

## UK Modern Slavery Act Statement - 2019

The United Kingdom's (UK) 2015 Modern Slavery Act requires every organization (wherever incorporated) carrying on part of a business in the UK with a total annual turnover of £36 million or more to produce an annual slavery and human trafficking statement. We operate a molybdenum conversion plant located in Stowmarket, UK. The following statement highlights steps taken in 2019 to minimize the risk that slavery and human trafficking is taking place in our business and supply chain. For the purposes of this statement we use the UK government's definition of "modern slavery", including slavery, human trafficking and forced labor.

### Organization Structure, Business and Supply Chain

[Freeport-McMoRan Inc.](#) (FCX) is a leading international mining company with headquarters in Phoenix, Arizona. We operate large, long-lived, geographically diverse assets with significant proven and probable reserves of copper, gold and molybdenum. FCX is one of the world's largest publicly traded copper producers. Our 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 2019 our global workforce was comprised of approximately 27,500 employees and 40,600 contractors.

FCX is committed to being a Responsible Producer - integrating sustainability in everything we do, everywhere, every day. Our focus on responsible production is critical to establish and maintain acceptance from our local stakeholders through shared value creation and to meet society's responsible sourcing objectives necessary to supply the world with responsible copper.

Defining and implementing responsible production at FCX is an iterative process focused on continuous improvement. The process incorporates our internal governance and policies as well as our external voluntary commitments. Ongoing stakeholder engagement is fundamental to informing our policies and processes as well as for sharing best practices and our performance across various ESG topics. Regular measurement and reporting supports our understanding of our current performance and the actions we need to take to improve. Third-party validation of our reporting supports us in meeting our internal and external commitments.

FCX's Global Supply Chain manages strategic and high profile commodities and services on a global, regional, and/or 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

**20,000+**

suppliers provide a wide breadth of goods and services – from small catering businesses in remote locations to large multi-nationals that produce heavy machinery

Our operations provide significant direct and indirect economic impacts when we purchase supplies and services in local economies. Refer [here](#) for our 2019 procurement spend distribution by geography.

We are committed to avoiding infringing on the human rights of others, including prevention of modern slavery, despite the challenges associated with the size of our business and the thousands of actors within our direct and indirect supply chain. We continue to advance our systems to meet this objective.

### 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 requires our company to:

- Conduct operations in a manner consistent with the Universal Declaration of Human Rights and the UN Guiding Principles on Business and Human Rights (UNGPs)
- Provide human rights training to employees, contractors and local 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 suppliers of goods and services to operate in accordance with it.

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

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

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

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

In 2019 we adopted and published a new [Responsible Sourcing of Minerals Policy](#), which commits the business to identifying and mitigating gross human rights violations in our supply chains of minerals and metals used in our downstream processing facilities. The Policy describes how we are implementing the Organization of Economic Co-operation and Development (OECD) Guidelines on Mineral Supply Chains in Conflict Affected and High Risk Areas (The Guidelines) in our supply chain of minerals and metals.

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 on social and environmental matters, including human rights and supply chain related risks and opportunities across our business. Our Chief Executive Officer (CEO) has ultimate responsibility for the company's sustainability performance. The company's Sustainability Development Leadership Team (SDLT) includes members of the management team tasked with defining the sustainability strategy and implementing our policies, systems and programs across the business. The SDLT regularly reports to executive leadership, including our CEO and Chief Financial Officer, and members of the SDLT report to the CRC on key ESG matters. The SDLT is sponsored by our Senior Vice President and Chief Administrative Officer and is led by our Vice President of Environmental Services and Sustainable Development, with participation from other members of the SDLT including our Chief Operating Officer, business unit Presidents, and Vice Presidents or senior representatives from groups including safety, security, supply chain, human resources, sales, legal, compliance, sustainability and finance functions.

Our corporate-level Human Rights Working Group supports our site-level implementation of the UNGPs and the integration of human rights considerations across our business. This includes supporting implementation of our Responsible Sourcing of Minerals Policy. The team is sponsored by our Vice President Environmental Services and Sustainable Development and is co-led by our Director-Sustainability Programs and Manager Business and Human Rights. The group is comprised of representatives from Safety, Supply Chain, Product Stewardship, Human Resources, Sales, Security, Legal / Compliance, Environment and Community Development. The scope of the working group is reflected in our Human Rights Dashboard, which summarizes the human rights issues relevant to our mining-related activities.

#### HUMAN RIGHTS DASHBOARD

Topics reflected in the dashboard are mapped to recognized international human rights

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

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 that are reported in our areas of influence.

We formally engage with a range of stakeholders including rights holders such as employees and community members and other interested stakeholders such as development institutions, investors, banks, NGOs, civil society, government, suppliers / contractors downstream customers, responsible sourcing initiatives, commodity and trade associations, and international governmental agencies on an ongoing basis. Our participation in multi-industry dialogues on respect for human rights continues via the Voluntary Principles on Security and Human Rights, the Business for Social Responsibility human rights working group, Sustainability 50's an executive-level, peer-to-peer collaboration forum, and ICMC's Community Support Working Group.

#### Due Diligence of Direct / Tier 1 Suppliers

Our online due diligence platform, the [Freeport Compliance eXchange](#) (FCeX), is a survey-based software platform designed to assess risk related to a range of legal, regulatory and reputational risk areas, including human rights. The system issues a risk assessment questionnaire that must be completed before new business partners at higher risk operations are approved. FCeX is managed by corporate- and site-level Compliance officers and has enhanced our ability to identify, assess and mitigate compliance risks on an ongoing basis. During 2019, the FCeX due diligence process did not identify modern slavery as a risk associated with new suppliers or supplier renewals.

#### Responsible Sourcing of Minerals and Metals

Per our new Responsible Sourcing of Minerals Policy, we assess our incoming metal and mineral supply chains to identify potential "flags" with regard to what are defined as Annex II risks – or gross human rights abuses - by the Guidelines. We then go through a process of risk-based due diligence to help us better understand these "flags." These results are then reviewed by the applicable Responsible Sourcing of Minerals Committee and appropriate actions are taken.

Our Kokkola cobalt refinery in Finland has had a Responsible Sourcing of Minerals program in place for several years, and in 2019 become recognized as a Conformant Cobalt Refiner by the RMI. This recognition provides assurance that our cobalt sourcing aligns with the OECD Guidelines and allows our customers to rely on our products.

In 2019, we mapped our copper concentrate supply chains for our two copper smelters (in Huelva, Spain and Miami, Arizona) and identified one high risk related to mineral origin and one related to transit that warranted detailed due diligence. Neither related to modern slavery.

For a complete report on these activities, please refer to [Responsible Value Chains](#).

### Responsible Sourcing of Goods and Services

Our Supplier Code of Conduct and FCeX screening processes (described above) are the foundation of our responsible sourcing program for goods and services. In 2019, we continued strengthening our approach by developing a more advanced risk and data-driven responsible sourcing framework. Our work in 2019 focused on updating our screening systems for identifying risks across suppliers. This included working to update supplier questionnaires used in our FCeX process as well as subscribing to global political, human rights and environmental risk indices. It also included selecting new enterprise software that supports the Responsible Sourcing framework displayed to the right. Please refer to [Responsible Value Chains](#) for more information on this global initiative.

In 2019, our Cerro Verde operation in Peru began conducting physical audits at the facilities, workshops and offices of its goods and services providers in Arequipa and Lima on a risk basis. Of the 36 local suppliers audited in 2019, none received modern slavery related observations.

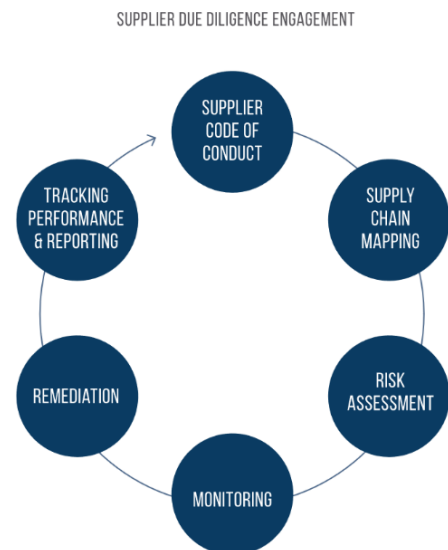
The development of these responsible sourcing programs is partly linked to the site-level HRIAs we have conducted to date, which have highlighted the need for more visibility into potential human rights risks within our supply chains.

### Risk Register

In order 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 and actions. Identified risks are mitigated using local and global topic-specific management strategies. The Risk Register prioritizes the most significant risks that could have negative consequences to our business and our stakeholders across areas including health and safety, human rights, environmental management, community development, and economic impacts. The corporate Sustainable Development (SD) department works with subject matter experts globally to develop and maintain the Risk Register, updating it with new topics as they become relevant and working hand in hand with operations' team members so that prioritization processes are consistent with corporate procedures. The risks included in the Risk Register are mapped from our commitments to enable the Risk Register to be the focal point of internal and external assurance at both the corporate level and operating sites. During 2019, the Risk Register process did not identify modern slavery as an actionable risk. Refer to our [Sustainability reporting](#) for more information.

### Corporate and Site-Level Human Rights Impact Assessments

Our Human Rights Policy requires us to conduct business in a manner consistent with the UNGPs. This includes utilizing Human Rights Impact Assessments (HRIAs) to prevent and mitigate impacts.



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

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

The Corporate HRIA did not identify any impacts related to either forced and compulsory labor or child labor. The results of the Corporate HRIA helped us begin to integrate human rights considerations across relevant business functions and processes in order to prevent and mitigate adverse human rights impacts. Refer to our [2014 Working Toward Sustainable Development Report](#) for more information.

Site-level HRIAs. We are also implementing site-level HRIAs, which act as a form of deep dive verification that builds on our established SD Risk Register process. These assessments use a comprehensive, systematic and UNGPs aligned methodology to identify and prioritize each operation's human rights risks and impacts. Site-level HRIAs help us test our established management systems for effectiveness in identifying, mitigating and remediating human rights risks and impacts. Our Human Rights dashboard (pictured above) reflects the extent of our potential human rights risks and impacts and thus the scope of our HRIA methodology. Each dashboard topic is mapped to specific human rights to support a comprehensive, rights-driven approach.

In 2019, we engaged Verisk Maplecroft to conduct our fourth site-level HRIA at our El Abra operation in Chile in line with our site-level HRIA methodology. We completed a desktop assessment of the sites' potential human rights risks and impacts, which informed planning for field interviews. Fieldwork, initially scheduled for November, was deferred due to the outbreak of social unrest throughout the country, including in Santiago and Calama where meetings were scheduled. We are deferring field work until conditions warrant.

Refer to the [Human Rights](#) section of our Sustainability reporting for more information on our site-level HRIA methodology and related activity.

### **Training**

Although we do not carry out dedicated training on modern slavery, we promote awareness of our human rights commitments through a variety of mechanisms including conducting comprehensive training on our PBC. Our PBC defines the expected behavior of all employees – including respect for human rights. All employees receive PBC training annually. Please refer to the [Principles of Business Conduct](#) and [Performance Targets](#) sections of our Sustainability reporting for more information.

On-site contractors are subject to an onboarding process, which consists of a review of company policies, procedures, and security protocols and validation of required certifications. Some sites also provide targeted training on human rights and / or our Supplier Code of Conduct in addition to the on-site contractor onboarding process. Refer to the [Human Rights](#) section of our Sustainability reporting for more information on Communication, Training and Awareness Raising and related examples.

### **Access to Remedy - Reporting Mechanisms**

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

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

Our global, publicly available reporting options associated with our PBC are available to our employees. They also are available to members of our supply chain via our Supplier Code of Conduct. Such channels include:

- The FCX Compliance Line, a phone system managed by an independent third party that allows for anonymous reporting of issues or concerns relating to our PBC, policies or procedures
- A similar, web-based reporting system, also operated by a third party
- The option to send a direct email to our corporate Compliance Department

In addition to making our global, publicly available reporting options open to those in our supply chain, we expect our suppliers to establish and maintain grievance mechanisms to record and address concerns in a timely and transparent manner.

We also maintain long-established site-level community grievance mechanisms at our operating facilities per our [Community Policy](#) as well as dedicated human rights grievance mechanisms at higher risk operations. All of these grievance mechanisms are available in local languages.

We do not tolerate retaliation against anyone who raises a question or concern about our business practices in good faith. We are committed to:

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

Per our Human Rights Policy, use of our internal and external grievance mechanisms does not preclude access to judicial or other non-judicial grievance mechanisms. By providing multiple reporting mechanisms, including anonymous communications, employees and others are encouraged to *Speak Up* if something violates or, could possibly violate, our policies.

In 2019, we continued a project to review our grievance management procedures against the UNGPs effectiveness criteria (e.g., legitimate, accessible, predictable, equitable, transparent, rights-compatible, a source of continuous learning, and based on engagement and dialogue).

Please refer to the [Human Rights](#) section of our reporting 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 day slavery in 2019.

FCX is committed to continuing its work with stakeholders to address its 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  
Vice Chairman, President and Chief Executive Officer  
Freeport-McMoRan Board of Directors