

Environmental Auditing Policy

Purpose

Environmental Auditing is the process of determining whether our operations and practices are in compliance with regulatory requirements, Company policies and procedures, and accepted standards. It is a systematic, objective evaluation of facility activities for a finite review period designed to:

- Verify compliance with environmental regulations, internal policies, and accepted practices.
- Evaluate the effectiveness of environmental "management systems" in place, and
- Identify and assess any reasonably foreseeable risks associated with hazardous conditions attributable to our operations and prevent or mitigate such risks.

An effective corporate environmental auditing program increases environmental management effectiveness and comfort with the knowledge that the risks of potential exposure to adverse environmental issues are being addressed.

Goals

Our environmental auditing goals are:

- Identify and document facility compliance status. Environmental audits will not only consist of noting differences or shortcomings that may exist at facilities, but will also acknowledge areas of exemplary performance. Further, it will include evaluating patterns of deficiencies that may develop throughout the company or over time.
- Improve overall environmental performance at facilities. Regularly scheduled audits will provide an incentive for permanent resolution of environmental issues at facilities and provide a means to identify and realize continuous improvement at all operations.
- Assist facility management. In addition to verifying a facility's compliance status, audits can aid management in understanding and interpreting current or upcoming regulations or policies. They can also help identify compliance issues and cost-effective solutions as well as assist in identifying employee training needs. Further, the information provided in protocols and checklists developed by the audit group can help facilities better manage their operations.
- Increase environmental awareness throughout the company. The audit program demonstrates senior management's commitment to environmental compliance. The audit program will, by its nature, increase environmental awareness at facilities. Increasing environmental awareness will influence and involve employees at all levels of the organization.

- Identify and assess environmental risks. Audits will assess risks associated with hazards both regulated and unregulated. They will include proposed actions which can be taken to control, mitigate, or eliminate risks, and evaluate potential material impacts to the Company.
- Optimize Resources. Identification of environmental activities and practices, and investigation into consolidation of resources and technologies results in more efficient and cost effective management strategies.
- Provide assurance to senior management. Environmental audits provide senior management evidence that environmental affairs are being effectively managed, and that the company's exposure, including the exposure of responsible company officials, to compliance related issues and identified hazards are minimized.

The long term goal of the environmental audit program is to provide a basis for assessing and improving management systems and to identify and resolve environmental issues before they become problems, hazards, or risks.

Practice

Major operating facilities are to be internally audited at least every two years. Facilities can be audited more or less frequently with concurrence from senior management. Audit protocols are made available to the operating units.

Under certain circumstances, various units and operations may feel the need, or be required by various agencies, to conduct special external environmental audits. These should only be done in concurrence with senior management. These external audits, however, should not replace the internal audits.

As Adopted by the Freeport-McMoRan Copper & Gold Inc. Board of Directors

Date: July 31, 2007
