

UK Modern Slavery Act Statement - 2020

The United Kingdom's (UK) 2015 Modern Slavery Act requires every organization (wherever incorporated) carrying on part of a business in the UK with a total annual turnover of £36 million or more to produce an annual slavery and human trafficking statement. We operate a molybdenum conversion plant located in Stowmarket, UK. The following statement outlines our efforts in 2020 to minimize the risk of slavery and human trafficking throughout our business and supply chain. For purposes of this statement, we use the UK government's definition of "modern slavery", including slavery, human trafficking and forced labor. This statement should be read in conjunction with our previous statement, our Human Rights Policy, our Supplier Code of Conduct and our other public disclosures containing relevant information and data.

1.0 Summary of Actions during fiscal year ending 31 December 2020

- We updated our Human Rights Policy to strengthen our commitments and incorporate our value chain approach.
- We began implementation of an advanced risk and data-based responsible sourcing framework using a combination of tools in the contracting and supplier qualification process. The system enables both screening and advanced risk assessment, tracks supplier progress against any required action plans, and enables more direct collaboration with our suppliers throughout the contract life cycle. Please refer to the [Responsible Value Chains](#) section of our 2020 Annual Report on Sustainability for more information on this global initiative.
- We use a combination of tools to help gather critical data on suppliers with regard to compliance, environmental, social and governance (ESG) and other related risks. In recognition of the potential legal and reputational liability that could result from actions of our business partners and contractors under the Foreign Corrupt Practices Act (FCPA), UK Bribery Act 2010 and other laws, we implemented an online due diligence platform, the [Freeport Compliance eXchange](#) (FCeX).
- We added a Responsible Sourcing section to our supplier survey to gather information on ESG programs, including sustainability-related management systems and certifications, human rights, health and safety, and environmental commitments, among others.
- In accordance with our [Responsible Sourcing of Minerals Policy](#), we assess our incoming metal and mineral supply chains to identify potential "flags" with regard to Annex II risks, as defined by the OECD Guidelines (i.e., bribery and corruption, human trafficking, and child or forced labor). We then go through a risk-based due diligence process to assess these "flags." The results are then reviewed by the applicable internal Responsible Sourcing of Minerals Committee and action is taken, as appropriate.
- We conducted targeted due diligence for human rights risks on several mineral suppliers. We also began collaborating with our key traders to improve risk identification and systems. We report on these efforts annually through our [OECD Step 5 Report](#) which is available on our website.
- We completed a review of our community grievance management procedures against the United Nations Guiding Principles on Business and Human Rights (UNGPs) effectiveness criteria (e.g., legitimate, accessible, predictable, equitable, transparent, rights-compatible, a source of continuous learning, and based on engagement and dialogue). Enhancements will be rolled out in 2021 along with improved management systems.

2.0 Organization Structure, Business and Supply Chain

[Freeport-McMoRan Inc.](#) (FCX) is a leading international mining company with headquarters in Phoenix, Arizona. We operate large, long-lived, geographically diverse assets with significant proven and probable reserves of copper, gold and molybdenum. FCX's portfolio of assets includes the Grasberg minerals district in Indonesia, one of the world's largest copper and gold deposits; and significant mining operations in North America and South America, including the large-scale Morenci minerals district in Arizona and the Cerro Verde operation in Peru. As of year-end 2020 our global workforce was comprised of approximately 24,500 employees and 33,800 contractors.

FCX is a leading responsible copper producer - foremost in copper. Being a responsible producer means integrating sustainability in everything we do, everywhere, every day. This includes understanding the needs of our local and global stakeholders and working with institutions, partners and associations to innovate and drive change across

the industry. We do this by identifying and working towards achievement of the commitments that will move the industry forward and enable us to make meaningful advancements at our operations and in our supply chains, such as the UNGP and the Voluntary Principles on Security and Human Rights (VPs). Being a responsible copper producer means purposefully working toward achieving the UN Sustainable Development Goals (SDGs) within our communities and value chain. We are a founding member of the International Council on Mining and Metals and have also committed to achieving the Copper Mark at all of our copper operations globally. These commitments require that we have our management systems for modern slavery related risks assured on a routine basis by a third party.

FCX's Global Supply Chain manages strategic and high-profile commodities and services on a global, regional, and local basis. Key categories of suppliers include:

- Goods and services procured to support our operating mining and metals processing facilities from exploration to closure, including:
 - Contractors whose personnel work at our operations
 - [Commodities](#) sourced
- Minerals and metals purchased from third-party sources for further processing

Our operations provide significant direct and indirect economic impacts when we purchase supplies and services in local economies. Refer to our [Economic Impact webpage](#) for our 2020 procurement spend by geography.

3.0 Policies and Governance

Respect for human rights is a long-standing commitment of FCX. This commitment is expressed in both our [Human Rights Policy](#) and our [Principles of Business Conduct](#) (PBC). Our Human Rights Policy, most recently updated in late 2020, requires our company to:

- Respect internationally recognized human rights, including the rights under the International Bill of Human Rights
- Implement the UNGPs
- Collaborate with value chain stakeholders on our human rights due diligence practices and outcomes to collectively avoid and address adverse impacts
- Provide human rights training to employees, contractors and local stakeholders and promote awareness with host governments and value chain stakeholders
- Protect the confidentiality of anyone who reports potential human rights violations

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

As highlighted in our PBC, we strive to do business only with suppliers of goods or services, including contractors, consultants, vendors, their subcontractors and any other contracted third parties (collectively Suppliers) who share our values and demonstrate a high level of ethical and legal conduct. Our [Supplier Code of Conduct](#) is based on our PBC and references our Human Rights Policy. Suppliers receive a copy of our Supplier Code of Conduct upon engagement and are expected to perform in accordance with it. As set forth in our Supplier Code of Conduct, we expect our suppliers to treat everyone in and around our operations with dignity and respect.

Both our Human Rights Policy and our Supplier Code of Conduct include commitments to:

- Ensure fair treatment and work conditions for all employees, including rights to freedom of association and collective bargaining
- Not tolerate forced, compulsory or child labor, and human trafficking
- Prohibit harassment and discrimination

We have also incorporated standard language on supplier obligations on human rights into our corporate contract templates.

These policies and supporting management systems along with relevant external standards and initiatives form the overall framework that guides our sustainability programs and management of human rights risks.

The Corporate Responsibility Committee (CRC), on behalf of the Board, is responsible for providing oversight of the management of social and environmental matters, including human rights and responsible sourcing. Our Chairman and Chief Executive Officer (CEO) has ultimate responsibility for the company's sustainability performance. The company's cross-functional Sustainability Leadership Team (SLT) includes members of the management team tasked with defining our sustainability strategy and implementing our policies, systems and programs across our organization. In 2020, the SLT met four times and beginning in 2021, meets monthly. The SLT reports to executive leadership, including our Chairman and CEO, and our President and Chief Financial Officer (CFO). In addition, members of the SLT report to the CRC on key sustainability matters at regularly scheduled meetings. The SLT is sponsored by our Senior Vice President and Chief Administrative Officer and is led by our Vice President and Chief Sustainability Officer, with active participation from other members of the SLT.

Our Human Rights Manager and Sustainability team work to educate and inform the business of human rights risks and mitigation strategies. At higher risk operations, our site-level Human Rights Compliance Officers oversee compliance and training activities and manage grievance mechanisms for the reporting, documentation and remedy (to the extent possible) of human rights related allegations.

We formally engage with a range of stakeholders including employees and community members and other interested stakeholders such as development institutions, investors, banks, NGOs, civil society, governments, suppliers / contractors, downstream customers, responsible sourcing initiatives, commodity and trade associations, and international governmental agencies on an ongoing basis. While COVID-19 hindered our efforts to meet with stakeholders face to face, we adapted by relying more heavily on other forms of communication, including video and telephone conferences. In addition, we continued our participation in multi-industry dialogues on respect for human rights via the Voluntary Principles on Security and Human Rights, the Business for Social Responsibility human rights working group, Sustainability 50's executive-level, peer-to-peer collaboration forum, and ICMM's Community Support Working Group.

Due Diligence

Our online due diligence platform, the [Freeport Compliance eXchange](#) (FCeX), is a survey-based software platform designed to assess risk in the areas of anti-corruption, international trade, responsible minerals sourcing and human rights. Prior to onboarding a new supplier and during an existing supplier's regular review, the FCeX system issues a risk assessment questionnaire covering key areas which is analyzed by corporate- and site-level Compliance officers. The system has enhanced our ability to identify, assess and mitigate compliance risks, including modern slavery risks, on an ongoing basis. For any supplier where risks are identified specifically for modern slavery, additional, targeted, due diligence is conducted. During 2020, the FCeX due diligence process did not identify modern slavery as a risk associated with any of our new or existing suppliers. For more information on our due diligence efforts in our supply chain, please see [Global Supply Chain](#), [Responsible Sourcing](#), [2020 Annual Report on Sustainability](#) and the [OECD Step 5 Due Diligence Report](#).

Risk Register

To translate our commitments to our everyday work, we use our Sustainable Development Risk Register (the Risk Register) process globally to identify and prioritize sustainability risks. Our operating sites use the Risk Register to identify risks and opportunities related to our commitments in relation to its respective operation and stakeholders. The Risk Registers prioritize the most significant risks in areas such as health and safety, human rights, environmental management, community development, and economic impacts. During 2020, the Risk Register process did not identify modern slavery as an actionable risk at any operation. Refer to our [2020 Annual Report on Sustainability](#) for more information.

Corporate and Site-Level Human Rights Impact Assessments

Our Human Rights Policy requires us to respect internationally recognized human rights, including the rights under the International Bill of Human Rights. It also outlines our commitment to implementing the UNGPs, which includes utilizing Human Rights Impact Assessments (HRIAs) to prevent and mitigate impacts. In second-quarter 2019, we initiated implementation of an HRIA at our El Abra operation in Chile. Unfortunately, field work was deferred due to social unrest throughout the country occurring in late 2019 through early 2020. Subsequently, as a result of the COVID-19 pandemic, we were unable to resume implementation as planned. We are resuming implementation of the HRIA in 2021 with a virtual approach to field work and expect to complete the assessment during the year. In 2021, we also plan to initiate implementation of our Arizona HRIA and initiate planning for an HRIA at PT-FI, which we currently expect to commence in 2022. Refer to the [Human Rights](#) section of our website for more information on our corporate or site-level HRIA methodology and related activity.

Training

We promote awareness of our human rights commitments through a variety of mechanisms including conducting training on our PBC. Our PBC defines the expected behavior of all employees – including respect for human rights. We conduct comprehensive training on our PBC, including annual certification by management-level employees and induction training for all new employees. Please refer to the [Principles of Business Conduct](#) and [Performance Targets](#) sections of our Sustainability reporting for more information.

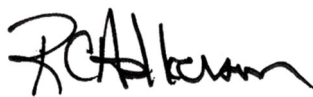
On-site contractors participate in an onboarding process, which consists of a review of company policies, procedures, and security protocols and validation of required certifications. In addition, some operating sites also provide targeted training on human rights and our Supplier Code of Conduct. Refer to the [Human Rights](#) section of our website for more information on communication, training and awareness raising and related examples.

Access to Remedy - Reporting Mechanisms

While we seek to avoid causing and contributing to adverse impacts on individuals and communities, we acknowledge they may occur. Our [Human Rights Policy](#) outlines our commitments to providing for and cooperating in remediation of adverse impacts related to our business as well as collaborating with value chain stakeholders to address adverse impacts linked to our business relationships. Grievance mechanisms support our commitment to remedy. We have multiple mechanisms for employees, community members, members of our supply chain and others to report human rights concerns. These mechanisms help us address concerns early and remediate impacts directly. Please refer to the [Human Rights](#) section of our website for more information on our global review project and a table summarizing our primary grievance mechanisms with links to examples of grievances received and remedy provided. We did not receive any grievances regarding modern slavery in 2020.

We are committed to continuing our work with stakeholders to address our responsibility to respect human rights, including taking steps to prevent modern slavery from occurring in our business and supply chain.

This statement has been approved by the FCX Board of Directors.



Richard C. Adkerson
Chairman of the Board and Chief Executive Officer
Freeport-McMoRan Inc.