

CDP**CDP 2016 Water 2016 Information Request
Freeport-McMoRan Inc.****Module: Introduction****Page: W0. Introduction****W0.1****Introduction****Please give a general description and introduction to your organization.**

Freeport-McMoRan Inc. (Freeport-McMoRan or the company) is a natural resource 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.

The company'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). Additional information about Freeport-McMoRan is available on our website at fcx.com.

FCX Oil and Gas Inc. (FCX O&G Inc.) is excluded from the boundary of this report.

Our use of water is correlated to changes in mining production, which is generally related to global economic activity. Our current mine plans are expected to require increased total water use as a result of incremental expansions or increased ore processing at certain existing mines. As reported in Freeport-McMoRan's first quarter 2016 results presentation materials, our copper sales guidance is approximately 5.0 billion pounds for 2016. We continue to maximize feasible water recycling rates within our growing copper production profile, including the recently completed expansion of our Morenci mine and commencement of expansion project operations at our Cerro Verde mine in September 2015.

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 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.

W0.2

Reporting year

Please state the start and end date of the year for which you are reporting data.

Period for which data is reported
Thu 01 Jan 2015 - Thu 31 Dec 2015

W0.3

Reporting boundary

Please indicate the category that describes the reporting boundary for companies, entities, or groups for which water-related impacts are reported.

Companies, entities or groups over which financial control is exercised

W0.4

Exclusions

Are there any geographies, facilities or types of water inputs/outputs within this boundary which are not included in your disclosure?

Yes

W0.4a

Exclusions

Please report the exclusions in the following table

Exclusion	Please explain why you have made the exclusion
FCX Oil & Gas Inc. (business unit exclusion)	FCX O&G Inc. is excluded from this response boundary. While our oil and gas operations are excluded from the boundary of this report, FCX O&G Inc. operates in accordance with all Freeport-McMoRan policies and governance structures. Operating in a highly-regulated industry in the U.S., FCX O&G Inc. maintains audited safety and environmental management systems and emergency response procedures.

Module: Current State

Page: W1. Context

W1.1

Please rate the importance (current and future) of water quality and water quantity to the success of your organization

Water quality and quantity	Direct use importance rating	Indirect use importance rating	Please explain
Sufficient amounts of good quality freshwater available for use	Vital for operations	Neutral	Our mining operations require water for mining, ore processing and related support facilities. Most of our mining operations in North and South America are in arid regions. Continuous production at our mines is dependent on our ability to maintain our water rights and claims, and the continuing physical availability of water supplies.
Sufficient amounts of recycled, brackish and/or produced water available for use	Vital for operations	Neutral	In 2015, we used approximately 1,460,000 megaliters of water in our operating processes, of which approximately 80% was recycled water. Our overall water use has remained relatively constant over the past five years. The majority of our recycled water originates from recycled water from concentrate processing plants, and reclaimed water captured at tailings storage facilities and leach pads.

W1.2

For your total operations, please detail which of the following water aspects are regularly measured and monitored and provide an explanation as to why or why not

Water aspect	% of sites/facilities/operations	Please explain
Water withdrawals- total volumes	76-100	This data is collected and reported annually.
Water withdrawals- volume by sources	76-100	This data is collected and reported annually.
Water discharges- total volumes	76-100	This data is collected and reported annually. Many of the company mining operations are managed as zero-discharge facilities, so there are only a few facilities that actually discharge water.
Water discharges- volume by destination	76-100	This data is collected and reported annually.

Water aspect	% of sites/facilities/operations	Please explain
Water discharges- volume by treatment method	76-100	This data is collected and reported annually.
Water discharge quality data- quality by standard effluent parameters	76-100	This data is collected and reported annually.
Water consumption- total volume	76-100	This data is collected and reported annually.
Facilities providing fully-functioning WASH services for all workers	76-100	This data is collected and reported annually.

W1.2a

Water withdrawals: for the reporting year, please provide total water withdrawal data by source, across your operations

Source	Quantity (megaliters/year)	How does total water withdrawals for this source compare to the last reporting year?	Comment
Fresh surface water	119600	About the same	
Brackish surface water/seawater	0	Not applicable	
Rainwater	55000	About the same	
Groundwater - renewable	108800	About the same	
Groundwater - non-renewable	0	Not applicable	
Produced/process water	0	Not applicable	
Municipal supply	900	About the same	
Wastewater from another organization	2600	Higher	In 2015, our Cerro Verde mine completed construction of a municipal wastewater treatment plant and began receiving quantities of treated wastewater for use at the mine.
Total	286900	About the same	

W1.2b

Water discharges: for the reporting year, please provide total water discharge data by destination, across your operations

Destination	Quantity (megaliters/year)	How does total water discharged to this destination compare to the last reporting year?	Comment
Fresh surface water	119310	Higher	Increased water discharges over the prior year were partially driven by an increase in total water consumption and ore volumes processed at the company's PTFI operations in Papua, Indonesia during 2015. In 2014, PTFI production was temporarily impacted by a product export ban that was subsequently lifted, thereby reducing water consumption associated with the impact to operations. The increase in 2015 would have been larger if not for the temporary lower rainfall conditions in the second half of 2015 as a result of El Nino weather conditions.
Brackish surface water/seawater			
Groundwater			
Municipal/industrial wastewater treatment plant			
Wastewater for another organization			
Total	119310	Higher	

W1.2c

Water consumption: for the reporting year, please provide total water consumption data, across your operations

Consumption (megaliters/year)	How does this consumption figure compare to the last reporting year?	Comment
1459000	About the same	

W1.3

Do you request your suppliers to report on their water use, risks and/or management?

No

W1.3b

Please choose the option that best explains why you do not request your suppliers to report on their water use, risks and/or management

Primary reason	Please explain
Other:	Mining is at the base of the value chain and therefore we directly evaluate water use, risk and management as a core component of our own business. We have reviewed public disclosures of our key suppliers and from that review we have not identified any water-related risks that could materially impact our business. Supply chain exposure to water-related risks may include changes in precipitation patterns/sea levels/storm patterns/storm intensities, water shortages and new or modified regulations.

W1.4

Has your organization experienced any detrimental impacts related to water in the reporting year?

No

Further Information

Water quantities displayed in W1.2a, W1.2b and W1.2c are rounded to the nearest 100 megaliters for all quantities above 1,000 megaliters and to the nearest 10 megaliters for all volumes below 1,000 megaliters.

Module: Risk Assessment

Page: W2. Procedures and Requirements

W2.1

Does your organization undertake a water-related risk assessment?

Water risks are assessed

W2.2

Please select the options that best describe your procedures with regard to assessing water risks

Risk assessment procedure	Coverage	Scale	Please explain
Comprehensive company-wide risk assessment	Direct operations and supply chain	All facilities	Water is integrated into a comprehensive, company-wide risk assessment process incorporating both direct operations and our value chain (upstream supplier and downstream consumer influences). The company relies on its Sustainable Development (SD) Risk Register process to assess risks in our value chain, including water issues as applicable. Freeport-McMoRan takes both a current and long-term view on securing water supplies that address changing water use patterns and changing risks and opportunities for future sources of water.

W2.3

Please state how frequently you undertake water risk assessments, what geographical scale and how far into the future you consider risks for each assessment

Frequency	Geographic scale	How far into the future are risks considered?	Comment
Annually	Facility	>6 years	Our SD Risk Register process facilitates identification of key risks and opportunities. Certainty of water supplies and efficient management are identified as sustainability focus areas for our business and outlined in our 2015 Working Toward Sustainability Development Report (www.fcx.com).
Annually	Facility	>6 years	Water risks are included in Freeport-McMoRan's operational risk factors that are outlined in its annual report on Form 10-K.

Frequency	Geographic scale	How far into the future are risks considered?	Comment
Annually	Facility	>6 years	Operations in arid regions maintain water balances and are conducting scenario planning of potential events that could pose a risk to operations, including possible water supply reductions or storm events that produce excess water, either of which could temporarily impact mine production. This is an ongoing process.

W2.4

Have you evaluated how water risks could affect the success (viability, constraints) of your organization's growth strategy?

Yes, evaluated over the next 10 years

W2.4a

Please explain how your organization evaluated the effects of water risks on the success (viability, constraints) of your organization's growth strategy?

Project planning and our project life-cycles can span decades. We consider early and effective management with stakeholders critical for creating mutually beneficial opportunities and reducing sustainability risks to our plans. The Freeport-McMoRan SD Risk Register program is an ongoing program designed for operations and the corporate office to identify key sustainability-related risks or opportunities at any given time.

W2.5

Please state the methods used to assess water risks

Method	Please explain how these methods are used in your risk assessment
Internal company knowledge	Our SD Risk Register process assists in prioritizing safety, environmental, social, economic and value chain challenges and opportunities. As our operations identify and track key actions and milestones toward reducing sustainability-related risks, this process enhances decision making regarding operational planning and resource allocation. In addition, our Freeport-McMoRan SD Leadership Team maintains a standing agenda item on water topics as part of its meetings. This includes updates on multiple actions taken to mitigate future water supply risks. The SD Leadership team is sponsored by our Executive Vice President and Chief Administrative Officer and is led by our Vice President Environmental Services and Sustainable Development. The team includes business unit presidents and senior personnel from the safety, supply chain, human resources, sales, compliance, and land and water functions. Accordingly, we seek strategic partnerships with host governments, communities and development partners to ensure the viability of our projects while delivering meaningful benefits. We explore opportunities with stakeholders as we continue to make long-term investments in water supply projects to support our operating and growth plans.

W2.6

Which of the following contextual issues are always factored into your organization's water risk assessments?

Issues	Choose option	Please explain
Current water availability and quality parameters at a local level	Relevant, included	Our SD Risk Register process assists in prioritizing safety, environmental, social, economic and value chain challenges and opportunities. Under this process, local cross-functional management teams utilize a matrix of consequence categories ranging from community or environmental impacts to reputational impacts. As our operations identify and track key actions and milestones toward reducing sustainability-related risks, this process enhances decision making regarding operational planning and resource allocation. In addition, our Freeport-McMoRan SD Leadership Team maintains a standing agenda item on water topics as part of its meetings. This includes updates on multiple actions taken to mitigate future water supply risks.
Current water regulatory frameworks and tariffs at a local level	Relevant, included	See explanation above regarding the SD Risk Register process.
Current stakeholder conflicts concerning water resources at a local level	Relevant, included	See explanation above regarding the SD Risk Register process.
Current implications of water on your key commodities/raw materials	Relevant, included	See explanation above regarding the SD) Risk Register process.
Current status of ecosystems and habitats at a local level	Relevant, included	See explanation above regarding the SD Risk Register process.
Current river basin management plans	Relevant, included	See explanation above regarding the SD Risk Register process.
Current access to fully-functioning WASH services for all employees	Relevant, included	See explanation above regarding the SD Risk Register process.
Estimates of future changes in water availability at a local level	Relevant, included	Operations in arid regions maintain water balances and are conducting scenario planning of potential events that could pose a risk to operations, including possible water supply reductions or storm events that produce excess water, either of which could temporarily impact mine production.
Estimates of future potential regulatory changes at a local level	Relevant, included	See explanation above regarding the SD Risk Register process. Although each of our mining operations currently has access to sufficient water supplies to support current operational demands, some supplies are subject to unresolved claims by others through ongoing legal proceedings. We cannot predict the potential outcome of pending or future proceedings with respect to water rights. We are taking action to mitigate related future risks.
Estimates of future potential stakeholder conflicts at a local level	Relevant, included	See explanation above regarding the SD Risk Register process. Although each of our mining operations currently has access to sufficient water supplies to support current operational demands, some supplies are subject to unresolved claims by others through ongoing legal proceedings. We cannot predict the

Issues	Choose option	Please explain
		potential outcome of pending or future proceedings with respect to water rights. We are taking action to mitigate related future risks. We consider early and effective engagement with local stakeholders critical for creating mutually beneficial opportunities and reducing sustainability risks, including those related to water.
Estimates of future implications of water on your key commodities/raw materials	Relevant, included	See explanation above regarding the SD Risk Register process.
Estimates of future potential changes in the status of ecosystems and habitats at a local level	Relevant, included	See explanation above regarding the SD Risk Register process. The process includes an assessment of potential risks or opportunities associated with biodiversity.
Scenario analysis of availability of sufficient quantity and quality of water relevant for your operations at a local level	Relevant, included	See explanation above regarding the SD Risk Register process. Operations in arid regions maintain water balances and are conducting scenario planning of potential events that could pose a risk to operations, including possible water supply reductions or storm events that produce excess water, either of which could temporarily impact mine production.
Scenario analysis of regulatory and/or tariff changes at a local level	Relevant, included	See explanation above regarding the SD Risk Register process. Although each of our mining operations currently has access to sufficient water supplies to support current operational demands, some supplies are subject to unresolved claims by others through ongoing legal proceedings. We cannot predict the potential outcome of pending or future proceedings with respect to water rights. We are taking action to mitigate related future risks.
Scenario analysis of stakeholder conflicts concerning water resources at a local level	Relevant, included	See explanation above regarding the SD Risk Register process. Although each of our mining operations currently has access to sufficient water supplies to support current operational demands, some supplies are subject to unresolved claims by others through ongoing legal proceedings. We cannot predict the potential outcome of pending or future proceedings with respect to water rights. We consider early and effective engagement with local stakeholders critical for creating mutually beneficial opportunities and reducing sustainability risks, including those related to water. This includes stakeholder mapping and engagement strategies implemented as part of our 5-year community plans.
Scenario analysis of implications of water on your key commodities/raw materials	Relevant, included	See explanation above regarding the SD Risk Register process.
Scenario analysis of potential changes in the status of ecosystems and habitats at a local level	Relevant, included	Operating mines have developed biodiversity management plans and land management plans to incorporate biodiversity related considerations and incorporate site-specific planning processes to minimize adverse impacts to biodiversity where possible.
Other		

W2.7

Which of the following stakeholders are always factored into your organization's water risk assessments?

Stakeholder	Choose option	Please explain
Customers	Relevant, included	Certain customers at various downstream layers of the value chain request information concerning water use and management, including at specific operations. This engagement helps inform our assessment of water related risks.
Employees	Relevant, included	The SD Risk Register process described above takes into consideration our employees. In addition, our employees conduct and maintain our assessments and resulting actions with respect to water.
Investors	Relevant, included	Our corporate SD department engages frequently with the socially responsible investment community, including dialogue on our water programs and projects. Viewpoints and suggestions are considered on an ongoing basis including directly into our Sustainable Development Risk Register process as well as our GRI G4 materiality prioritization process. The feedback we receive is important to continually inform and improve our reporting on sustainability programs, including our work with respect to water.
Local communities	Relevant, included	Communities are often primary stakeholders whose input we evaluate in our SD Risk Register process at the local level. For example, our Cerro Verde operation completed construction of a wastewater treatment plant for Arequipa, Peru as part of its large-scale expansion, and obtained authorization to reuse an annual average of one cubic meter per second of the treated water. Through local stakeholder engagement, the outcome has been a "win-win" for the local community, regional government and Cerro Verde.
NGOs	Relevant, included	The SD Risk Register process described above takes into consideration the views of NGOs and the work of certain NGOs with respect to water issues.
Other water users at a local level	Relevant, included	The SD Risk Register process described above is designed to evaluate views and plans of any stakeholder group, as applicable, including other municipal and agricultural water users.
Regulators		The SD Risk Register process takes into account the water laws and regulations that are applicable to the development and preservation of sustainable water supplies for our mine operations. As part of this effort and where applicable, we interact with local, state and federal regulatory agencies along with tribal governments as key stakeholders whose input and views we evaluate through our SD Risk Register process. In some cases, we participate in stakeholder groups led by these agencies or governments.
River basin management authorities		Where applicable, river basin management authorities are key stakeholders, in the same manner as regulatory agencies and tribal governments, whose input and views we evaluate through our the SD Risk Register process. In some cases, we participate in stakeholder groups led by river basin management authorities.
Statutory special interest groups at a local level	Relevant, included	Local and regional stakeholders are often primary stakeholders whose input and views we evaluate in our SD Risk Register process at the local operating level. We monitor actions of others that create either risk to our operation or future water supplies.
Suppliers	Relevant, included	The SD Risk Register process assists in prioritizing safety, environmental, social, economic and value chain challenges and opportunities. Through this process, we monitor the potential for risks in the value chain (upstream supplier and downstream customer influences), including water-related risks if applicable.
Water utilities/suppliers at a local level	Relevant, included	The SD Risk Register process described above takes into consideration the views of water utilities and suppliers with respect to water issues.

Stakeholder	Choose option	Please explain
Other		

Module: Implications

Page: W3. Water Risks

W3.1

Is your organization exposed to water risks, either current and/or future, that could generate a substantive change in your business, operations, revenue or expenditure?

Yes, direct operations only

W3.2

Please provide details as to how your organization defines substantive change in your business, operations, revenue or expenditure from water risk

A substantive risk could include, but may not be limited to, a curtailment or disruption of mine production, prevention of mine expansion opportunities, increased capital expenditure and operational maintenance costs associated with development of alternate and renewable water supplies, or increased capital expenditures and increased operating costs associated with water quality programs and technologies.

Please see additional information in the Risk Factors section of our 2015 Form 10-K.

W3.2a

Please provide the number of facilities* per river basin exposed to water risks that could generate a substantive change in your business, operations, revenue or expenditure and the proportion this represents of total operations company-wide

Country	River basin	Number of facilities exposed to water risk	Proportion of total operations (%)	Comment
United States of America	Colorado River (Pacific Ocean)	9	61-70	Based on percentage of the Freeport-McMoRan's active mine operations globally.
Chile	Other: Ascotan salt flat drainage basin	1	6-10	Based on percentage of the Freeport-McMoRan's active mine operations globally.
Peru	Other: Chili River	1	6-10	Based on percentage of the Freeport-McMoRan's active mine operations globally.
Indonesia	Other: Ajkwa	1	6-10	Based on percentage of the Freeport-McMoRan's active mine operations globally.

W3.2b

Please provide the proportion of financial value that could be affected at river basin level associated with the facilities listed in W3.2a

Country	River basin	Financial reporting metric	Proportion of chosen metric that could be affected within the river basin	Comment
United States of America	Colorado River (Pacific Ocean)	% global production capacity	41-50	Measured as a percentage of copper equivalent global production
Chile	Other: Ascotan salt flat drainage basin	% global production capacity	6-10	Measured as a percentage of copper equivalent global production
Peru	Other: Chili River	% global production capacity	11-20	Measured as a percentage of copper equivalent global production
Indonesia	Other: Ajkwa	% global production capacity	21-30	Measured as a percentage of copper equivalent global production

W3.2c

Please list the inherent water risks that could generate a substantive change in your business, operations, revenue or expenditure, the potential impact to your direct operations and the strategies to mitigate them

Country	United States of America
River basin	Colorado River (Pacific Ocean)
Risk driver	Regulatory-Regulatory uncertainty
Potential impact	Other: see description of impact
Description of impact	In the arid western U.S. water rights are often contested, and disputes are generally time-consuming, expensive and not necessarily dispositive unless they resolve both actual and potential claims. The loss of a water right or a continued use of a currently available water supply, or the inability to expand our water resources could materially and adversely affect our mining operations by increasing costs, forcing us to curtail operations, prevent expansions or forcing premature closures.
Timeframe	Unknown
Likelihood	Unknown
Magnitude of potential financial impact	Unknown
Response strategy	Other: see details of strategy
Costs of response strategy	Unknown
Details of strategy and costs	In response to the business continuity risk, our company continues to explore opportunities to augment existing water supplies and to complete water right settlement agreements that secure existing water supplies. Mining sites in arid regions also maintain water balance models to better understand water users and to identify losses within the operation. The company also remains an active participant in ongoing water rights adjudication proceedings and in litigation over federal reserved water rights claims, both of which are currently ongoing in Arizona.

Country	United States of America
River basin	Colorado River (Pacific Ocean)
Risk driver	Physical-Increased water scarcity
Potential impact	Other: see description of impact
Description of impact	Our operations in the western U.S. require significant quantities of water. The loss of a water right or a continued use of a currently available water supply, or the inability to expand our water resources could materially and adversely affect our mining operations by increasing costs, forcing us to curtail operations, prevent expansions or forcing premature closures.
Timeframe	Unknown
Likelihood	Unknown
Magnitude of potential financial impact	Unknown
Response strategy	Other: see details of strategy

Country	United States of America
Costs of response strategy	Unknown
Details of strategy and costs	In response to this business continuity risk, our company continues to explore opportunities to augment existing water supplies. Mining sites in arid regions also maintain water balance models to better understand water users and to identify losses within the operation.

Country	United States of America
River basin	Colorado River (Pacific Ocean)
Risk driver	Regulatory-Statutory water withdrawal limits/changes to water allocation
Potential impact	Other: see description of impact
Description of impact	In the arid western U.S. water rights are often contested, and disputes are generally time-consuming, expensive and not necessarily dispositive unless they resolve both actual and potential claims. The loss of a water right or a continued use of a currently available water supply, or the inability to expand our water resources could materially and adversely affect our mining operations by increasing costs, forcing us to curtail operations, prevent expansions or forcing premature closures.
Timeframe	Unknown
Likelihood	Unknown
Magnitude of potential financial impact	Unknown
Response strategy	Other: see details of strategy
Costs of response strategy	Unknown
Details of strategy and costs	In response to this business continuity risk, our company continues to explore opportunities to augment existing water supplies and to complete water right settlement agreements that secure existing water supplies. Mining sites in arid regions also maintain water balance models to better understand water users and to identify losses within the operation.

Country	United States of America
River basin	Colorado River (Pacific Ocean)
Risk driver	Physical-Flooding
Potential impact	Other: see description of impact
Description of impact	Potential short-term interruptions to business operations and potential safety hazard.
Timeframe	Unknown
Likelihood	Unknown
Magnitude of potential financial impact	Unknown
Response strategy	Other: see details of strategy
Costs of response strategy	Unknown

Country	United States of America
Details of strategy and costs	While overall rainfall events can be infrequent and short-term in nature, large volumes of water can accumulate from isolated heavy rainfall events. Business interruption can also stem from higher intensity, short duration storms. These isolated events can produce negative, but generally non-material, effects on mining and production rates. Evaporation and other water management activities have been developed to varying degrees at these sites to help reduce the volume of captured storm water.

Country	United States of America
River basin	Other: Arizona tributaries to Colorado River (Pacific Ocean)
Risk driver	Reputational-Litigation
Potential impact	Other: see description of impact
Description of impact	In the arid western U.S. water rights are often contested, and disputes are generally time-consuming, expensive and not necessarily dispositive unless they resolve both actual and potential claims. The loss of a water right or a continued use of a currently available water supply, or the inability to expand our water resources could materially and adversely affect our mining operations by increasing costs, forcing us to curtail operations, prevent expansions or forcing premature closures.
Timeframe	Unknown
Likelihood	Unknown
Magnitude of potential financial impact	Unknown
Response strategy	
Costs of response strategy	Unknown
Details of strategy and costs	In Arizona, we are a participant in two active general stream adjudications in which, for over 40 years, the Arizona courts have been attempting to quantify and prioritize surface water claims for two of the state's largest river systems, which affect our operating mines at Morenci, Safford, Sierrita and Miami. Litigation results could be material to the company as described in our 2015 Form 10-K, Part I. Item 3 (Legal Proceedings), page 64-66.

Country	Chile
River basin	Other: Ascotan salt flat drainage basin
Risk driver	Physical-Increased water scarcity
Potential impact	Other: see description of impact
Description of impact	Curtailed mine production and prevention of mine expansion opportunities, increased capital expenditures and operational maintenance costs associated with development of alternative, renewable water supplies.
Timeframe	Unknown
Likelihood	Unknown
Magnitude of potential financial impact	Unknown
Response strategy	Other: see details of strategy

Country	Chile
Costs of response strategy	High
Details of strategy and costs	El Abra has sufficient water rights to support current operations, but a change to the project, such as increased production or mill processing, would require additional water beyond our current groundwater pumping. In response, El Abra is studying the feasibility of constructing a seawater desalination plant to support possible increased sulfide ore production or mill processing.

Country	Chile
River basin	Other: Ascotan salt flat drainage basin
Risk driver	Regulatory-Regulatory uncertainty
Potential impact	Other: see description of impact
Description of impact	The loss of a water right or a continued use of a currently available water supply, or the inability to expand our water resources could materially and adversely affect our mining operations by increasing costs, forcing us to curtail operations, prevent expansions or forcing premature closures.
Timeframe	Unknown
Likelihood	Unknown
Magnitude of potential financial impact	Unknown
Response strategy	Other: see details of strategy
Costs of response strategy	High
Details of strategy and costs	Our El Abra operation, near Calama, Chile is conducting studies to assess the feasibility of constructing a desalination plant to treat seawater for potential use for sulfide ore production or mill processing.

Country	Chile
River basin	Other: Ascotan salt flat drainage basin
Risk driver	Regulatory-Statutory water withdrawal limits/changes to water allocation
Potential impact	Other: see description of impact
Description of impact	The loss of a water right or a continued use of a currently available water supply, or the inability to expand our water resources could materially and adversely affect our mining operations by increasing costs, forcing us to curtail operations, prevent expansions or forcing premature closures.
Timeframe	Unknown
Likelihood	Unknown
Magnitude of potential financial impact	Unknown
Response strategy	Other: see details of strategy

Country	Chile
Costs of response strategy	High
Details of strategy and costs	Our El Abra operation, near Calama, Chile is conducting studies to assess the feasibility of constructing a desalination plant to treat seawater for potential use for sulfide ore production or mill processing.

Country	Peru
River basin	Other: Chili River
Risk driver	Physical-Increased water scarcity
Potential impact	Other: see description of impact
Description of impact	Water for our Cerro Verde operations comes from renewable sources through a series of storage reservoirs on the Chili River watershed that collect water primarily from seasonal precipitation.
Timeframe	Unknown
Likelihood	Unlikely
Magnitude of potential financial impact	Unknown
Response strategy	Other: see details of strategy
Costs of response strategy	Response strategy is already budgeted
Details of strategy and costs	Cerro Verde's participation in the Pillones Reservoir Project has allowed better regulation of the Chili River system, securing water rights to support Cerro Verde's operations. In 2015, Cerro Verde completed construction of a wastewater treatment plant that intercepts raw sewage that would otherwise be discharged into the Chili River and processes it for both use at Cerro Verde mine and for return of treated water into the Chili River. Prior to construction, Cerro Verde reached agreement with the Regional Government of Arequipa, the National Government, the local water utility company, Servicio de Agua Potable y Alcantarillado de Arequipa S.A. (SEDAPAR) and other local institutions to allow it to reuse an average of one cubic-foot-per-second of the treated water to support the recently completed concentrator expansion.

Country	Indonesia
River basin	Other: Ajkwa
Risk driver	Physical-Flooding
Potential impact	Other: see description of impact
Description of impact	Potential interruptions to business operations and potential safety hazard.
Timeframe	Unknown
Likelihood	Unknown
Magnitude of potential financial impact	Unknown
Response strategy	Other: see details of strategy

Country	Indonesia
Costs of response strategy	Unknown
Details of strategy and costs	The Grasberg Mine is located in steep, mountainous terrain that experiences average annual rainfall of approximately 200 inches, leading to periodic mudslides.

W3.2f

Please choose the option that best explains why you do not consider your organization to be exposed to water risks in your supply chain that could generate a substantive change in your business, operations, revenue or expenditure

Primary reason	Please explain
Evaluation in progress	Mining is at the base of the value chain and therefore we directly evaluate water use, risk and management as a core component of our own business. We have reviewed public disclosures of our key suppliers and from that we have not identified any water-related risks that could materially impact our business. Supply chain exposure to water-related risks may include changes in precipitation patterns, sea levels, storm patterns, storm intensities, water shortages and new or modified regulations.

Page: W4. Water Opportunities

W4.1

Does water present strategic, operational or market opportunities that substantively benefit/have the potential to benefit your organization?

Yes

W4.1a

Please describe the opportunities water presents to your organization and your strategies to realize them

Country or region	Opportunity	Strategy to realize opportunity	Estimated timeframe	Please explain
Peru	Climate change adaptation Improved community relations Improved water efficiency Social licence to operate	Construction of a local wastewater treatment plant to supplement existing water supplies for operations while benefitting the local community of Arequipa, Peru.	Current-up to 1 year	In 2015, our Cerro Verde operation, as part of a large-scale mine expansion, completed construction of a wastewater treatment plant for the city of Arequipa, Peru. This plant improves regional water quality, reduces waterborne illnesses and enhances the value of local agricultural products while providing water for this operational expansion. Cerro Verde also funded the development of an expandable water treatment facility which now provides local residents 24-hour access to potable water.
United States of America	Climate change adaptation Improved community relations Improved water efficiency Social licence to operate Other: Water supply augmentation	During 2015, Freeport-McMoRan stored about 16,700 acre-feet (20,600 megaliters) of renewable surface water supplies at Groundwater Savings Facilities (GSFs) within Arizona for the purpose of accruing Long-Term Storage Credits that can later be withdrawn to support existing operations or potential future mine expansions at many of our Arizona operations. Through this effort, Freeport-McMoRan arranges to have a renewable surface water allocation (Central Arizona Project water), which is secured under long-term leases with Tribal entities, delivered as "in-lieu" water to a recipient within the GSFs who then agree to replace their own groundwater pumping with the in lieu water, thus creating a groundwater savings.	Current-up to 1 year	Recharge is a means of storing excess renewable water supplies so that they may be used in the future. Artificial recharge and the use of GSFs is an increasingly important tool in the management of Arizona's water supplies. Storing water underground to ensure an adequate supply for the purpose of satisfying current and future needs is both practical and cost-effective in our desert environment. This exercise also results in reducing current groundwater demands in the state while encouraging the development of beneficial partnerships between various entities across the diverse water use sectors in Arizona.

Country or region	Opportunity	Strategy to realize opportunity	Estimated timeframe	Please explain
United States of America	Improved community relations Regulatory changes Social licence to operate Other: Regulatory certainty	During 2015, Freeport-McMoRan completed a water rights settlement agreement with the Hualapai Tribe along with other federal and state parties. This settlement secures legal rights to over 70 percent of the make-up water supplies that support Freeport's Bagdad operations.	Current-up to 1 year	In December 2015, the U.S. Secretary of Interior Sally Jewel issued a Record of Decision that finalized the Bill Williams Water Rights Settlement Act of 2014 (Act). The Act provided for a settlement of water rights disputes between the Hualapai Tribe (Tribe), the United States (acting on behalf of the Tribe), Freeport's Bagdad operation, and the State of Arizona's Game and Fish Department in the Bill Williams River watershed in Arizona. The settlement provides the Tribe with the means to purchase future water supplies to Tribal members. Additionally, the settlement provided for the transfer of a portion of Freeport's Planet Ranch property and water rights to support the Multi-Species Conservation Program (MSCP). The MSCP is a multi-state mitigation program that sets aside lands for species and habitat conservation to offset water and power operations in the Lower Colorado River Basin. The settlement further provides each party with protection against future water rights disputes and litigation. Finally, the settlement secures Freeport's water rights for over 70 percent of Bagdad's make-up water supplies.
United States of America	Climate change adaptation Improved community relations Improved water efficiency Other: Water supply augmentation	During 2015, Freeport-McMoRan entered into an agreement with farmers in southern Arizona to build a pipeline to bring renewable Colorado River water to farm fields in close proximity to the Company's Sierrita mine operation.	Current-up to 1 year	The delivery of renewable Colorado River water will reduce the farmers' dependence on groundwater while at the same time providing the company with future renewable water supply credits that can be used to support future mine operations or provide backup supplies for any water shortages.

Module: Accounting

Page: W5. Facility Level Water Accounting (I)

W5.1

Water withdrawals: for the reporting year, please complete the table below with water accounting data for all facilities included in your answer to W3.2a

Facility reference number	Country	River basin	Facility name	Total water withdrawals (megaliters/year) at this facility	How does the total water withdrawals at this facility compare to the last reporting year?	Please explain
Facility 1	United States of America	Colorado River (Pacific Ocean)	includes 9 active mine operations located in Arizona, Colorado and New Mexico	125500	About the same	Increased ore processing at Morenci was partially offset by lower processing rates at several other United States mine operations
Facility 2	Indonesia	Other: Ajkwa	Grasberg mine	44600	About the same	
Facility 3	Chile	Other: Ascotan salt flat drainage basin	El Abra mine	8600	About the same	
Facility 4	Peru	Other: Chili	Cerro Verde mine	32100	Higher	Increased water withdrawals due to Cerro Verde concentrator expansion in 2015
Facility 5	Congo, Democratic Republic of the	Congo	Tenke Fungarume mine	16200	About the same	
Facility 6	Spain	Other: Odiel	Atlantic Copper smelter and refinery	58000	About the same	
Facility 7	Finland	Other: Perhonjoki	Kokkola	2800	Lower	Facility production rate was less than in previous years
Facility 8	Netherlands	Rhine	Rotterdam	200	About the same	

Facility reference number	Country	River basin	Facility name	Total water withdrawals (megaliters/year) at this facility	How does the total water withdrawals at this facility compare to the last reporting year?	Please explain
Facility 9	United Kingdom	Other: Gipping	Stowmarket	10	About the same	Data conversion error in 2014 was discovered and corrected; actual 2014 withdrawals were approximately 10 megaliters, similar to the 2015 total withdrawals

Further Information

Water quantities displayed in W5.1 are rounded to the nearest 100 megaliters for all quantities above 1,000 megaliters and to the nearest 10 megaliters for all volumes below 1,000 megaliters. Facility #1 additional notes - future increases may be offset to some degree with additional use of recycled water as opportunities for water efficiencies are available. Facility #4 notes - with the recent completion of a municipal wastewater treatment plant for the City of Arequipa, municipal wastewater will supplement existing water supplies in the future to support the concentrator expansion at Cerro Verde.

Page: W5. Facility Level Water Accounting (II)

W5.1a

Water withdrawals: for the reporting year, please provide withdrawal data, in megaliters per year, for the water sources used for all facilities reported in W5.1

Facility reference number	Fresh surface water	Brackish surface water/seawater	Rainwater	Groundwater (renewable)	Groundwater (non-renewable)	Produced/process water	Municipal water	Wastewater from another organization	Comment
Facility 1	21500	0	26500	74000	0	0	700	1700	
Facility 2	7400	0	17000	20300	0	0	0	0	
Facility 3	0	0	400	8200	0	0	0	0	

Facility reference number	Fresh surface water	Brackish surface water/seawater	Rainwater	Groundwater (renewable)	Groundwater (non-renewable)	Produced/process water	Municipal water	Wastewater from another organization	Comment
Facility 4	29900	0	360	950	0	0	0	870	In 2015, Cerro Verde completed construction of a wastewater treatment plant that serves the city of Arequipa, Peru. Under agreement with the regional government, Cerro Verde started receiving treated wastewater (reported as received from another organization) from this plant in 2015.
Facility 5	0	0	10800	5400	0	0	0	0	
Facility 6	58000	0	0	0	0	0	0	0	
Facility 7	2800	0	0	0	0	0	0	0	Facility production rate was less than in previous years
Facility 8	0	0	0	0	0	0	200	0	
Facility 9	0	0	0	0	0	0	10	0	

W5.2

Water discharge: for the reporting year, please complete the table below with water accounting data for all facilities included in your answer to W3.2a

Facility reference number	Total water discharged (megaliters/year) at this facility	How does the total water discharged at this facility compare to the last reporting year?	Please explain
Facility 1	17100	About the same	
Facility 2	40600	Higher	Increased water consumption over the prior year was partially driven by an increase in ore volumes processed at the company's PTFI operations during 2015. In 2014, PTFI production was temporarily impacted by a product export ban that was subsequently lifted, reducing water consumption associated with the impact to operations. The increase in 2015 would have been larger if not for the temporary lower rainfall conditions in the second half of 2015 as a result of El Nino weather conditions.
Facility 3	0	About the same	
Facility 4	0	About the same	
Facility 5	2200	About the same	
Facility 6	59400	Higher	Increased discharges due to increased surface water withdrawals resulting from a higher quantity of gases processed in the acid plants.
Facility 7	0	About the same	
Facility 8	0	About the same	
Facility 9	0	About the same	

W5.2a

Water discharge: for the reporting year, please provide water discharge data, in megaliters per year, by destination for all facilities reported in W5.2

Facility reference number	Fresh surface water	Municipal/industrial wastewater treatment plant	Seawater	Groundwater	Wastewater for another organization	Comment
Facility 1	17100					
Facility 2	40600					
Facility 3	0					
Facility 4	0					
Facility 5	2200					
Facility 6	59400					
Facility 7	0					
Facility 8	0					
Facility 9	0					

W5.3

Water consumption: for the reporting year, please provide water consumption data for all facilities reported in W3.2a

Facility reference number	Consumption (megaliters/year)	How does this compare to the last reporting year?	Please explain
Facility 1	801800	About the same	Increased ore processing at Morenci was partially offset by lower processing rates at several other United States mine operations
Facility 2	152600	Much higher	Increased water consumption over the prior year was partially driven by an increase in ore volumes processed at the company's PTFI operations during 2015. In 2014, PTFI production was temporarily impacted by a product export ban that was subsequently lifted, reducing water consumption associated with the impact to operations. The increase in 2015 would have been larger if not for the temporary lower rainfall conditions in the second half of 2015 as a result of El Nino weather conditions.
Facility 3	125800	About the same	
Facility 4	274900	About the same	
Facility 5	24100	About the same	
Facility 6	61100	About the same	

Facility reference number	Consumption (megaliters/year)	How does this compare to the last reporting year?	Please explain
Facility 7	15800	About the same	
Facility 8	4000	About the same	
Facility 9	10	About the same	

W5.4

For all facilities reported in W3.2a what proportion of their water accounting data has been externally verified?

Water aspect	% verification	What standard and methodology was used?
Water withdrawals- total volumes	Not verified	Our water data is aggregated to the Freeport-McMoRan level (company-wide) in our 2015 Working Toward Sustainable Development (WTSD) Report. The 2015 WTSD Report has been prepared according to the GRI G4 Core Option and assured by an independent third-party. The assurance statement for our 2015 WTSD Report can be found at www.fcx.com/sd .
Water withdrawals- volume by sources	Not verified	Our water data is aggregated to the Freeport-McMoRan level (company-wide) in our 2015 Working Toward Sustainable Development (WTSD) Report. The 2015 WTSD Report has been prepared according to the GRI G4 Core Option and assured by an independent third-party. The assurance statement for our 2015 WTSD Report can be found at www.fcx.com/sd .
Water discharges- total volumes	Not verified	Our water data is aggregated to the Freeport-McMoRan level (company-wide) in our 2015 Working Toward Sustainable Development (WTSD) Report. The 2015 WTSD Report has been prepared according to the GRI G4 Core Option and assured by an independent third-party. The assurance statement for our 2015 WTSD Report can be found at www.fcx.com/sd .
Water discharges- volume by destination	Not verified	Our water data is aggregated to the Freeport-McMoRan level (company-wide) in our 2015 Working Toward Sustainable Development (WTSD) Report. The 2015 WTSD Report has been prepared according to the GRI G4 Core Option and assured by an independent third-party. The assurance statement for our 2015 WTSD Report can be found at www.fcx.com/sd .
Water discharges- volume by treatment method	Not verified	Our water data is aggregated to the Freeport-McMoRan level (company-wide) in our 2015 Working Toward Sustainable Development (WTSD) Report. The 2015 WTSD Report has been prepared according to the GRI G4 Core Option and assured by an independent third-party. The assurance statement for our 2015 WTSD Report can be found at www.fcx.com/sd .
Water discharge quality data- quality by standard effluent parameters	Not verified	Our water data is aggregated to the Freeport-McMoRan level (company-wide) in our 2015 Working Toward Sustainable Development (WTSD) Report. The 2015 WTSD Report has been prepared according to the GRI G4 Core Option and assured by an independent third-party. The assurance statement for our 2015 WTSD Report can be found at www.fcx.com/sd .

Water aspect	% verification	What standard and methodology was used?
Water consumption- total volume	Not verified	Our water data is aggregated to the Freeport-McMoRan level (company-wide) in our 2015 Working Toward Sustainable Development (WTSD) Report. The 2015 WTSD Report has been prepared according to the GRI G4 Core Option and assured by an independent third-party. The assurance statement for our 2015 WTSD Report can be found at www.fcx.com/sd .

Further Information

Water quantities displayed in W5.1a through W5.4 are rounded to the nearest 100 megaliters for all quantities above 1,000 megaliters and to the nearest 10 megaliters for all quantities below 1,000 megaliters.

Module: Response

Page: W6. Governance and Strategy

W6.1

Who has the highest level of direct responsibility for water within your organization and how frequently are they briefed?

Highest level of direct responsibility for water issues	Frequency of briefings on water issues	Comment
Board of individuals/Sub-set of the Board or other committee appointed by the Board	Other: Regular updates to the Board of Directors	The Freeport-McMoRan Board of Directors 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. The Corporate Responsibility Committee assists the board in fulfilling its oversight responsibilities with respect to the management of risks associated with our environmental policy/implementation and sustainable development programs. The committee regularly reports to the full board.

W6.2

Is water management integrated into your business strategy?

Yes

W6.2a

Please choose the option(s) below that best explain how water has positively influenced your business strategy

Influence of water on business strategy	Please explain
Other: Community investments and partnerships	In 2015, we maintained a significant level of community development investments, in alignment with the needs and goals of local stakeholders. Water quality and security of supply, for example, is a centerpiece of Cerro Verde's large-scale brownfield expansion project in a water-scarce region of Peru. The operation has completed construction of a wastewater treatment plant that will improve water quality for the city of Arequipa while providing renewable water for an economically significant project. We are also working with La Joya area farmers on adaptation options as a part of this project.
Other: Community partnerships	Leases of unused water rights to other entities allows Freeport-McMoRan to protect its water rights from forfeiture or abandonment claims, while making water available to other entities. Several operations in both Arizona and New Mexico lease irrigated land with appurtenant water rights to local farmers and ranchers when this water is not required for current mine operations. These leases protect the company's water rights and also support the local communities in which we operate.
Other: Strategic water storage	In 2015, we stored about 16,700 acre-feet (20,600 megaliters) of renewable, surface water supplies at underground recharge facilities within Arizona, where the water will be "banked" for use in future years, to the extent needed to support existing operations as a drought backup supply or to support potential future mine expansions. Freeport-McMoRan continues to place a priority on securing additional renewable water supplies as they become available. These efforts reflect a strategic value that the company has placed on renewable water supply assets, which are considered priority at many of our mining facilities located in arid regions.
Other: Water right settlements	In December 2015, the U.S. Secretary of Interior Sally Jewel issued a Record of Decision that finalized the Bill Williams Water Rights Settlement Act of 2014 (Act). The Act provided for a settlement of water rights disputes between the Hualapai Tribe (Tribe), the United States (acting on behalf of the Tribe), Freeport's Bagdad operation, and the State of Arizona's Game and Fish Department in the Bill Williams River watershed in Arizona. The settlement provides the Tribe with the means to purchase future water supplies for Tribal members. Additionally, the settlement provided for the transfer of a portion of Freeport's Planet Ranch property and water rights to support the Multi-Species Conservation Program (MSCP). The MSCP is a multi-state mitigation program that sets aside lands for species and habitat conservation to offset water and power operations in the Lower Colorado River Basin. The settlement further provides each party with protection against future water rights disputes and litigation. Finally, the settlement secures Freeport's water rights for over 70 percent of Bagdad's make-up water supplies.
Other: Water supply infrastructure development	During 2015, Freeport-McMoRan entered into an agreement with farmers in southern Arizona to build a pipeline to bring renewable Colorado River water to farm fields in close proximity to the company's Sierrita mine operation, which will reduce the farmers' dependence on groundwater while at the same time providing the company with future renewable water supply credits.

W6.2b

Please choose the option(s) below that best explains how water has negatively influenced your business strategy

Influence of water on business strategy	Please explain
Increased capital expenditure	Acquisition of additional water rights and water resources, in response to identified physical and legal risks has and will likely require significant capital expenditures and other operating, maintenance and legal expenses. These costs are anticipated to increase over time as competition for water resources intensifies in arid regions.

W6.3

Does your organization have a water policy that sets out clear goals and guidelines for action?

Yes

W6.3a

Please select the content that best describes your water policy (tick all that apply)

Content	Please explain why this content is included
Other: Company-wide qualitative goals	The degree of water availability and regulation varies greatly among our operations, both globally and within specific regions. There is no singular policy standard that can effectively be applied for all of these varied circumstances. The company instead relies on its SD Risk Register process to develop appropriate responses after conducting detailed assessments of local conditions at each operation. The company also maintains a global water management program designed to (1) support metal production by supplying required water to process operations; (2) minimize water supply and storage risks associated with operational, climatic, social, regulatory and environmental conditions; (3) minimize costs associated with the acquisition and distribution of water; and (4) promote innovation and implement technology for efficient water usage. Operational water teams, 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 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 in water availability and extreme precipitation events.

W6.4

How does your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) during the most recent reporting year compare to the previous reporting year?

Water CAPEX (+/- % change)	Water OPEX (+/- % change)	Motivation for these changes
		Water-related CAPEX costs are episodic and based on the needs of the company at the time. It is also recognized that increased water scarcity and global water demand will influence future CAPEX costs. Water-related OPEX costs are generally consistent over time, although they can incrementally increase with each new water supply resource. For example, with the recent completion and startup of the Cerro Verde wastewater treatment plant, our water-related OPEX is projected to increase.

Page: W7. Compliance

W7.1

Was your organization subject to any penalties, fines and/or enforcement orders for breaches of abstraction licenses, discharge consents or other water and wastewater related regulations in the reporting year?

No

Page: W8. Targets and Initiatives

W8.1

Do you have any company wide targets (quantitative) or goals (qualitative) related to water?

Yes, goals only

W8.1b

Please describe any company wide qualitative goals (ongoing or reached completion during the reporting period) and your progress in achieving these

Goal	Motivation	Description of goal	Progress
Other: Water supply management	Water stewardship	Operations are prioritized using the SD Risk Register process to implement a water management/conservation plan.	This is an ongoing and recurring process. Freeport-McMoRan has initiated a company-wide program that requires improved metering, water balance modeling and prioritization of water management practices, including the implementation of water management plans. Operations in arid regions now maintain a water balance model.
Other: Water supply development	Water stewardship	The company is taking a long-term view on securing water supplies that address changing user patterns, climate issues, and changing opportunities for future sources of water.	During 2015, the company stored about 16,700 acre-feet (20,600 megaliters) of renewable surface water supplies at underground recharge facilities within Arizona for future use in support of existing mine operations as drought-backup supply or to support future mine expansions. The company has also applied for additional allocations of renewable surface water in Arizona (Central Arizona Project allocations) and has received a preliminary recommendation from the state's water agency supporting a water allocation. The federal environmental review of this pending allocation remains in progress during 2016.

Module: Linkages/Tradeoff

Page: W9. Managing trade-offs between water and other environmental issues

W9.1

Has your organization identified any linkages or trade-offs between water and other environmental issues in its value chain?

Yes

W9.1a

Please describe the linkages or trade-offs and the related management policy or action

Environmental issues	Linkage or trade-off	Policy or action
<p>Freeport-McMoRan uses water in its various mining processes and recognizes that reduced water use decreases energy use, which thereby reduces our carbon footprint. At our operations, water is pumped to a process circuit, then recovered and re-circulated to conserve water. However pumping does consume power in the process.</p>	Linkage	<p>To the extent possible, Freeport-McMoRan concentrates water pumping in the off-peak hours to avoid adding additional demand to the power grid during peak consumption periods. Pumps are often powered by high efficiency motors to reduce energy consumption.</p>
<p>Freeport-McMoRan uses technological advances in its processes to reduce water and power consumption. In some cases, the use of renewable energy can offset higher consumptive uses of water that are typically supplied by conventional (coal-fired) energy sources. Freeport-McMoRan is actively working with electric utilities in the United States that are under a regulatory obligation to increase the percentage of renewable energy in their production portfolios.</p>	Linkage	<p>In 2010, our Bagdad, Arizona operation formed an alliance with Recurrent Energy to facilitate the construction of a 15.5 megawatt solar energy generation facility on property owned by Bagdad. Under the arrangement, Bagdad leases a portion of this land for the operation of a 75,000 solar panel system. The generated power is being sold to a regional electrical utility (Arizona Public Service) who then sells the renewable energy to the Bagdad operation under a separate power purchase agreement. Similarly, a 4.5 megawatt solar energy facility has been constructed at our presently discontinued operation in Ajo, Arizona. These projects are part of our efforts to identify opportunities for generating renewable energy on our mining-related properties and to assist power utilities to reduce water consumption for power generation.</p>
<p>In parts of the southwestern United States, some regulatory provisions encourage water right holders to maximize use of irrigation water rights even when not required to avoid risk of water right forfeiture or abandonment. Freeport-McMoRan owns certain irrigation water rights that are subject to this type of regulation. The unintended consequence is to penalize efficient irrigation water users that reduce their overall water footprint but jeopardize unused portions of their water rights.</p>	Trade-off	<p>Freeport-McMoRan has responded to this inadvertent trade-off by working with some of its lessees to either develop rotational field fallowing to ensure that all applicable water rights are used in a manner that preserves their long-term regulatory integrity and in other instances has placed currently inactive water rights into conservation plans that serve to protect and preserve the water rights for future uses.</p>

Module: Sign Off**Page: Sign Off**

W10.1

Please provide the following information for the person that has signed off (approved) your CDP water response

Name	Job title	Corresponding job category
William Cobb	Vice President of Environmental Services and Sustainable Development	Other: Senior manager/officer

W10.2

Please select if your organization would like CDP to transfer your publicly disclosed response strategy from questions W1.4a, W3.2c and W3.2d to the CEO Water Mandate Water Action Hub.

No