States; and the communities of Alto Loa in Chile (Chile's First People). Through community engagement, cultural promotion and preservation projects, as well as training and development programs, we seek to address the needs, cultures and customs of indigenous peoples near our operations. Engaging with groups focused on indigenous peoples' rights at the local, national and international levels is also important for two-way sharing of information about approaches to indigenous peoples' topics in varying geographies.

PTFI has engaged with indigenous Papuan tribes for decades, including through numerous formal agreements to promote workforce skills training, health, education and basic infrastructure development. The desire of indigenous Papuans to preserve cultural heritage is shared by PTFI and demonstrated through support for cultural festivals and books documenting the social uniqueness of the Amungme and Kamoro tribes. In 2015, PTFI continued to evaluate the effectiveness of alternate options for Kamoro community members whose estuary transport routes are impacted by sedimentation associated with the controlled riverine tailings management system. Provision of smaller sized boats, in addition to 50 passenger vessels, for route flexibility as well as additional local economic development programs were identified as additional mitigation measures during the year.

In Chile, our El Abra operation near Calama engages regularly with 10 indigenous communities, and the operation has established an Agreement of Cooperation with the Community of Conchi Viejo whose town is located between the plant and the mine, and also with the Community of Tiara. During 2015, we implemented additional, formalized engagement, assessment and management systems to effectively address social impacts and community development topics within the corridor surrounding the operation where we have a future expansion opportunity. Coupled with the Freeport-McMoRan Chile Foundation for social investment, we significantly increased our strategic stakeholder engagement and community development activities in these communities in 2015.

In the U.S., we continued engagement with our tribal partners including the Hualapai Tribe, San Carlos Apache Tribe, Tohono O'odham Nation and the White Mountain Apache Tribe, investing over \$2.7 million in Native American initiatives, including our San Carlos Training Institute. Education was identified as a priority issue



In partnership with the Thunderbird School of Business, Freeport-McMoRan sponsored Project DreamCatcher, a program designed to educate Native American women on business and entrepreneurial skills. The program matched each participant with a mentor to help provide insight on how to manage a successful business.

for our partner tribes, and our Native American Scholarship program awarded 39 college scholarships to tribal students who are attending colleges and universities across the U.S. Additional support for the development of future youth leadership was provided to the United National Indian Tribal Youth organization. Through our Native American Partnership Fund we funded nine programs including the GuVo Youth summer enrichment program, the Himdag Ki: Exhibition Space Renovation project and an Elder Empowerment program. Additionally, in partnership with Thunderbird School of Global Management, we developed and hosted Project DreamCatcher, a week long business-skills training program for women entrepreneurs from our four partnership tribal communities. The program engaged 17 women in marketing, financial planning and strategy courses along with integrated mentorship, guidance on setting and achieving goals and post-program online business coaching.

TFM COMMUNITY RESETTLEMENT

TFM aims to avoid or reduce economic and physical displacement, but some displacement of local households is unavoidable as new surface deposits are developed in the concession. TFM has established policies and procedures to resettle and/or compensate Project Affected Persons (PAPs) who are displaced. These policies are defined in the Land Access, Compensation and Resettlement Policy Framework (LACRPF). The LACRPF, along with TFM's other commitments to displaced households and communities, was developed in accordance with DRC law and the International Finance Corporation's Performance Standard 5 (2012).

TFM follows a multi-step participatory, transparent and equitable process where all Project Affected Households (PAHs) are engaged and fairly compensated to ensure that the living standards of displaced households are improved or at least restored to pre-project conditions. For each new phase of the mine plan that necessitates resettlement,

TFM conducts a comprehensive socioeconomic baseline and census, and then prepares a Resettlement Action Plan (RAP). Each of these site-specific RAPs identify all economically and physically impacted households within a clearly identified footprint. These impacts are then mitigated via: (1) cash compensation, (2) replacement of assets and (3) restoration of livelihoods. Throughout the resettlement process, TFM engages with PAPs via consultation committees established for each resettlement community and through larger community meetings. These meetings provide an opportunity to review the resettlement process, schedule and compensation system, and to address any questions and issues.

The resettlement process linked to the Oxide Project was initiated in 2014 and continued throughout 2015, with a particular focus on the compensation and physical resettlement of the Bloc Mitumba community located near the Fungurume Hills mining area and the town of Fungurume. Based on the Oxide Project ESIA and following the guidelines outlined in TFM's LACRPF, a site-specific RAP was finalized for the physical and economic displacement of Bloc Mitumba and the adjacent area north of the community. Physical resettlement began in 2014 and continued throughout 2015, with 145 households relocated to new housing in the New Mitumba site south of Tenke.

Assisted self-resettlement (ASR) was introduced in 2014 for those entitled to resettlement housing under the Mitumba-Fungurume Hills RAP. ASR responded to the more urban and highly transitional character of the Mitumba community, and increased the range of choices available to eligible households. Under this option, eligible PAH can choose their own location for replacement housing. Of the 180 households who selected ASR, 74 moved to privately acquired residences in Fungurume, Lubumbashi, Likasi and Kolwezi in 2015. These households receive direct support throughout the ASR process to ensure that their houses are constructed or acquired and improved to an acceptable standard and with security of tenure. While resettlement at the New Mitumba resettlement site was completed in 2015, ASR will continue into 2016 for the remaining 106 PAHs. The Mitumba-Fungurume Hills RAP impacts a total of 1,248 PAHs, of which 325 are entitled resettlement housing. With an average household size of five, the Mitumba-Fungurume Hills RAP impacts approximately 6,000 individuals.

Diversification of TFM's livelihood restoration program was advanced in 2015 to respond to the more urban and highly transitional character of the Mitumba community, enabling PAPs to choose between agricultural and non-agricultural livelihood restoration packages. The latter consists of a "starter kit" relevant to each household's respective skill set and preferred livelihood strategies, including training, cash grants and direct support. Depending on their skills and interests, the starter kits are tailored to jumpstart or enhance livelihood activities such as tailoring, masonry, carpentry or other locally viable businesses.



As part of its Land Access, Compensation, and Resettlement Policy Framework, TFM compensates project-affected people to ensure their living standards are restored to pre-project conditions or improved. Above, a local NGO partner conducts basic skills training and teaches basic reading, writing and mathematical skills to New Mitumba residents.

How-to-do-business training, launched by a local NGO partner in 2015 to support PAHs who selected the non-agricultural livelihood restoration packages, includes training on basic entrepreneurial skills such as conducting basic market surveys, drafting business plans, basic bookkeeping, provisioning and stock control. Upon completion of training and business plan approval, they are entitled to a cash grant for the development of their small business. Members of each physically impacted household under the Mitumba-Fungurume Hills RAP were invited to enroll in a basic skills training program. This 12-month training includes basic numeracy and literacy training, as well as basic financial literacy training in household budgeting, and the use of bank accounts and other financial services.

Close monitoring of resettled households continues during and after resettlement to monitor program effectiveness and the well-being of resettled households, and the TFM resettlement program undergoes an annual third-party review. The 2015 review noted that the resettlement process was well managed, and was supportive of TFM's efforts to diversify its livelihood restoration program. The ASR process was noted to be showing initial signs of success, increasing independence among PAHs although requiring significant staffing and management oversight to ensure its effectiveness.

PUBLIC HEALTH

Malaria, HIV/AIDS and tuberculosis (TB) are serious infectious diseases impacting communities near our operations in Indonesia and the DRC, including members of our workforce. In coordination with local governments and NGOs, we dedicate significant resources to helping communities and governments reduce public health risks.

Tenke Fungurume Mining

Before TFM began project development and operations, malaria was by far the largest cause of morbidity in the concession area and placed a significant social and economic burden on the local population. As a result, TFM implements an integrated malaria control program to protect employees and the local community in its project area – the first of its kind in the DRC. An indoor residual spraying program targets households in the concession and more than 113,000 residential structures were sprayed during the 2014-15 rainy season. In 2015, a total of 683 malaria cases were diagnosed and treated in the workforce, representing an overall reduction in total annual workforce malaria incidence of 51 percent since the start of the program in 2008.

TFM continues to invest in projects to improve health and living standards through improved access to clean water, sanitation and hygiene. TFM has drilled 123 wells including four new wells developed by the Social Fund in 2015 in locations along the Lukotola-Katobangila road. The wells are managed by trained local water management committees that collect usage fees with the water-generated revenue, which is used to compensate village-level repairmen who maintain the wells. TFM is working in collaboration with the National Rural Hydrology Service (SNHR), the Fungurume Health Zone (FHZ) and local communities to promote community self-management of the wells. In 2015, TFM expanded water distribution in the two main urban areas, including five additional water stations in the distribution system of the fast growing town of Fungurume. In Tenke, the TFM Social Community Fund financed the addition of three new water stations to the existing network. To complement TFM's clean water program and in support of the National Ministry of Health's initiative for "Clean Villages and Schools," TFM has supported the implementation of the "Clean Village Program" since 2010. Through 2015, 59 concession communities have been certified and maintained their clean village status.

Cholera is a constant priority health concern for TFM. During 2015, four cases of cholera imported from outside the concession were reported. Working closely with the FHZ in a cholera outbreak preparedness effort, TFM provided cholera rapid diagnostic tests and transported cholera treatment and prevention kits from Lubumbashi to Fungurume for the FHZ. No locally contracted cholera cases were reported from within the TFM concession in 2015, and the four imported cases were controlled without onward transmission. This is a testament to the success of local awareness and management efforts. Due to the high risk of cholera in the region and recurring outbreaks, monitoring and awareness campaigns will continue.



PTFI services indigenous coastal communities east of its project area with a floating medical clinic. The service has been implemented in part due to tailings sedimentation impeding areas of lateral water access to the town of Timika.

PT Freeport Indonesia

Papua Province, including Mimika Regency where PTFI operates, has the highest malaria prevalence rates in Indonesia. In virtually all of the local communities near our operations, malaria infection is the single greatest cause of morbidity and hospitalization. Coping with continuing rapid population and development growth is one of the biggest challenges affecting malaria reduction in Papua. Given the significant health risk to both PTFI employees and surrounding local communities, PTFI implements an integrated malaria control program.

An integrated approach on control of malaria transmission focused specifically in more urbanized areas of Timika is critical to the success of malaria reduction. In early 2013, in collaboration with the Amungme and Kamoro Community Development Organization (LPMK) and the local government, PTFI established the Mimika Malaria Center under which the Timika Malaria Control Program (TMCP) operates. The TMCP coordinates all malaria prevention activities such as indoor residual spraying of insecticides in homes and bed net distribution among PTFI employees, families and local communities under coverage. The TMCP has resulted in significant improvements in terms of coverage, coordination, as well as surveillance and reporting of malaria data. The coverage of the residential spraying program has increased as a result of the TMCP expanding beyond the original coverage area. In 2015, approximately 37,000 houses were sprayed, nearly a 28 percent increase from the year before.

In 2015, approximately 6,600 community malaria cases were detected and treated at the three PTFI-supported community primary health clinics, a decrease of 68 percent from two years prior. As multi-drug resistance in malaria parasites is a significant problem in Papua, all malaria cases detected are treated with highly effective artemisinin-combination drugs.

ARTISANAL MINING

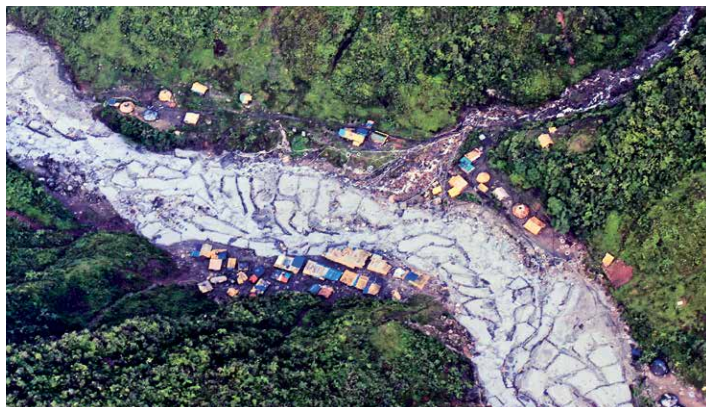
Artisanal and small-scale miners, many of whom operate illegally, have limited equipment and expertise at operating in hazardous conditions and can create social and environmental impacts, as well as placing their own health and safety at risk. We are attentive to concerns of stakeholders and minerals value chain participants regarding responsible sourcing of metals, with a focus on potential and actual human rights impacts associated with unregulated and illegal artisanal mining of minerals. We recognize that no single solution will entirely address this issue as long as there is cultural esteem associated with artisanal mining, along with unemployment, poverty and buyers for illegal products. However, we believe that a multi-pronged approach including security risk management, government cooperation, stakeholder engagement and socioeconomic development for alternative livelihoods is essential.

PT Freeport Indonesia

PTFI uses controlled riverine tailings management to transport tailings and other sediments to a designated area in the lowlands and coastal zone, called the Modified Deposition Area (ModADA). Thousands of illegal artisanal miners pan for gold in the Otomona River system (downstream of the mill) within the project area. The artisanal miners include local community members, but the majority originate from outside the region.

A recent increase in the number of panner camps in the lowlands has presented challenges with levee maintenance and other earthworks associated with managing the engineered tailings deposition area. PTFI's lowlands operations and community teams regularly coordinate to determine strategies for effective engagement with panners based on location and timing of operational plans. This coordination is important to help reduce the potential for pedestrian safety incidents. For example, dedicated pedestrian crossing areas have been installed along the east levee to allow for panners to safely walk from the deposition area to their settlements. This coordination has also helped address potential conflicts associated with illegal settlements and the footprint needed for maintenance of the lowland system.

The potential use of mercury by illegal gold panners is a concern. PTFI monitors regularly for mercury use via routine environmental monitoring programs, and mercury has not been detected above natural background levels in the estuary ecosystem. PTFI also maintains a continuous air mercury monitoring system in the town of Timika. Since 2010, mercury continues to be detected at elevated levels in parts of the town where gold shops are present. Due to these monitoring systems and educational outreach, PTFI believes the risk of mercury use in the river system has been significantly reduced. Community Liaison Officers are routinely in the field to socialize the health and safety risks of artisanal gold panning.



Aerial view of dam terraces and panning camps in the highland portion of the PTFI project area.

PTFI continued to work with a third party in 2015 to support stakeholder engagement efforts with illegal gold panners. This organization has conducted an update to the 2012 baseline survey on panning activity in both the highland and lowland areas. Given the sensitivity of illegal artisanal mining under Indonesian law and the associated risks, PTFI recognizes the importance of a neutral third party in helping to establish better information gathering and two-way communication.

In 2015, PTFI's Government Relations Department led coordination on illegal panning with the local government (Provincial and Regency) and host-government security apparatus through a multi-stakeholder forum called Forum Komunikasi Bersama (FKB). This coordination started after the fatal security incident in Utikini Lama area in January 2015 (see incident description in our Voluntary Principles on Security and Human Rights 2015 Report to the Plenary on our website). FKB is tasked to address artisanal mining from the perspective of Indonesian regulation, safety and security and potential alternative livelihood programs for the panners. PTFI is also working with the local government and relevant institutions to find alternative livelihoods. For local community members, village-based economic development programs, including coffee and cocoa cooperatives, are current opportunities.

Tenke Fungurume Mining

Artisanal mining is widespread throughout the mining regions of the DRC and is legal, except in private, industrial mining concessions such as TFM's where the activity is illegal under DRC law. Illegal mining in the TFM concession remains a significant security risk – in part due to the high quality of ore, the proximity of the working areas to nearby populations and the lack of alternate economic activity. Some studies also indicate that, in many cases, illegal mining activities are culturally part of passage to manhood. In addition to our established security measures, we are addressing the issue through a combination

of ongoing training on the Voluntary Principles, engagement with the local community security council and investment in economic development programs to promote long-term growth and alternative livelihoods in the community.

The greatest risks arising from illegal artisanal mining remain the safety and security of our employees, the local population and law enforcement officials. Artisanal miners do not use protective gear and either enter active TFM mine pits, stockpiles and waste dumps, or dig underground adits and tunnels to access ore deposits in non-active areas of the concession. Illegal miners typically enter mining areas in large clusters of approximately 200 to 300 individuals, and work in groups of approximately 15 to 20 individuals.

Working conditions in artisanal mining areas are treacherous, and the risk of landslides, collapse and the burial of miners are particularly high during the rainy season. In 2015, 10 illegal miners were killed in four incidents of tunnel collapses or geotechnical instabilities. TFM suspects that there could be more cases of illegal artisanal miner fatalities, but they are not reported to TFM or the local authorities due to the illegal nature of the activity and fear of arrest or closure of access to open deposits and tunnels. In active mining areas, the risks to illegal miners include injury or death from blasting, being struck by heavy equipment or buried in their tunnels during mine development and operations.

TFM continued its partnership with nonprofit organization Search for Common Ground in 2015 to address conflict drivers in the local community, including illegal mining, through a communications and engagement program. Through this partnership, participatory theater was used to promote dialogue on issues related to illegal mining and targeted over 5,000 people with 20 performances in villages throughout the concession. These performances helped build understanding of the negative impacts of illegal mining on the community, such as increased violence, and encouraged community members to develop solutions to underlying issues, such as limited opportunities for youths.

The company continues to engage with the DRC authorities to operate control measures at the entry and exit points of the concession to interdict shipments of illegal ore, and to implement mobile security monitoring. TFM Community Liaison Officers conduct awareness campaigns to educate the community about the risks associated with artisanal mining activity. TFM's long-term strategy continues to be support for economic development and job creation in the region to provide communities with other opportunities for income generation, though the effectiveness of these programs is constrained by high levels of population influx.



The Freeport-McMoRan Environmental Policy is based on our objective to be compliant with laws and regulations and to minimize environmental impacts using risk management strategies based on valid data and sound science. It requires that we review and take account of the environmental effects of each activity, whether exploration, mining or processing; and that we plan and conduct the design, development, operation and closure of each facility in a manner that optimizes the economic use of resources while reducing adverse environmental effects.

All of our mining and mineral processing operations maintain Environmental Management Systems (EMS) certified to ISO 14001, which are independently audited on an annual basis. As part of the EMS, upon employment all newly-hired employees and contractors are trained on environmental awareness in subject areas including chemical management, waste management, and spill prevention and response. In addition to job-specific training, workforce members receive annual environmental refresher training. During 2015, we completed internal environmental audits at 12 operations, and our facilities are routinely inspected by regulatory agencies. Since 1996, an independent environmental audit has been conducted at PTFI every three years, and an executive summary and responses to the 2014 audit recommendations are posted on our website. All operations have corrective action programs associated with the overarching EMS.

When operations have received a notice of an environmental violation from a regulatory agency such as shown in the table below, the citations typically have involved brief and minor exceedances of permit conditions or other recordkeeping violations which have no or minimal environmental impact. Notices of violation have also followed spills or releases related to tailings dust or impacted water. Where our operations have been assessed for penalties, they typically are individually below \$100,000.

ENERGY MANAGEMENT

Our copper mining operations require significant energy inputs, principally diesel, purchased power, coal and natural gas, most of which is obtained from third parties under long-term contracts. Energy represented approximately 17 percent of our consolidated copper production costs during 2015.

Our worldwide total greenhouse gas (GHG) emissions, measured as carbon dioxide equivalent emissions, were approximately 10.6 million metric tons divided between direct (57 percent) and indirect (43 percent) emissions for 2015. The increase from 2014 was attributable to the completion of the Cerro Verde expansion project, an increase in production at PTFI, the new Morenci mill operating for a full year and the new mill coming online at Cerro Verde in the fourth quarter. Indirect emissions are primarily those emitted by our electricity providers. In 2015, approximately 67 percent of our purchased power was from low carbon sources, including natural gas and renewable energy.



The gravitational potential energy associated with the 470-meter descent of El Abra's overland ore conveyor is greater than the power required to power the conveyor itself. As a result, during its braking, five megawatts of electricity is produced and used in operations.

ENVIRONMENTAL COMPLIANCE INDICATORS

	2011	2012	2013	2014	2015
Reportable spills or releases of hazardous or toxic chemicals	11	12	16	14	13
Notices of Violations related to permit exceedances, spills, releases or other compliance matters	6	4	10	11	2
Environmental Penalties*	\$75,000	\$47,369	\$80,362	\$123,745	\$43,000

* Penalties are typically paid in periods subsequent to the year of the environmental event and/or enforcement action.



Our direct emissions are primarily from fuel combustion in haul trucks, followed by the combustion of fuels to provide energy for roasting, smelting and other processes. The majority of our mining activity occurs in open pits. As an open pit matures, haul road length increases and haul trucks are required to move ore additional distances to the processing facility. While the amount of waste material moved fluctuates year to year, the haul distances also increase. When market conditions necessitate the mining and processing of lower grade ore, haul trucks must move more material per pound of processed metal.

Crushing, milling, pumping and electrowinning are the most significant power-consuming processes at our facilities. We have achieved significant improvements in energy efficiency with our new processing facilities, including new mills at Morenci and Cerro Verde. The Cerro Verde concentrator expansion, for example, includes a High Pressure Grinding Roll circuit that is approximately 40 percent more energy efficient than a traditional Semi-Autogenous Grinding mill circuit. TFM also is utilizing 14 megawatts of electricity produced from cogeneration at its two acid plants and is completing refurbishment of four hydropower turbines in the region.

We continue to invest annually in energy-related research and development through our technology center, technical services and operational improvement groups. We participate in utility demand side efficiency programs and support renewable energy standards when feasible, such as providing mining-related property for solar power generation.

Our mining operations are currently not located in jurisdictions where there is a direct cost associated with our GHG emissions. As countries implement programs to meet objectives stemming from the COP 21 agreement, from a medium to long-term perspective we



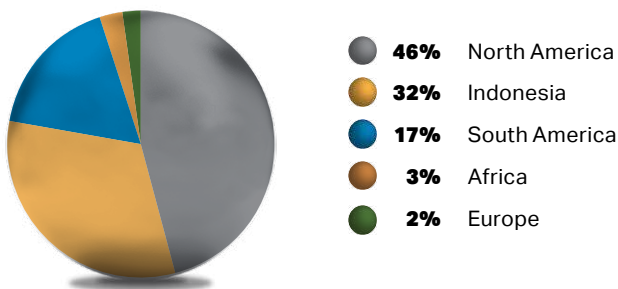
The Cerro Verde concentrator expansion includes a High Pressure Grinding Roll circuit that is approximately 40 percent more energy efficient than a traditional Semi-Autogenous Grinding mill circuit. The project tripled the concentrator facilities from 120,000 metric tons of ore per day to 360,000 metric tons of ore per day.

may experience increased costs relating to changes in energy sources for, and GHG emissions from, our mining operations. In addition, the cost of electricity and other inputs that we purchase may increase if our suppliers incur increased costs from the regulation of their GHG emissions. We have modeled a hypothetical carbon tax of \$50 per metric ton on our GHG emissions (Scope I and II) associated with our global copper mines. The associated hypothetical increase in operating costs would not necessitate operating plan changes as it is similar to possible fluctuations in mined ore grades. Applying this model to our forecasted emissions profile and five-year copper production plans does not alter our current operating plans.

We have received independent verification of our GHG emissions inventory for years 2007-2015.

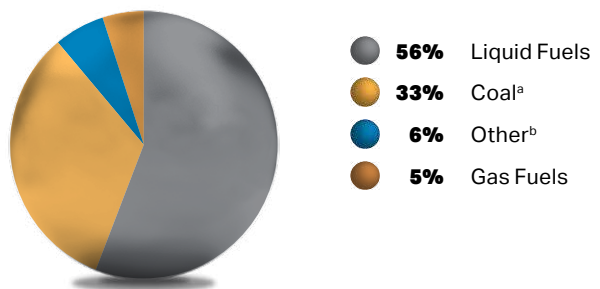
2015 TOTAL (SCOPE I AND II) CARBON DIOXIDE EQUIVALENT EMISSIONS

By Region



2015 DIRECT (SCOPE I) CARBON DIOXIDE EQUIVALENT EMISSIONS

By Fuel Type



a. Associated with the self-generating coal-fired power facility at PTFL.

b. Emissions from non-energy consumption processes including leaching of calcite-containing ore, lime manufacturing, iron removal and refrigerants.

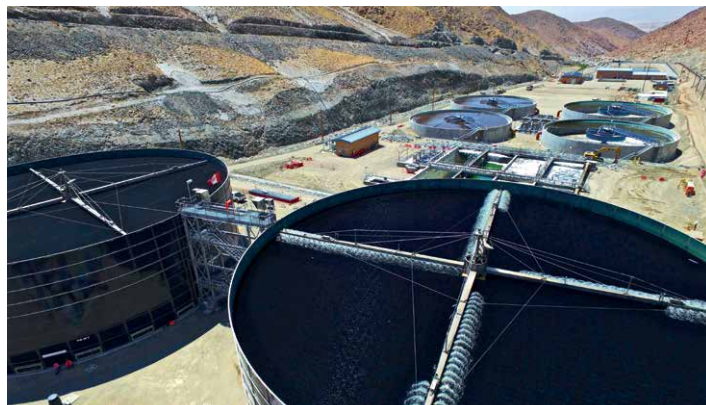


WATER SUPPLY AND MANAGEMENT

We recognize the importance of responsibly managing water resources across the portfolio of mining operations in both arid and wet regions. Our mining operations require significant quantities of water for mining and ore processing, and most of our operations in North and South America are in arid regions.

We used approximately 1,460 million cubic meters of water in our operating processes in 2015, of which approximately 80 percent was recycled water. The majority of our recycled water originates from reclaimed water capture at tailings storage facilities and leach pads. Mining operations in arid regions use operational-based water models to understand water use, recycling opportunities and operational losses such as evaporation. Through this process we have identified additional operational practices where recycled water is being used that was not quantified in prior reporting, which in turn has contributed to the overall increase in percentage of total recycled water use.

The company maintains a global water management program designed to (1) support metal production by supplying required water to process operations; (2) minimize water supply and water storage risks associated with operational, climatic, social, regulatory and environmental conditions; (3) minimize costs associated with the acquisition and distribution of water; (4) promote innovation and implement technology for efficient water usage. Operational water teams, who are supported by corporate technical experts, work toward completing operation specific goals by identifying and managing resources; communicating and coordinating with key stakeholders; monitoring, managing and analyzing water data; reporting and accounting for water use and consumption; and developing forecasting tools to support future conditions and closure. Although the potential physical impacts of climate change on our operations are highly uncertain, operations in arid regions also conduct annual scenario planning to evaluate hypothetical reductions



The newly commissioned wastewater treatment plant for the City of Arequipa supplements existing water supplies to support Cerro Verde's expansion. As a result, regional water quality is improving.

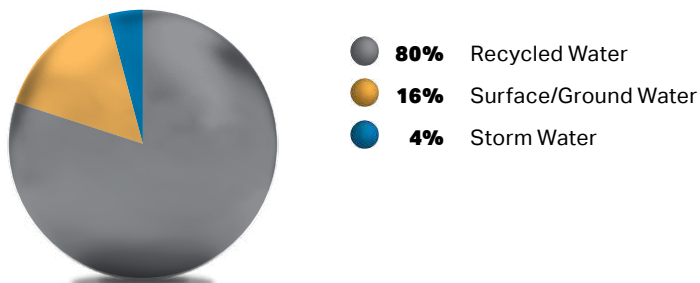
in total water availability and hypothetical extreme precipitation events. Our water management includes identifying actions to help us adapt our operations to possible water shortages or surpluses.

In Peru and Chile, communities have protested mining projects because of concerns about competition for scarce water resources. With local support, we are pleased to now have achieved full capacity operating rates at the major expansion of our Cerro Verde copper mining operation near Arequipa – Peru's second largest city. With a lack of adequate wastewater treatment infrastructure in the city, Cerro Verde financed the design and construction of one of the most advanced wastewater collection system and treatment plants (WWTP) in the country through a public/private partnership. The WWTP is designed to treat approximately 90 percent of Arequipa's domestic sewage and industrial discharges that previously reported directly into the Rio Chili. Cerro Verde will now use an annual average of 1 cubic meter per second of the treated wastewater from the WWTP to support additional ore processing.

During 2015, the company continued to store renewable surface water supplies at underground recharge facilities within Arizona for future use in support of existing mine operations, drought backup or to support future mine expansions. The company also entered into an agreement with farmers in southern Arizona to build a pipeline to bring renewable Colorado River water to farm fields reducing the farmer's dependence on groundwater while at the same time providing the company with future renewable water supply credits. Additionally, the company, in conjunction with the Bureau of Reclamation, is nearing completion of an environmental study that will allow the company's Miami operation to carry out a water exchange in 2017 resulting in the operation's utilization of renewable water supplies.

2015 WATER USE BY SOURCE

1,460 Million Cubic Meters



TAILINGS AND WASTE ROCK

The waste rock (including overburden) and tailings that we produce represent our largest volume of waste. Managing the volume of waste rock and tailings produced in our mining operations presents significant environmental, safety and engineering challenges. In 2015, we produced approximately 349 million and 215 million metric tons of waste rock and tailings, respectively. The primary risks associated with managing waste rock stockpiles and tailings relate to structural stability, geochemistry, water quality and dust generation. Management of this waste is regulated in the jurisdictions where we operate, and our programs are designed to be in compliance with applicable national, state and local laws, permits and approved Environmental Impact Studies.

The tailings storage facility (TSF) failure at the Imperial Metals-owned Mount Polley Mine in British Columbia on August 4, 2014, and the Samarco Mineração S.A.-owned TSF failure in Minas Gerais, Brazil, on November 5, 2015, were among the largest unplanned discharges of tailings in history, with significant loss of life, environmental impacts and social license impacts. The failures led to multiple investigation reports, regulatory updates, and professional organizations' guideline updates. Our internal tailings experts reviewed available documents, confirming that our processes and systems are aligned with relevant publicly available recommendations. The independent investigation report for the Samarco failure, the ICMM Tailings Storage Facility Review report (which considers the ICMM Health and Safety Critical Control Management guide) and other documents are pending.

Freeport-McMoRan's objective is to have zero structural failures of TSFs. We have an active tailings management program designed to advance continual improvement and assessment, currently operating

19 TSFs and managing 52 TSFs that are inactive or have been fully reclaimed. At our Cerro Verde operation in Peru, we completed construction and commissioning of the Linga TSF starter dam, with a targeted capacity of approximately 2 billion metric tons of tailings material. We also commissioned the Morenci, Arizona starter dam, increasing tailings capacity by approximately 568 million metric tons.

At the operational level, TSF stability is managed by qualified internal engineers, with design, analyses and review by qualified external Engineer(s) of Record (EoRs). We follow established operations, maintenance and communication protocols. We also regularly inspect and monitor phreatic level trends, deposition plans and adherence to good operational construction practices, water management controls, seepage management, decant systems and other stability components. In addition, we periodically review as-built in situ conditions through field and laboratory geotechnical testing programs.

At the corporate level, TSF stability is managed through our Tailings Stewardship Program, which includes a multi-disciplinary group of internal and external experts, and the Tailings Stewardship Team (TST), which evaluates the design, operation and maintenance of TSFs to ensure that we follow good stewardship practices. In 2015, our TST conducted annual field inspections at 16 active and 37 inactive TSFs. We also seek the advice of Technical Review Boards, which are comprised of internationally recognized experts retained by us, regarding our EoRs' design and analysis, as well as our management of dam stability to ensure alignment with industry good practices. As of December 2015, we have Technical Review Boards established to review TSFs at five operations, with four more planned for 2016 and 2017.

Freeport-McMoRan has a critical controls management system in place. Focus areas progressing in 2016 include:

Governance systems

- Formalized Terms of Reference for our internal and external engineers, and external engineering inspectors/reviewers
- Formalized responsibility assignment for tailings operations and assurance
- Strong internal accountability for resolving inspection/review recommendations
- Technical support to site-based engineers from Corporate Technical Services' Tailings & Water Group
- Integrated life-cycle planning and management of tailings and water



The new Linga TSF (above) and existing Enlozada TSF at Cerro are two of the largest TSFs in the global mining sector. Both were designed and built to withstand up to a 9.0 magnitude earthquake and withstand a Probable Maximum Flood.



Operations and surveillance systems

- Monitoring and Action Plans with automated monitoring instrumentation
- Training for engineers, superintendents, supervisors and operators
- Standardized water and tailings accounting and reconciliation
- TSF Emergency Action Plan integration with site-wide Crisis Management Plans

Operational critical control examples

- Flood management requirements such as beach offset (freeboard)
- Instrument thresholds compared to actual measurements for acceptable factors of safety for static drained, undrained and post-earthquake conditions
- Mitigation measures, if needed, at any TSF may include enhanced drainage, buttress or increased water consumption

At TSFs located in arid regions, our tailings management program includes measures to reduce fugitive dust emissions from the surface of tailings impoundments, and increase reclaimed water capture to reduce freshwater consumption. Our efforts to limit dust generation include the application of magnesium chloride, polymers, watering and wind fencing.

PTFI's controlled riverine tailings management system, which has been approved by the Indonesian government, uses the unnavigable river system in the mountainous highlands near our mine to transport tailings to an engineered area in the lowlands where the tailings and other sediments are managed in a deposition area referred to as the ModADA. Levees have been constructed to laterally contain the footprint of the tailings and to limit their area of impact in the lowlands. The ModADA Management Board (MMB) is a multi-disciplinary expert panel that meets on site approximately twice each year to assess performance and risks associated with the ModADA and coastal zone area. The MMB focuses on the structural integrity of the levees and the geochemical stability of the deposition area, as well as associated stakeholder engagement. PTFI also hosts a Tailings Management Communication Forum, comprised of government stakeholders, academia and NGOs, which convenes periodically to discuss various aspects of PTFI's controlled riverine tailings management system and associated opportunities, including tailings utilization programs.



Due to large amounts of local rainfall, PTFI maintains a comprehensive program to minimize erosion from the Wanagon Stockpile (shown above). Material eroded from the stockpile reports to the lowland tailings management area and, while predicted in environmental studies, can accelerate the deposition of finer tailings material in the estuary.

Waste rock and overburden are managed in stockpiles for possible future mineral recovery, reclamation or other projects. These stockpiles are regularly monitored and evaluated for structural stability in accordance with local seismic design criteria. At PTFI, overburden stockpiles are subject to erosion caused by the large amounts of rainfall in the region (average annual rainfall is 200 inches). The eroded stockpile material is eventually deposited in the tailings management area in the lowlands. This additional material, while predicted in our environmental studies, influences both the amounts and timing of deposition of finer tailings material in the estuary.

BIODIVERSITY

We are committed to identifying the impacts of our operations and, where practicable, implementing actions that conserve and enhance biodiversity. All operating mines have developed biodiversity management plans and Land Management Plans (LMPs), with the assistance of our corporate Biodiversity Task Force. Biodiversity management plans identify potential biodiversity projects through a process that includes landscape-scale habitat inventory, assessment of biodiversity risks (linked with the operation's Environmental Management System and Sustainable Development Risk Register process), identification of biodiversity opportunities and prioritization of projects. The plans generally consist of voluntary projects conducted in partnership with stakeholder groups, including government agencies, academic institutions and NGOs. LMPs provide the mechanism through which biodiversity considerations are incorporated into the site-specific planning process to minimize adverse impacts to biodiversity where practicable. LMPs consist of data overlays that illustrate the location and extent of significant biodiversity resources within and adjacent to mine sites.



As part of its Corporate Lands for Learning program and support for STEM education, Cerro Verde hosts regional students at its plant nursery to learn about native desert flora.

As of December 2015, 12 Freeport-McMoRan sites were certified by the Wildlife Habitat Council's (WHC) *Wildlife at Work* program, which recognizes activities that create, conserve and restore wildlife habitat on corporate lands. Seven sites are certified by the WHC *Corporate Lands for Learning* program, which provides recognition to sites that promote environmental education and outreach initiatives in local communities.

WHC and Bat Conservation International honored Morenci with the Bat Conservation Action award in 2015, which recognizes programs that actively promote bat habitat through enhancement and management activities. Morenci received the award for several key bat conservation and environmental education activities, including protecting significant maternity colonies that inhabit caves near the site. Since installing a bat-compatible gate at the Eagle Creek Bat Cave in 2010, annual population monitoring has indicated a positive trend for multiple consecutive years with an estimated 2 million bats using the cave in 2015. Morenci has also educated the public about the importance of bats in the ecosystem, and partnered with local schools to develop student curriculum centered on bats.

Our commitment to environmental education extends beyond bats. Safford's community development department maintains its productive partnership with Wild at Heart, an Arizona-based nonprofit dedicated to wildlife conservation. In 2015, Safford staff led and implemented a

Burrowing Owl environmental education event that reached over 400 students from local schools. Students cycled through various stations and conducted hands-on activities relating to different aspects of owl biology and conservation.

Numerous sites have continued to utilize pollinator gardens to promote pollinator conservation as well as provide communities with opportunities for STEM education. Examples include organizing Earth Day, STEM Fest and youth engagement events where students take part in various activities focused on pollinator conservation. Miami was shortlisted as a finalist for the WHC/Pollinator Partnership's Pollinator Advocate Award for its successful implementation of pollinator habitat areas and public education efforts. PTFI maintains a successful program to release endangered butterflies (pollinators) into habitats within its project area.

Sites across our portfolio continued to implement programs to conserve imperiled species that occur within or adjacent to our properties. Safford is collaborating with the Gila Watershed Partnership to restore native riparian habitats on company lands along the Gila River, which will ultimately benefit the endangered southwestern willow flycatcher. Tyrone and Morenci have management plans that benefit endangered native fish, and Miami is conducting activities to benefit the yellow-billed cuckoo and southwestern willow flycatcher. Internationally, Cerro Verde is conducting programs to protect Peruvian endangered species that occur on the site, including the guanaco and Peruvian long-snouted bat, and El Abra is implementing management programs at the Salar de Ascotán to conserve vegetative species.

We continue to work with industry groups and closely monitor developing concepts, including no net loss, net positive impacts and ecosystem services. In 2015, we participated in Business for Social Responsibility workshops and initiatives related to ecosystem services assessment tools and, along with several other large multinational corporations, worked to address definitions, indicators and disclosures used to define and understand ecosystem service risks and opportunities. We also participate in the ICMM Biodiversity Working Group, as well as the Cross Sector Biodiversity Initiative, a collaboration between ICMM, IPECA and the Equator Bank Association. As this field evolves, we will continue to enhance communications on our biodiversity systems and initiatives.



Since 2011, Freeport-McMoRan employees have participated in the company’s annual biodiversity photo contest. Each year approximately 400 photos are submitted by employees, and the contest successfully engages our workforce on biodiversity appreciation and to promote habitats at our worldwide operations. Winning photos from the popular contest are showcased within the Wildlife Habitat Council’s Corporate Homes for Wildlife calendar, which is distributed internationally. The calendar showcases efforts by member companies to enhance and conserve wildlife habitat on corporate lands. Winning photos selected by the company’s Biodiversity Task Force are presented below.

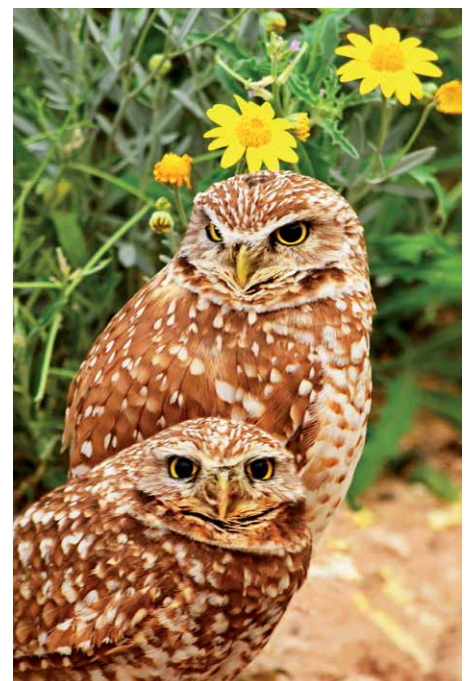
**2015 WINNING
BIODIVERSITY
PHOTOS**



A group of Rocky Mountain Elk near the Henderson mine



California Poppies near the Safford mine



A pair of Burrowing Owls near the Freeport-McMoRan Technology Center in Tucson, Arizona

TREND DATA

	2011	2012	2013	2014	2015
Workforce^a					
Employees	31,800	34,000	36,100	35,000	34,500
Contractors	27,800	27,100	38,400	46,300	37,500
Percent Employees Under Collective Bargaining Agreements	49%	48%	49%	48%	48%
Safety & Health^a					
Fatalities	5	6	35	7	3
Total Recordable Incident Rate ^b	0.61	0.58	0.74	0.56	0.56
Occupational Illness Cases	16	25	41	46	43
Environment					
Direct Greenhouse Gas Emissions (million metric tons)	5.4	5.7	5.9	5.2	6.0
Indirect Greenhouse Gas Emissions (million metric tons)	4.6	4.0	4.3	4.3	4.6
Total Water Consumption ^c (million cubic meters)	600	665	690	1,325	1,460
Percent Recycled Water ^c	66%	71%	69%	79%	80%
Reportable spills or releases of hazardous or toxic chemicals	11	12	16	14	13
Notices of Violations related to permit exceedances, spills, releases or other compliance matters	6	4	10	11	2
Environmental Penalties ^d (\$ thousands)	\$ 75	\$ 47	\$ 80	\$ 124	\$ 43
Social					
Community Investments (\$ millions)	\$ 191	\$ 173	\$ 173	\$ 198	\$ 165
Cash Payments to Governments ^{a,e} (\$ millions)	\$ 4,838	\$ 2,984	\$ 2,814	\$ 3,355	\$ 1,993
Direct Economic Contributions ^{a,e} (\$ millions)	\$16,559	\$14,470	\$17,283	\$17,030	\$14,475

a. Includes FM O&G beginning June 1, 2013

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

c. Excludes all facilities located in Arizona for years 2011-2013 due to water rights litigation

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

e. Please see detailed information in our WTSD reports published on fcx.com/sd



The Freeport-McMoRan Inc. (Freeport-McMoRan) 2015 Working Toward Sustainable Development (WTSD) report, including information referenced by the Global Reporting Initiative (GRI) G4 Content Index published on the Freeport-McMoRan web site has been prepared by the management of Freeport-McMoRan who are responsible for the collection and presentation of this information.

SCOPE

Corporate Integrity Ltd., in accordance with Freeport-McMoRan management's instructions, was asked to perform:

1. A review of policies and systems in place in relation to the International Council on Mining & Metals (ICMM) Sustainable Development (SD) Framework – using as a basis the ICMM Sustainable Development Framework: Assurance Procedure and the core option of the Global Reporting Initiative GRI (G4) Guidelines
2. A review of statements made regarding the 2015 WTSD report and information referenced by the GRI G4 Content Index

Our assurance work covered Subject Matters 1 to 5 referred to in the ICMM SD Framework: Assurance Procedure.

Our assurance work scope covered all the Freeport-McMoRan mining and metals processing operations defined by the reporting boundaries of the 2015 WTSD report. The scope did not cover any content or statements relating to FCX Oil & Gas Inc. The work involved selective reviews of documents, interviews and site visits to:

- Bagdad Mine, USA
- Cerro Verde mine, Peru
- PT Freeport Indonesia (PTFI)-
Grasberg mine, Indonesia
- Safford Mine, USA
- Sierrita Mine, USA
- Tenke Fungurume mine, DRC
- Head Office, Phoenix, USA

Freeport-McMoRan's site visit programme is part of an ongoing process to conduct this assurance scope of work at all major Freeport-McMoRan mining and processing sites at least one time every three years. The programme includes annual site-level assurance at Cerro Verde, PTFI and TFM.

The review also involved desktop reviews and telephone interviews with management of Atlantic Copper smelter, Spain, and Climax Molybdenum facilities at Rotterdam, Netherlands, Stowmarket, UK and Fort Madison, USA.

KEY FINDINGS

Based on our review, its scope and limitations:

- Nothing has come to our attention, which causes us to believe that the information reported by Freeport-McMoRan in the 2015 WTSD Report and information referenced by the GRI G4 Content Index regarding Freeport-McMoRan implementation of the ICMM assurance commitment with respect to subject matters 1 to 4, has been materially misstated.
- Nothing has come to our attention to cause us to believe that Freeport-McMoRan is not reporting in accordance with the Global Reporting Initiative (GRI) G4 Guidelines for the core option.

METHODOLOGY

Through document reviews and interviews at the selected sites and head office, the work activity involved:

FOR SUBJECT MATTERS 1 TO 3 IN THE ICMM SD FRAMEWORK: ASSURANCE PROCEDURE

1. A review of Freeport-McMoRan policies and their alignment to ICMM's 10 SD principles and ICMM Position Statements at corporate and site level.
2. A review of processes in place to identify and prioritise SD risks and opportunities at corporate and site level during the reporting period and the results of the identification and prioritization process.

3. A review of the systems and approaches that Freeport-McMoRan is using to manage its identified material SD risks and opportunities and to implement ICMM's 10 SD principles at corporate and site level.

FOR SUBJECT MATTERS 4 AND 5 IN THE ICMM SD FRAMEWORK: ASSURANCE PROCEDURE

4. Review of Standard Operating Procedures (SOPs) for the collection and assimilation of GRI G4 reported performance information involving:
- a. An assessment to evaluate the risk of misstating reported information for quantitative indicators reported. The assessment looked at site level reported performance data for GRI indicators and considered materiality in the context of corporate level reported information. On this basis certain indicators were selected for verification activities at the selected sites. The assessment methodology was based on ISO 31000:2009, Risk management – Principles and guidelines.
 - b. A review of data reporting, collection and consolidation processes at Head Office.
5. Review of statements made in the 2015 WTSD report and information referenced by the GRI G4 Content Index regarding Freeport-McMoRan sustainable development processes and achievements in 2015 including its implementation of the ICMM SD Framework. This involved VP-level management interviews and documentation reviews in support of corporate level reported information as well as an interview with Freeport-McMoRan's Chief Executive Officer and members of the company's Sustainable Development Leadership Team.
6. Review and selective testing for accuracy of qualitative statements made in the 2015 WTSD report and information referenced by the GRI G4 Content Index.
7. Assessment of Freeport-McMoRan's claim to be reporting in accordance with the Global Reporting Initiative (GRI) G4 core option.

LIMITATIONS OF THE WORK PERFORMED

This work has been carried out by checking samples of information and documents that have been made available during the period of assurance activity by Freeport-McMoRan.

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

Our evidence gathering procedures have been designed to obtain a limited level of assurance on which to base our conclusions.

The assurance statement provided by Corporate Integrity Ltd. is not intended to be used as advice or as the basis for any decisions, including, without limitation, financial or investment decisions.

STATEMENT OF INDEPENDENCE

The independence of our team has been reviewed and none of the Corporate Integrity assessors involved in this project presents a conflict of interest to the integrity of this assurance statement.

STANDARD APPLIED TO THIS ENGAGEMENT

International Standard on Assurance ISEA3000 (revised) – Assurance Engagements other than Audits & Reviews of Historical Financial Information' issued by IAASB.

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