

## Corporate Human Rights Benchmark 2018 Company Scoresheet



**Company Name** Freeport-McMoRan  
**Industry** Extractives  
**Overall Score (\*)** 52.3 out of 100

Theme Score	Out of	For Theme
5.8	10	A. Governance and Policies
13.9	25	B. Embedding Respect and Human Rights Due Diligence
9.6	15	C. Remedies and Grievance Mechanisms
11.3	20	D. Performance: Company Human Rights Practices
5.0	20	E. Performance: Responses to Serious Allegations
6.8	10	F. Transparency

(\*) Please note that any small differences between the Overall Score and the added total of Measurement Theme scores are due to rounding the numbers at different stages of the score calculation process.

Please note also that the "Not met" labels in the Explanation boxes below do not necessarily mean that the company does not meet the requirements as they are described in the bullet point short text. Rather, it means that the analysts could not find information *in public sources* that met the requirements *as described in full* in the CHRB 2018 Methodology document. For example, a "Not met" under "General HRs Commitment", which is the first bullet point for indicator A.1.1, does not necessarily mean that the company does not have a general commitment to human rights. Rather, it means that the CHRB could not identify a public statement of policy in which the company commits to respecting human rights.

### Detailed assessment

#### A. Governance and Policies (10% of Total)

##### A.1 Policy Commitments (5% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
A.1.1	Commitment to respect human rights	1	The individual elements of the assessment are met or not as follows: Score 1 • Met: General HRs commitment: The Company's Human Rights Policy states that "we [the Company] respect the rights of all individuals, including employees, suppliers, community members and others who may be potentially impacted by operations" Furthermore, the Company does not "tolerate human rights abuses [in] operations". [Human Rights Policy, August 2017: <a href="http://fcx.com">fcx.com</a> ] Score 2 • Not met: UNGPs: Freeport-McMoRan's Human Rights Policy states that the Company "is committed to conducting operations in a manner consistent with the Universal Declaration of Human Rights, the laws and regulations of host countries and the United Nations Principles on Business and Human Rights." However, because the policy uses the wording "consistent with" it can not be awarded this indicator. [Human Rights Policy, August 2017: <a href="http://fcx.com">fcx.com</a> ] • Not met: OECD
A.1.2	Commitment to respect the human rights of workers	2	The individual elements of the assessment are met or not as follows: Score 1 • Met: ILO Core: The Company's Human Rights Policy commits to Ensuring fair treatment and work conditions for all employees, including rights to freedom of association and collective bargaining as well as prohibiting forced, compulsory or child labour, human trafficking and discrimination. [Human Rights Policy, August 2017: <a href="http://fcx.com">fcx.com</a> ]

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> <li>• Met: All four ILO apply to EX BPs: The Company's Suppliers Code (which applies to any contracted third parties or suppliers) states the Company suppliers are expected to treat everyone in and around operations with dignity and respect. Specifically, this involves ensuring freedom or association, collective bargaining as well as prohibiting forced/compulsory or child labour and discrimination. [Supplier Code of Conduct February 2018, February 2018: <a href="#">fcx.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: All four ILO Core: The Company's Human Rights Policy commits to Ensuring fair treatment and work conditions for all employees, including rights to freedom of association and collective bargaining as well as prohibiting forced, compulsory or child labour, human trafficking and discrimination. [Human Rights Policy, August 2017: <a href="#">fcx.com</a>]</li> <li>• Met: Respect H&amp;S of workers: The Company's Supplier Code of Conduct outlines a commitment to "ensuring a safe and healthy workplace where everyone is treated fairly and with respect is a high priority." [Supplier Code of Conduct February 2018, February 2018: <a href="#">fcx.com</a>]</li> <li>• Met: H&amp;S applies to Ex BPs: The Company's Suppliers Code of Conduct states that [the Company] "expects suppliers to follow all Freeport-McMoRan safety standards and procedures as well as provide their employees with a safe and healthy workplace." [Supplier Code of Conduct February 2018, February 2018: <a href="#">fcx.com</a>]</li> </ul>
A.1.3.EX	Commitment to respect human rights particularly relevant to the industry (EX)	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Based on UN Instruments: Free-port McMoRan's Principles of Business Conduct state that it is the company Human Rights policy to "conduct our operations in a manner consistent with the United Nations Universal Declaration of Human Rights, and to align our human rights due diligence practices with the U.N. Guiding Principles on Business and Human Rights." However, to be awarded this indicator the terms "align" and "consistent with" cannot be used. [Principles of Business Conduct - Strength in Values, n/a: <a href="#">fcx.com</a>]</li> <li>• Met: VPs participant: On the Human Rights section of the Company's website, it states that Freeport is "committed to the Voluntary Principles and have remained an active participant in the Voluntary Principles initiative since 2000." [Human Rights, 2018: <a href="#">fcx.com</a>]</li> <li>• Not met: Uses only ICoCA members: Free-port McMoRan's Voluntary Principles on Security and Human Rights 2016 Annual Report to the Plenary states that the Company "continued to serve as an active observing member of the International Code of Conduct Association (ICoCA)." however, this does not meet the requirements under the indicator. [Voluntary Principles on Security and Human Rights 2016 Annual Report to the Plenary, March 2017: <a href="#">fcx.com</a>]</li> <li>• Met: Respecting indigenous rights: Freeport is a member of the ICMM. THE ICMM position statement commits members to "respect the rights, interests, special connection to lands and water, and perspective of indigenous peoples". [ICMM Member Companies, 2018: <a href="#">icmm.com</a> &amp; ICMM: Indigenous Peoples and Mining Position Statement, 2018: <a href="#">icmm.com</a>]</li> <li>• Not met: Expects BPs to respect these rights: Although the Companies Principles of Business Conduct apply to contractors, consultants, vendors, various subcontractors and any other contracted third party (collectively suppliers), Freeport McMoRan's does not have an adequate policy commitment in regards to the UN instruments, the Voluntary Principles, the international Code of Conduct Association, ILO no.169 and UNDRIP. [Principles of Business Conduct - Strength in Values, n/a: <a href="#">fcx.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: FPIC commitment: Freeport is a member of the ICMM. The ICMM position statement set out the members approach to engaging with indigenous people and to free, prior and informed consent (FPIC). [ICMM Member Companies, 2018: <a href="#">icmm.com</a> &amp; ICMM: Indigenous Peoples and Mining Position Statement, 2018: <a href="#">icmm.com</a>]</li> <li>• Not met: Vol Guidelines on Tenure</li> <li>• Not met: IFC performance standards</li> <li>• Not met: Zero tolerance for land grabs</li> <li>• Not met: Respecting the right to water</li> <li>• Not met: Expects BPs to respect all these rights</li> </ul>
A.1.4	Commitment to engage with stakeholders	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Commits to stakeholder engagement: The Company's website states that it formally conducts stakeholder engagement through regulatory consultation</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			processes with local governments and community groups including indigenous peoples. Furthermore, the Company's Human Rights Policy states Freeport is "engaging with affected stakeholders and their representatives in the development of [the Company's] human rights approach." [Our Approach - Stakeholder Engagement, 2018: <a href="http://fcx.com">fcx.com</a> & Human Rights Policy, August 2017: <a href="http://fcx.com">fcx.com</a> ] Score 2 • Met: Commits to engage stakeholders in design: Freeport's Human Rights Policy states the following commitment "engaging with affected stakeholders and their representatives in the development of our human rights approach." [Human Rights Policy, August 2017: <a href="http://fcx.com">fcx.com</a> ]
A.1.5	Commitment to remedy	1	The individual elements of the assessment are met or not as follows: Score 1 • Met: Commits to remedy: The Company is committed to establishing and maintaining grievance mechanisms and has outlined a commitment to remedy any proven adverse impacts on individuals, workers and communities that are caused or contributed to by the Company's operations. This policy commitment also applies to Freeport Suppliers. [Human Rights Policy, August 2017: <a href="http://fcx.com">fcx.com</a> ] Score 2 • Not met: Not obstructing access to other remedies • Not met: Collaborating with other remedy initiatives • Not met: Work with EX BPs to remedy impacts
A.1.6	Commitment to respect the rights of human rights defenders	0	The individual elements of the assessment are met or not as follows: Score 1 • Not met: Zero tolerance attacks on HRs Defenders (HRDs) Score 2 • Not met: Expects EX BPs to reflect company HRD commitments

## A.2 Policy Commitments (5% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
A.2.1	Commitment from the top	1	The individual elements of the assessment are met or not as follows: Score 1 • Met: CEO or Board approves policy: The Company Human Rights Policy was amended by the Board of Directors as of the 1st of August 2017. [Human Rights Policy, August 2017: <a href="http://fcx.com">fcx.com</a> ] • Met: Board level responsibility for HRs: Corporate Responsibility Committee of the Board is responsible for "(2) human rights policy and practises." [Charter of the Corporate Responsibility Committee of the Board of Directors, February 2018: <a href="http://fcx.com">fcx.com</a> ] Score 2 • Not met: Speeches/letters by Board members or CEO
A.2.2	Board discussions	2	The individual elements of the assessment are met or not as follows: Score 1 • Met: Board/Committee review of salient HRs: The Company reports that the Corporate Responsibility Committee of the Board is responsible for overseeing policies related to human rights. Management of salient issues is addressed through supporting policies; anti-corruption policy, community policy, environmental policy and safety and health policy. These policies are reviewed and updated 3 times a year or more. [Charter of the Corporate Responsibility Committee of the Board of Directors, February 2018: <a href="http://fcx.com">fcx.com</a> & Our Approach - Stakeholder Engagement, 2018: <a href="http://fcx.com">fcx.com</a> ] • Met: Examples or trends re HR discussion: During 2017, the Corporate Responsibility Committee received various reports and considered numerous items with a particular focus on safety, which included reviewing the root causes of fatal accidents, corrective actions implemented to prevent future accidents and overall improvement in our safety procedures and practices. [Charter of the Corporate Responsibility Committee of the Board of Directors, February 2018: <a href="http://fcx.com">fcx.com</a> ] Score 2 • Met: Both examples and process: as above
A.2.3	Incentives and performance management	1	The individual elements of the assessment are met or not as follows: Score 1 • Met: Incentives for at least one board member: Under the Company's executive compensation program primary elements for performance based pay include various financial, safety and social metrics. Social metric category is partly determined by the relative integration of the United Nations Guiding Principles on Business and Human Rights. According the to the 2018 Proxy Statement executives

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>had earned 100% of this social metric. [2018 Proxy Statement, 2018: <a href="https://www.fcx.com/sec-filings/sec-edgar-security-and-compliance">s22.q4cdn.com</a>]</p> <ul style="list-style-type: none"> <li>• Met: At least one key EX RH risk, beyond employee H&amp;S: As above.</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Performance criteria made public</li> </ul>

## B. Embedding Respect and Human Rights Due Diligence (25% of Total)

### B.1 Embedding Respect for Human Rights in Company Culture and Management Systems (10% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
B.1.1	Responsibility and resources for day-to-day human rights functions	1.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Senior responsibility fo HR (inc ILO): The Corporate Responsibility Committee of the Board of Directors oversees the Company's sustainable development programs, including the Company's human rights policy and practices. There is a dedicated Sustainable Development Leadership Team, sponsored by the Executive vice President and Chief Administrative Officer and led by the Vice President of Environmental Services and Sustainable Development. Collectively these personnel are responsible for safety, supply chain, human resources, sales, legal compliance and land and water functions. The Corporate Responsibility committee also is tasked with addressing work plans for future human rights impact assessments. [Our Approach - Stakeholder Engagement, 2018: <a href="https://www.fcx.com/sec-filings/sec-edgar-security-and-compliance">fcx.com</a> &amp; Charter of the Corporate Responsibility Committee of the Board of Directors, February 2018: <a href="https://www.fcx.com/sec-filings/sec-edgar-security-and-compliance">fcx.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Day-to-day responsibility: See Above</li> <li>• Not met: Day-to-day responsibility for EX BRs</li> </ul>
B.1.2	Incentives and performance management	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Senior manager incentives for human rights: The Company has indicated that its 2015 executive compensation program was linked to, among others, safety performance and environmental and social responsibility performance (respectively 15% and 10% of the annual incentive program). With regard to the social responsibility category, the committee considered a corporate-level human rights impact assessment to further integrate the UN Guiding Principles on Business and Human Rights into our programs, investment in community programs, and third-party feedback and recognition of sustainability programs. As a result of its assessment, the committee determined that the executives had earned 100% of the target level of this metric. [Proxy Statement 2016, 2016: <a href="https://www.fcx.com/sec-filings/sec-edgar-security-and-compliance">s22.q4cdn.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Performance criteria made public</li> </ul>
B.1.3	Integration with enterprise risk management	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: HR part of enterprise risk system: Project Development Sustainability Review used to integrate sustainability considerations into mine projects. Sustainable Development Risk Register provides risk assessment for operations relating to sustainability considerations. Key areas of focus identified at scoping stages (pre mine site development) include access to water ,energy and materials, potential impacts to hydrology, air quality, community receptivity to project, economic impacts, land acquisitions, resettlement consideration and human rights. [Our Approach - Stakeholder Engagement, 2018: <a href="https://www.fcx.com/sec-filings/sec-edgar-security-and-compliance">fcx.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Audit Ctte or independent risk assessment: External Assurance of the Company's 2016 Working Towards Sustainable Development Report was conducted by Corporate Integrity Ltd in accordance with the International Council on Mining and Metals Sustainable Development Framework Assurance Procedure. This audit includes a review of the Company's Sustainability Risk Register which includes human risks risk consideration. [Driven by Value 2016 Working Toward Sustainable Development Report, 2016: <a href="https://www.fcx.com/sec-filings/sec-edgar-security-and-compliance">fcx.com</a> &amp; Our Approach - Stakeholder Engagement, 2018: <a href="https://www.fcx.com/sec-filings/sec-edgar-security-and-compliance">fcx.com</a>]</li> </ul>
B.1.4.a	Communication /dissemination of policy commitment(s) within	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Communicates its policy to all workers in own operations: The Company promotes awareness of Human Rights within its organisation by providing training to employees and contractors. Training is overseen by Human Rights compliance officers. In addition to this, Freeport-McMoRan states in its Principles of Business</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
	Company's own operations		<p>Conduct (PBC) that the Company "will train all employees in the PBC...and additional training in the PBC will be provided periodically." The Company's PBC is provided on the Freeport-McMoRan's website and available in English, Spanish, Bahasa and Dutch. [Human Rights, 2018: <a href="http://fcx.com">fcx.com</a> &amp; Principles of Business Conduct - Strength in Values, n/a: <a href="http://fcx.com">fcx.com</a>]</p> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Communication of policy commitments to stakeholder: The Company's Corporate Sustainable Development Department and senior personnel work with stakeholders to understand issues of concern to advance sustainability objectives. In 2016 topics [issues of concern] included human rights consideration. Additionally, the Company's Human Rights Policy states that human rights training is provided to employees, contractors as well as local stakeholders. However, the Company does not provide any information regarding how it communicates its Human Rights policy commitments to various stakeholders. [Human Rights Policy, August 2017: <a href="http://fcx.com">fcx.com</a> &amp; Human Rights, 2018: <a href="http://fcx.com">fcx.com</a>]</li> <li>• Not met: How policy commitments are made accessible to audience [Our Approach Policies, 2018: <a href="http://fcx.com">fcx.com</a>]</li> </ul>
B.1.4.b	Communication /dissemination of policy commitment(s) to business relationships	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Steps to communicate policy commitments to BRs: The Company expects Suppliers uphold and follow the Supplier Code of Conduct which includes the Human Rights Policy. The Supplier Code of Conduct is in addition to, and does not reduce or supersede, any contractual obligations. [Principles of Business Conduct - Strength in Values, n/a: <a href="http://fcx.com">fcx.com</a> &amp; Supplier Code of Conduct February 2018, February 2018: <a href="http://fcx.com">fcx.com</a>]</li> <li>• Met: Including to EX BPs: The Supplier Code of Conduct applies to all suppliers including contractors, consultants, vendors, subcontractors and other contracted third parties. [Supplier Code of Conduct February 2018, February 2018: <a href="http://fcx.com">fcx.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: How HR commitments made binding/contractual: Freeport-McMoRan's Supplier Code of Conduct states that "The Code (which refers to the Supplier Code of Conduct) is in addition to, and does not reduce or supersedes, any contractual obligations between FCX (the Company) and its suppliers." [Supplier Code of Conduct February 2018, February 2018: <a href="http://fcx.com">fcx.com</a>]</li> <li>• Met: Including on EX BPs: The Supplier Code of Conduct applies to all suppliers including contractors, consultants, vendors, subcontractors and other contracted third parties.</li> </ul>
B.1.5	Training on Human Rights	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Trains all workers on HR policy commitments: Freeport-McMoRan's Principles of Business Conduct (PBC) Document states the following " will train all employees in the PBC. All new employees will receive training as part of the new-hire process, and additional training in the PBC will be provided periodically." The PBC contains a dedicated section to "respecting human rights". Furthermore, the Company's Human Rights policy indicates that "human rights training" is provided to employees, contractors and local stakeholders. [Principles of Business Conduct - Strength in Values, n/a: <a href="http://fcx.com">fcx.com</a> &amp; Human Rights Policy, August 2017: <a href="http://fcx.com">fcx.com</a>]</li> <li>• Met: Trains relevant managers including security personnel: The Company promotes awareness of its Human Rights Policy and the Voluntary Principles through a variety of mechanisms, including annual training through live/online classes and distribution pamphlets for managers. In addition to above, the Company's Voluntary Principles on Security and Human Rights - 2016 Annual Report to the Plenary, states that "...human rights awareness training [has been incorporated] into the induction of all new employees. In addition, all private security contractor employees and .... Security employees received induction or refresher training 2016." [Voluntary Principles on Security and Human Rights 2016 Annual Report to the Plenary, March 2017: <a href="http://fcx.com">fcx.com</a> &amp; Voluntary Principles on Security and Human Rights 2016 Annual Report to the Plenary, March 2017: <a href="http://fcx.com">fcx.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Both requirements under score 1 met: See Indicator B.1.5.S1.a and Indicator B.1.5.S1.b.EX</li> </ul>
B.1.6	Monitoring and corrective actions	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Monitoring implementation of HR policy commitments: "To ensure implementation of our policy commitments and objectives, we utilize a combination of audit and assessment programs along with an annual program for site-level independent assurance of our sustainability framework that encompasses</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>commitments of the ICMM Sustainable Development Framework. Our health and safety management systems and environmental management systems obtain independent certification to Occupational Health and Safety Assessment Series (OHSAS) 18001 and International Organization for Standardization (ISO) 14001, respectively. These systems include corrective and preventive action tracking for internal and external audit findings. [Our Approach Sustainability, 2018: <a href="#">fcx.com</a> &amp; Driven by Value 2016 Working Toward Sustainable Development Report, 2016: <a href="#">fcx.com</a>]</p> <ul style="list-style-type: none"> <li>• Not met: Monitoring EX BP's: Although the Company describes grievance mechanism as helpful to monitor performance, it is not clear how it actively monitors human rights compliance in extractive business partners. The Company also reports screening and monitoring suppliers (FCeX and manual screening), but it is not clear if these monitoring procedures also cover extractive business partners. [UK Modern Slavery Act Statement, 2017: <a href="#">fcx.com</a> &amp; Human Rights: Management of Salient Issues, 2018: <a href="#">fcx.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Describes corrective action process: Although the Company indicates that grievance mechanism help supporting corrective actions, no evidence found of a corrective action process to follow when non-compliances are found.</li> <li>• Not met: Example of corrective action</li> <li>• Not met: Discloses % of supply chain monitored</li> </ul>
B.1.7	Engaging business relationships	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: HR affects selection extractives business partners: According to Freeport's Modern Slavery Statement 2017, the Company conducts a compliance based due diligence survey called the Freeport Compliance eXchange (FCeX). New and existing suppliers are asked to complete a questionnaire focused on issues of anti-corruption, international trade controls and human rights compliance. These surveys are used by Freeport to conduct supplier-specific risk assessments to ensure the company operates with affiliates who operate in compliance with U.S and international laws. [UK Modern Slavery Act Statement, 2017: <a href="#">fcx.com</a>]</li> <li>• Not met: HR affects on-going business partner relationships</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Both requirement under score 1 met</li> <li>• Not met: Working with business partners to improve performance</li> </ul>
B.1.8	Approach to engagement with potentially affected stakeholders	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Stakeholder process or systems: The Company website states "we [the Company] formally engage with community stakeholders across our portfolio, development institutions and NGOs. Annually, hundreds of entities are engaged via community foundations, formal grievance systems, community liaison officer interactions, workshops, participatory group panels, town hall meetings and surveys. Engagement also occurs through regulatory consultation processes with local governments and community groups, including indigenous peoples." Furthermore, post mining operations maintained a 5 year community engagement and development plan that specifies affected or interested parties for ongoing engagement and consultations. [Our Approach - Stakeholder Engagement, 2018: <a href="#">fcx.com</a>]</li> <li>• Met: Frequency and triggers for engagement: Outlined in B.1.8.S1.i [Our Approach - Stakeholder Engagement, 2018: <a href="#">fcx.com</a>]</li> <li>• Met: workers in SP engaged: Outlined in B.1.8.S1.i [Our Approach - Stakeholder Engagement, 2018: <a href="#">fcx.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Analysis of stakeholder views and company's actions on them: Although the Company provides an example of community engagement in relation to transportation access routes and how they resolved the issue, no evidence found of a summary of inputs from stakeholders on human rights issues and how those views are considered.</li> </ul>

## B.2 Human Rights Due Diligence (15% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
B.2.1	Identifying: Processes and triggers for identifying human rights risks and impacts	1.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Identifying risks in own operations: Freeport-McMoRan uses the "Sustainable Risk Register process, which prioritizes risks that could have the potential for negative consequences to our business and our stakeholders as it relates to areas including health and safety, respect for human rights, the environment, and community stability and economic impacts." The Sustainable Development Department and senior corporate multi-disciplinary personnel coordinate with operations to ensure prioritization processes are consistent with corporate procedures and provide guidance to ensure alignment of priorities and mitigation plans." [Driven by Value 2016 Working Toward Sustainable Development Report, 2016: <a href="http://fcx.com">fcx.com</a>]</li> <li>• Met: identifying risks in EX business partners: To better assess potential human rights risks in the Company's supply chain, Freeport-McMoRan utilizes an online due diligence system for contractors and suppliers. "The systems issues a risk assessment questionnaire to contractors and suppliers, which must be completed before they are approved as a business partner, as well as prior to contract renewal. The questionnaire includes questions related to a range of legal, regulatory and reputational risks areas, including human rights and security risks." [Voluntary Principles on Security and Human Rights 2016 Annual Report to the Plenary, March 2017: <a href="http://fcx.com">fcx.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Ongoing global risk identification: The Company states that "Suppliers and contractors linked to locations not covered by the online system undergo manual screening by [the Company's] Global Supply Chain department." In 2016, the Company initiated a process to update the risk assessment questionnaire to advance supply chain due diligence in line with UNGP implementation and requirements under the UK Modern Slavery Act. [Voluntary Principles on Security and Human Rights 2016 Annual Report to the Plenary, March 2017: <a href="http://fcx.com">fcx.com</a>]</li> <li>• Met: In consultation with stakeholders: The Company "formally engages with community stakeholders across [the Freeport-McMoRan's] portfolio, development institutions and NGOs...Engagement also occurs through regulatory consultation processes with local governments and community groups, including indigenous peoples." The Company further states that the issues raised help inform each operations sustainable development risk register and assist in developing social investment and capacity-building strategies." [Driven by Value 2016 Working Toward Sustainable Development Report, 2016: <a href="http://fcx.com">fcx.com</a>]</li> <li>• Not met: In consultation with HR experts</li> <li>• Met: Triggered by new circumstances: See above.</li> <li>• Met: Explains use of HRIAs or ESIA (inc HR): Freeport-McMoRan implements the sustainable risk register process at its mining and metal processing operations. "Human rights and security are included in this process as risk areas for evaluation, Any specific risks rated as actionable prompt the development and implementation of Action Plan as well as the monitoring of their results." The Company provides an example where the implementation of the 2016 Action Plans was used to monitor Human rights impacts identified in the TFM (Congo) Human Rights Impact Assessment conducted in 2015. [Voluntary Principles on Security and Human Rights 2016 Annual Report to the Plenary, March 2017: <a href="http://fcx.com">fcx.com</a>]</li> </ul>
B.2.2	Assessing: Assessment of risks and impacts identified (salient risks and key industry risks)	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Salient risk assessment (and context): The Company uses its Sustainable Development Risk Register to prioritize operations risks. The register specifically identifies respect for human rights as a risk factor. Salient human rights issues are addressed in line with the Company Human Rights Policy. [Our Approach - Stakeholder Engagement, 2018: <a href="http://fcx.com">fcx.com</a>]</li> <li>• Met: Public disclosure of salient risks: Freeport publically discloses the results of human rights impact assessments for multi site-level operations. The Company's website provides a detail list of impacts for the Cerro Verde Mine in Peru and PT Freeport Indonesian's Levee extension project constructed in 2017. [Human Rights: Cerro Verde HRIA, 2018: <a href="http://fcx.com">fcx.com</a> &amp; Communities, 2018: <a href="http://fcx.com">fcx.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Both requirements under score 1 met</li> </ul>
B.2.3	Integrating and Acting: Integrating assessment	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Action Plans to mitigate risks: In 2018 Freeport updated and enhanced its Sustainable Development (SD) Risk Register process which now includes</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
	findings internally and taking appropriate action		<p>respects for human rights. Updates also include robust categorical definitions for risk evaluations. Each of the Company's operations also have a SD Risk Register which is informed by issues raised in community consultations. Furthermore site-level human rights impact assessments help identify human rights risks, impacts as well as the appropriate grievance mechanism for the operation. The Company also states that action plans are embedded and tracked within each of its sites SD Risk Registers.</p> <p>However, although the Company titles the webpage as "Management of Salient Issues" and states in the opening line that salient human rights issues are addressed in line with the Human Rights Policy, Principles of Business Conduct, Supplier Code of Conduct and a series of supporting policies, Freeport doesn't actually identify what its salient human rights issues actually are. Therefore, this indicator cannot be awarded. [Human Rights: Management of Salient Issues, 2018: <a href="http://fcx.com">fcx.com</a>]</p> <ul style="list-style-type: none"> <li>• Not met: Example of Actions decided: Freeport's website outlines that it conducted a Human Rights Impact Assessment in the Cerro Verde operation in Peru. Although the HRIA identified a series of impacts on employees, the value chain, community, numerous third-parties and the environment, the team only says that it has the intention to develop action plans to address these risks and impacts identified. Furthermore, Freeport doesn't specifically indicate what its salient human rights risks are and the action plans taken so the Company cannot be awarded this indicator. [Communities, 2018: <a href="http://fcx.com">fcx.com</a>]</li> <li>• Not met: Including amongst EX BRs</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Both requirements under score 1 met</li> </ul>
B.2.4	Tracking: Monitoring and evaluating the effectiveness of actions to respond to human rights risks and impacts	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: System to check if Actions are effective</li> <li>• Not met: Lessons learnt from checking effectiveness</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Both requirement under score 1 met</li> </ul>
B.2.5	Communicating : Accounting for how human rights impacts are addressed	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Comms plan re identifying risks: The Company has publicly communicated how it identifies its human rights risks and impacts including own operations and business partners (See B.2.1) [Driven by Value 2016 Working Toward Sustainable Development Report, 2016: <a href="http://fcx.com">fcx.com</a> &amp; Voluntary Principles on Security and Human Rights 2016 Annual Report to the Plenary, March 2017: <a href="http://fcx.com">fcx.com</a>]</li> <li>• Met: Comms plan re assessing risks: The Company has publicly communicated how it assesses and discloses its human rights salient issues (see b.2.2) [Our Approach - Stakeholder Engagement, 2018: <a href="http://fcx.com">fcx.com</a> &amp; Human Rights: Cerro Verde HRIA, 2018: <a href="http://fcx.com">fcx.com</a>]</li> <li>• Not met: Comms plan re action plans for risks</li> <li>• Not met: Comms plan re reviewing action plans</li> <li>• Not met: Including EX BRs</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Responding to affected stakeholders concerns</li> <li>• Not met: Ensuring affected stakeholders can access communications</li> </ul>

### C. Remedies and Grievance Mechanisms (15% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
C.1	Grievance channel(s)/mechanism(s) to receive complaints or concerns from workers	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Channel accessible to all workers: The Company has a Compliance Line, managed by a third party, where concerns can be anonymously be reported. This service is also available to suppliers. Freeport's Business Code of Conduct states that "any concerns about human rights violations or unsafe work practises should be reported to the local Human Rights Compliance Officer or through the FCX Compliance line." However, there is no information to indicate that that the FCX compliance line is open to all workers and stakeholders. [Principles of Business Conduct - Strength in Values, n/a: <a href="http://fcx.com">fcx.com</a> &amp; Supplier Code of Conduct February 2018, February 2018: <a href="http://fcx.com">fcx.com</a>]</li> </ul>



Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Number grievances filed, addressed or resolved: The Compliance line received 29 allegations of discriminatory or harassment conduct in 2016. 2 of these cases resulted in disciplinary and remedial actions. In total, the compliance line handled 220 reports relating to various topics including employee workplace conduct, environment, health and safety, protecting company assets and conduct of interest. [Driven by Value 2016 Working Toward Sustainable Development Report, 2016: <a href="http://fcx.com">fcx.com</a>]</li> <li>• Met: Channel is available in all appropriate languages: Compliance line is available in a variety of regions and countries. [Supplier Code of Conduct February 2018, February 2018: <a href="http://fcx.com">fcx.com</a>]</li> <li>• Not met: Expect EX BPs to have equivalent grievance system: The Company's Voluntary Principles on Security and Human Rights 2017 Annual Report to the Plenary states that "the FCX compliance line is also available to members supply chain via our Supplier Code of Conduct," There is no information to indicate that FCX compliance line is available to extractive business partners. [Voluntary Principles on Security and Human Rights 2016 Annual Report to the Plenary, March 2017: <a href="http://fcx.com">fcx.com</a>]</li> <li>• Not met: Opens own system to EX BP workers</li> </ul>
C.2	Grievance channel(s)/mechanism(s) to receive complaints or concerns from external individuals and communities	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Grievance mechanism for community: The Company has a community grievance management system for recording, processing and responding to local concern. The Community can report issues directly to the Community Liaison Officers through community forums, physical boxes located at sites or via local hotlines. [Driven by Value 2016 Working Toward Sustainable Development Report, 2016: <a href="http://fcx.com">fcx.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Describes accessibility and local languages: The Company's "operations utilize a community grievance management system for recording, processing and responding to local concerns. Grievances may be received by Community Liaison Officers in the field, through engagement at established company/community forums, at physical drop boxes or via local hotlines. Site-level Community Grievance Officers ensure grievances are handled in a timely and transparent manner. [Grievance Management Systems, 2018: <a href="http://fcx.com">fcx.com</a>]</li> <li>• Met: Expects EX BP to have community grievance systems: According to the Company's Community Policy, which applies to all FCX projects and operations, the Company has a commitment to establish and maintain grievance mechanisms to record and address community concerns in a timely and transparent manner. [Community Policy, 2015: <a href="http://fcx.com">fcx.com</a>]</li> <li>• Not met: EX BP communities use global system</li> </ul>
C.3	Users are involved in the design and performance of the channel(s)/mechanism(s)	1.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Description of how they do this: Minutes from Community Partnership Panel Meeting in Greenlee Country in Arizona on the 10th of May 2018, indicate that Freeport's Corporate Sustainable Development team conducted an overview of the Grievance Management System. This included guided discussions with panel members (Community panel) in an effort to gain insights about improving the current system. There company has also conducted similar processes for grievance mechanism systems located elsewhere in New Mexico and Colorado. [Community Partnership Panel Meeting Summary Greenlee Country Arizona - site Morenci, May 2018: <a href="http://freeportinmycommunity.com">freeportinmycommunity.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Engages with users on system performance: Minutes from Community Partnership Panel Meeting in Greenlee Country in Arizona on the 10th of May 2018, indicate that Freeport's Corporate Sustainable Development team conducted an overview of the Grievance Management System. This included guided discussions with panel members (Community panel) in an effort to gain insights about improving the current system. There company has also conducted similar processes for grievance mechanism systems located elsewhere in New Mexico and Colorado. [Community Partnership Panel Meeting Summary Greenlee Country Arizona - site Morenci, May 2018: <a href="http://freeportinmycommunity.com">freeportinmycommunity.com</a>]</li> <li>• Met: Provides user engagement example on performance: Arizona on the 10th of May 2018, indicate that Freeport's Corporate Sustainable Development team conducted an overview of the Grievance Management System. This included guided discussions with panel members (Community panel) in an effort to gain insights about improving the current system. There company has also conducted similar processes for grievance mechanism systems located elsewhere in New</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			Mexico and Colorado. [Community Partnership Panel Meeting Summary Greenlee Country Arizona - site Morenci, May 2018: <a href="http://freeporinmycommunity.com">freeporinmycommunity.com</a> ] <ul style="list-style-type: none"> <li>• Not met: EX BPs in creation or assessment</li> </ul>
C.4	Procedures related to the mechanism(s)/channel(s) are publicly available and explained	0.5	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Met: Response timescales: The Company strives to review and resolve each allegation of violations quickly, thoroughly and as confidentially as possible. This is done at the local level unless situation requires otherwise. Human Resource matters will be referred to the local HR manager, accounting issues will be referred to the local controller, safety issues will be referred to the local safety manager and conflicts of interest will be reviewed by local management. (...) However, please keep in mind that the length of time required to investigate and resolve a matter varies depending on the nature of the reported concern, the amount of information available and the number and availability of the witnesses'. [Principles of Business Conduct - Strength in Values, n/a: <a href="http://fcx.com">fcx.com</a>]</li> <li>• Not met: How complainants will be informed</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Met: Escalation to senior/independent level: Freeport's 2017 Report to the Voluntary Principles Plenary states that "Site-level Human Rights Compliance Officers report human rights incidents, grievances or allegations to site-level management, as well as to the corporate SD group and legal counsel." [Voluntary Principles on Security and Human Rights 2016 Annual Report to the Plenary, March 2017: <a href="http://fcx.com">fcx.com</a>]</li> </ul>
C.5	Commitment to non-retaliation over complaints or concerns made	1	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Met: Public statement prohibiting retaliation: The Company's Grievance Management Systems webpage states that "we do not tolerate retaliation against any employee, community stakeholder or supplier for raising a question or concern about the Company's business practises in good faith through mechanisms including the FCX Compliance Line or cooperation in the investigation of such a concern." [Communities, 2018: <a href="http://fcx.com">fcx.com</a>]</li> <li>• Met: Practical measures to prevent retaliation: Complaints to the FCX Compliance Line can be made anonymous. [Principles of Business Conduct - Strength in Values, n/a: <a href="http://fcx.com">fcx.com</a>]</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Has not retaliated in practice</li> <li>• Not met: Expects EX BRs to prohibit retaliation</li> </ul>
C.6	Company involvement with State-based judicial and non-judicial grievance mechanisms	0.5	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Met: Won't impede state based mechanisms: The Company's Human Rights Policy states that Freeport does "does not preclude(ing) access to judicial or other non-judicial grievance mechanisms and cooperates(ing) with associated human rights-related investigations." [Human Rights Policy, August 2017: <a href="http://fcx.com">fcx.com</a>]</li> <li>• Not met: Complainants not asked to waive rights</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Will work with state based or non judicial mechanisms</li> <li>• Not met: Example of issue resolved (if applicable)</li> </ul>
C.7	Remedying adverse impacts and incorporating lessons learned	2	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Met: Says how it would remedy key sector risks: Freeport has a Fatal Risk Management Program and also provides information on how it would remedy this health and safety risk. On the Company's Fatality Prevention webpage Freeport states that following these types of incidents "the employee and family members are cared for during the entire post-incident duration" and "senior leadership...Determine compensation needs for the family". [Workforce: Fatality Prevention, 2018: <a href="http://fcx.com">fcx.com</a>]</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Met: Changes introduced to stop repetition: The Company has started to implement action plans to investigate, mitigate and/or remedy the adverse human rights impacts (actual and potential) identified in the 2015 Tenke Fungurume Mining Human Rights Impact Assessment. This process was monitored by the sites-level risk register process. Actions plans included prevention of illegal on-site mining and conduct public security providers. [Voluntary Principles on Security and Human Rights 2016 Annual Report to the Plenary, March 2017: <a href="http://fcx.com">fcx.com</a>]</li> <li>• Met: Evaluation of the channel/mechanism: The Company's site-level risk register is evaluated by external management consultant, Verisk Maplecroft, a global risk advisory firm. [Voluntary Principles on Security and Human Rights 2016 Annual Report to the Plenary, March 2017: <a href="http://fcx.com">fcx.com</a>]</li> </ul>

## D. Performance: Company Human Rights Practices (20% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
D.3.1	Living wage (in own extractive operations, which includes JVs)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: Living wage target timeframe</li> <li>• Not met: Describes how living wage determined</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Pays living wages</li> <li>• Not met: Reviews livings wages definition with unions</li> </ul>
D.3.2	Transparency and accountability (in own extractive operations, which includes JVs)	2	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Met: Member of EITI: The Company states that it 'has endorsed and committed to support the Extractive Industries Transparency Initiative (EITI)'. [EITI Member Registry 2016-2019, February 2016: <a href="http://eiti.org">eiti.org</a>]</li> <li>• Met: Reports of taxes beyond legal minimums: The Company reports on property taxes, employee payroll taxes and other taxes and fees paid in addition to Corporate income taxes. [Driven by Value 2016 Working Toward Sustainable Development Report, 2016: <a href="http://fcx.com">fcx.com</a>]</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Reports taxes and revenue by country: The Company reports on cash payments made in the form of royalties and net severance taxes paid to governments. These include the governments in the U.S, Chile, Peru, Indonesia, DRC and other countries. However, this does not include revenue. [Driven by Value 2016 Working Toward Sustainable Development Report, 2016: <a href="http://fcx.com">fcx.com</a>]</li> <li>• Met: Steps taken re non EITI countries: The Company states 'Today, Freeport-McMoRan maintains significant mining operations in Indonesia, Peru and the United States, all EITI implementing countries. Senior-level Freeport-McMoRan employees are representatives on these countries' multi-stakeholder groups or are actively supporting the in-country processes. A company executive also serves on the EITI International Board of Directors. To help support a successful seventh EITI Global Conference in Lima, Peru in February 2016, the company provided a financial sponsorship and multiple employees from across our global operations attended as delegates. ' [Driven by Value 2016 Working Toward Sustainable Development Report, 2016: <a href="http://fcx.com">fcx.com</a>]</li> </ul>
D.3.3	Freedom of association and collective bargaining (in own extractive operations, which includes JVs)	1	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: Commits not to interfere with union rights and collective bargaining and prohibits intimidation and retaliation: The Company states that it "engage openly with... employees and union leadership to successfully negotiate and uphold labour agreements." However the Company does not provide step to avoid intimidation or retaliation. [Driven by Value 2016 Working Toward Sustainable Development Report, 2016: <a href="http://fcx.com">fcx.com</a>]</li> <li>• Met: Discloses % covered by collective bargaining: The Company estimates that 47% of its employee population is covered by collective bargaining agreements. However this percentage varies by operating region; Indonesia (78%), Europe/Other (66%), South America (67%) and North America (0%). [Driven by Value 2016 Working Toward Sustainable Development Report, 2016: <a href="http://fcx.com">fcx.com</a>]</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Both requirement under score 1 met</li> </ul>
D.3.4	Health and safety: Fatalities, lost days, injury rates (in own extractive operations, which includes JVs)	2	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Met: Injury Rate disclosures: Total Recordable Injury Rate of 0.64 (2015). [Driven by Value 2016 Working Toward Sustainable Development Report, 2016: <a href="http://fcx.com">fcx.com</a>]</li> <li>• Met: Fatalities disclosures: Workplace Fatalities of 6 (2016). [Driven by Value 2016 Working Toward Sustainable Development Report, 2016: <a href="http://fcx.com">fcx.com</a>]</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Met: Set targets for H&amp;S performance: Through the implementation of the Fatality prevention program, the Company aims to completely eliminate fatalities by identifying and implementing critical controls and delivering technical training and communications throughout the workforce. The Company has a target of zero-fatalities, and a target of 0.56 TRIR. [Driven by Value 2016 Working Toward Sustainable Development Report, 2016: <a href="http://fcx.com">fcx.com</a>]</li> <li>• Met: Met targets or explains why not: The Company states that it did not meet its target of zero-fatalities as 6 employees incurred work-related fatalities during mining operations in 2016. The Company also states it did not achieve its target of 0.56 TRIR achieving 0.64 in 2016. [Driven by Value 2016 Working Toward Sustainable Development Report, 2016: <a href="http://fcx.com">fcx.com</a>]</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
D.3.5	Indigenous peoples rights and free prior and informed consent (FPIC) (in own extractive operations, which includes JVs)	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Process to identify indigenous rights holders: The Company recognises indigenous people in Papua, Indonesia, Native Americans in the U.S and communities of Alto Loa in Chile. Through community engagement, cultural promotion and preservation projects as well as training and development programs, the company seeks to address the needs, cultural and customers of indigenous people near operations. The company has not however explained its process to identify affected or potentially affected indigenous people. [Driven by Value 2016 Working Toward Sustainable Development Report, 2016: <a href="http://fcx.com">fcx.com</a>]</li> <li>• Not met: How engages with communities in assessment: According to the Company's Community Policy, Freeport engages prior to and during the earliest stages of projects through consultation processes with local stakeholders which include indigenous peoples. Furthermore, the Company recognises indigenous peoples and vulnerable groups near our outside operation and implements consultation and engagement programs to address these people rights interests and concerns. However, it is not clear whether this is specific to the process to identify indigenous rights holders. [Community Policy, 2015: <a href="http://fcx.com">fcx.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Commits to FPIC (or ICMM): Freeport is a member of the ICMM. THE ICMM position statement commits members approach to "engaging with indigenous peoples and to free, prior and informed consent." [ICMM Member Companies, 2018: <a href="http://icmm.com">icmm.com</a> &amp; ICMM: Indigenous Peoples and Mining Position Statement, 2018: <a href="http://icmm.com">icmm.com</a>]</li> <li>• Not met: Gives recent example FPIC or dropping deal: For Freeport's operations in Chile and the US, the Company maintains relationships with indigenous communities. Specifically the Company states that they "are committed to respecting the rights, interest, aspiration, culture and natural resource-based livelihoods of these indigenous communities in project design, development and operations". Freeport goes on to say that they "seek to achieve their free, prior and informed consent where significant adverse impacts are likely to occur and capture the outcomes of engagement and consent process in agreements or resolutions. However, the Company doesn't explicitly state if they actually received FPIC on projects near these indigenous communities to be awarded this indicator. [Communities, 2018: <a href="http://fcx.com">fcx.com</a>]</li> </ul>
D.3.6	Land rights (in own extractive operations, which includes JVs)	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Approach to identification of land tenure rights holders</li> <li>• Not met: Describes approach to doing so if no recent deals</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: How valuation and compensation works</li> <li>• Met: Steps to meet IFC PS 5 in state deals: The Company has a Land Access, Compensation and Resettlement Policy Framework, which was developed in accordance with the DRC law and the international Finance Corporations Performance Standard 5. [Working Towards Sustainable Development 2015, 2015: <a href="http://fcx.com">fcx.com</a>]</li> <li>• Not met: Describes approach if no recent deals</li> </ul>
D.3.7	Security (in own extractive operations, which includes JVs)	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: How implements security (inc VPs or ICOC): The Company explains its approach to implementing the VPs in its Voluntary Principles on Security and Human Rights 2016 Report to the Plenary. Specifically, the report addresses the Company's procedures to Conduct Security and Human rights, mechanism to report security-related incidents with human rights implications, its procedure to consider the VPs in entering relations with private security providers and mechanism to investigate and remediate security related-related incidents with human rights implications. [Voluntary Principles on Security and Human Rights 2016 Annual Report to the Plenary, March 2017: <a href="http://fcx.com">fcx.com</a>]</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> <li>• Met: Example of respecting HRs in security: The Company provides examples of implementing the VPs at country level. For example, in Indonesia, at PT Freeport Indonesia (PTFI) which operates the Grasberg mining complex, it reports on allegations and issues that arose, on engagement with stakeholders on country implementation, on using the VPs to select private security providers and formulate agreements with public and private security providers, on training on the VPs, etc. It also provides another example related to its operations in the DRC. Through engagement with the local community security council, and investment in economic development programs to promote long-term growth and alternative livelihoods in the community. TFM continued its partnership with non-profit organization Search for Common Ground in 2015 to address conflict drivers in the local community, including illegal mining, through a communications and engagement program. [Voluntary Principles on Security and Human Rights 2016 Annual Report to the Plenary, March 2017: <a href="http://fcx.com">fcx.com</a>]</li> <li>• Met: Ensures Business Partners follow security approach: The company has incorporated commitment to the Voluntary Principles into its Principles of business Conduct. The Principles of Business Conduct apply to employees and the board of directors. The Company also hold contractors and other business partners to the same standards which are reflected in the Supplier Code of Conduct. [Supplier Code of Conduct February 2018, February 2018: <a href="http://fcx.com">fcx.com</a> &amp; Principles of Business Conduct - Strength in Values, n/a: <a href="http://fcx.com">fcx.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Assesses and involves communities: Through engagement with the local community security council, and investment in economic development programs to promote long-term growth and alternative livelihoods in the community. [Voluntary Principles on Security and Human Rights 2016 Annual Report to the Plenary, March 2017: <a href="http://fcx.com">fcx.com</a>]</li> <li>• Met: Working with local community: Illegal mining activities in and around the TFM concession were a regular agenda item during TFM's meetings with the provincial and national government. TFM also organized a media campaign warning community residents of the dangers of illegal mining via local radio stations. [Voluntary Principles on Security and Human Rights 2016 Annual Report to the Plenary, March 2017: <a href="http://fcx.com">fcx.com</a>]</li> </ul>
D.3.8	Water and sanitation (in own extractive operations, which includes JVs)	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Action to prevent water and sanitation risks: According to the 2015 Working Towards Sustainable Development Report at its Tenke Fungurume Mining (TFM) operation in the Democratic Republic of Congo, Freeport continues to invest in projects to improve health and living standards through improved access to clean water, sanitation and hygiene. To do this, TFM has drilled 123 wells including four new wells developed by the Social Fund in 2015. Furthermore, in Cholera outbreak events the TFM have provided diagnostics tests and transported treatments and prevention kits to manage this water borne disease risks. [Working Towards Sustainable Development Report, 2015: <a href="http://fcx.com">fcx.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Water targets considering local factors</li> <li>• Not met: Reports progress in meeting targets and shows trends in progress made</li> </ul>

## E. Performance: Responses to Serious Allegations (20% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
E(1).0	Serious allegation No 1		<ul style="list-style-type: none"> <li>• Area: Right to land</li> <li>• Headline: Grasberg mine's riches still a distant glitter for Papuan communities - Kamoro and Amungme seeking compensation for alleged land grabbing at Grasberg mine</li> <li>• Sources: Mongabay, 16/10/2017 - <a href="http://news.mongabay.com">news.mongabay.com</a> Business and Human Rights - <a href="http://business-humanrights.org">business-humanrights.org</a> The Guardian, 02/11/2016 - <a href="http://theguardian.com">theguardian.com</a> Company website - <a href="http://fcx.com">fcx.com</a></li> <li>• Allegation: Freeport-McMoRan has been accused of land-grabbing in regards to its Grasberg gold and copper mine in Indonesia's Papua province. The allegation is that it took land from the Amungme and Kamoro people who were supposedly stripped them of their ancestral lands when the mine opened in 1967.</li> </ul> <p>While the mine was the subject of much litigation in the 1990s over abuses allegedly perpetrated by security guards, the recent accusations come from Indonesia's National Commission on Human Rights (Komnas HAM), a state-funded body, which said in 2017 that PT Freeport Indonesia (PTFI), Freeport's Indonesian subsidiary, had never compensated the Amungme or the Kamoro as the original stewards of the land. Daniel Beanal, a Kamoro elder, reportedly told presidential staffers: "The land that could be used to live on has been contaminated with chemicals. Our nature is damaged. The mountain is filled with holes. I've never received anything from Freeport.</p> <p>Beanal argued it would be best for PTFI to cease operations, a call echoed by another Kamoro elder, Nicolaus Kanunggok. "Our aspiration is clear: to close and audit [PTFI] first. We're not asking for a share, not even a single percent. Close the operation first, and then audit [them]," Kanunggok said</p>
E(1).1	The Company has responded publicly to the allegation	0	<p>The individual elements of the assessment are met or not as follows: Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Public response available: Although the Company reports on the situation at the PTFI project regarding land ownership and compensation agreements, it has not responded to these allegations neither to acknowledge or deny these in parts, in whole or providing further details. It has however indicated: 'The PTFI project area is located where the indigenous peoples of Papua hold customary land rights. Specifically, the Amungme in the highlands and the Kamoro in the coastal lowlands are considered traditional landowners of the area, along with the Dani, Damal, Moni, Mee, and Nduga. All of the land being used by PTFI has been legally and formally released for use by the company through a Contract of Work with the Government of Indonesia'. It has also explained that people are not compensated directly but through programs: 'PTFI's "January Agreement" of 1974 with the Amungme was the first recognition in Indonesia of hak ulayat, or the right of traditional people to land used for hunting and gathering. Subsequent to that agreement, the Government of Indonesia formally recognized the right to compensation for hak ulayat (land rights). Compensation in the form of recognition (rekognisi) is paid to communities for a release of hak ulayat, as hak ulayat is a communal property right. Such payments are made in the form of mutually agreed projects or programs benefiting the community. PTFI has paid recognition over the years through programs mutually agreed by consultation and guided by the laws of the Government of Indonesia'. Further details can be found on the same webpage.</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Response goes into detail</li> </ul>
E(1).2	The Company has appropriate policies in place	2	<p>The individual elements of the assessment are met or not as follows: Score 1</p> <ul style="list-style-type: none"> <li>• Met: Company policies address the general issues raised</li> <li>• Met: Policies apply to the type of business relationships involved</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Policies address the specific rights in question: The Company is a member of the ICMM and says it adheres to its policy that members will 'respect the rights, interests, special connections to lands and waters, and perspectives of Indigenous Peoples, where mining projects are to be located on lands traditionally owned by or under customary use of Indigenous Peoples'. Its supplier code also states: 'we respect local cultures and customs, including those of indigenous peoples living near our operations, and engage openly and transparently with external stakeholders to attain and maintain our social license to operate. We expect Suppliers to operate in a manner that respects neighbouring communities and local cultures and is in accordance with FCX policies'.</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
E(1).3	The Company has taken appropriate action	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: Engages with affected stakeholders</li> <li>• Not met: Encourages linked business to engage affected stakeholders</li> <li>• Not met: Provides remedies to affected stakeholders</li> <li>• Not met: Has improved systems and engaged affected stakeholders</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Remedies are satisfactory to the victims</li> <li>• Not met: Has improved systems and engaged affected stakeholders</li> </ul>

## F. Transparency (10% of Total)

Indicator Code	Indicator name	Score	Explanation
F.1	Company willingness to publish information	3.58 out of 4	Out of a total of 38 indicators assessed under sections A-D of the benchmark, Freeport-McMoRan made data public that met one or more elements of the methodology in 34 cases, leading to a disclosure score of 3.58 out of 4 points.
F.2	Recognised Reporting Initiatives	2 out of 2	The individual elements of the assessment are met or not as follows: Score 2 <ul style="list-style-type: none"> <li>• Met: Company reports on GRI: The Company maintains adherence to the Global Reporting Initiative (GRI) G4 framework, core option. [Annual Report 2017, 2017: <a href="https://www.freeport-mcmoran.com/~/media/2017-04-27-2017-annual-report/2017-annual-report.pdf">s22.q4cdn.com</a>]</li> </ul>
F.3	Key, High Quality Disclosures	1.2 out of 4	Freeport-McMoRan met 3 of the 10 thresholds listed below and therefore gets 1.2 out of 4 points for the high quality disclosure indicator. Specificity and use of concrete examples <ul style="list-style-type: none"> <li>• Met: Score 2 for A.2.2 : Board discussions</li> <li>• Not met: Score 2 for B.1.6 : Monitoring and corrective actions</li> <li>• Not met: Score 2 for C.1 : Grievance channel(s)/mechanism(s) to receive complaints or concerns from workers</li> <li>• Not met: Score 2 for C.3 : Users are involved in the design and performance of the channel(s)/mechanism(s)</li> </ul> Discussing challenges openly <ul style="list-style-type: none"> <li>• Not met: Score 2 for B.2.4 : Tracking: Monitoring and evaluating the effectiveness of actions to respond to human rights risks and impacts</li> <li>• Met: Score 2 for C.7 : Remedying adverse impacts and incorporating lessons learned</li> </ul> Demonstrating a forward focus <ul style="list-style-type: none"> <li>• Not met: Score 2 for A.2.3 : Incentives and performance management</li> <li>• Not met: Score 2 for B.1.2 : Incentives and performance management</li> <li>• Not met: Score 1 for D.3.1 : Living wage (in own extractive operations, which includes JVs)</li> <li>• Met: Score 2 for D.3.4 : Health and safety: Fatalities, lost days, injury rates (in own extractive operations, which includes JVs)</li> </ul>

### Disclaimer

A score of zero for a particular indicator does not mean that bad practices are present. Rather it means that we have been unable to identify the required information in public documentation.

See the 2018 Key Findings report for more details of the research process.

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As CHRB Ltd, we want to emphasise that the results will always be a proxy for good human rights management, and not an absolute measure of performance. This is because there are no fundamental units of measurement for human rights. Human rights assessments are therefore necessarily more subjective than objective. The Benchmark also captures only a snap shot in time. We therefore want to encourage companies, investors, civil society and governments to look at the broad performance bands that companies are ranked within rather than their precise score because, as with all measurements, there is a reasonably wide margin of error possible in interpretation. We also want to encourage a greater analytical focus on how scores improve over time rather than upon how a company compares to other companies in the same industry today. The spirit of the exercise is to promote continual improvement via an open assessment process and a common understanding of the importance of the UN Guiding Principles on Business and Human Rights.