

Freeport McMoRan's comments to Swedwatch's report *Passive Observers or Active Defenders of Human Rights – Corporate Challenges in Repressive Regimes and Conflict Zones* (2010), dated 15 Nov 2010.

With respect to your report, for many years now, we have publicly disclosed the costs of our support for Indonesian Government security institutions as well as our policies on Human Rights and Principles of Business Conduct. These policies are available on our website at www.fcx.com. Our report, "Working Towards Sustainable Development," also presents information on our relationships with the Government and our policies on human rights.

In accordance with our obligations under the Contract of Work and consistent with Indonesian law, U.S. law, and our adoption of the joint U.S. State Department – British Foreign Office Voluntary Principles on Security and Human Rights, we have taken appropriate steps and are committed to providing a safe and secure working environment for our over 20,000 employees and contract workers. Pursuant to the Government's declaration that our company's mining operations are a Vital National Object, the Indonesian police, with assistance from the military, provide security for our mining operations in a remote and logistically challenging area. Security is essential to the continuing safety of our workforce and their families and for the protection of our facilities. There is no alternative to our reliance on the Indonesian security institutions in this regard. The need for this security, the support provided for such security, and the procedures governing such support, as well as decisions regarding our relationships with the Indonesian Government, and its security institutions, are ordinary business activities, which our management and board of directors thoroughly review and appropriately address on a continuous basis to ensure maintenance of proper controls and compliance with applicable laws.

The Indonesian Government – not our company – is responsible for employing its security personnel and directing their operations. At the Government's request, we provide financial support to ensure that the Indonesian Government's security personnel have the necessary and appropriate resources to provide security for our operations. We note that the Voluntary Principles on Security and Human Rights expressly recognize that companies "may be required or expected to contribute to, or otherwise reimburse, the costs of protecting company facilities and personnel borne by public security."

We condemn human rights violations in any form. We have a longstanding commitment to the protection of human rights and have been vigorous in enacting and enforcing our human rights policy. Our policy, which was initially adopted in 1999, commits us to conducting our operations in a manner consistent with the Universal Declaration of Human Rights. The implementation of our human rights policy is monitored by Judge Gabrielle Kirk McDonald, former President of the International Criminal Tribunal for the former Yugoslavia, who serves as Special Counsel on Human Rights to our company and as a member of our board of directors. When allegations of human rights abuses have arisen in our area of operations, we have supported every legitimate investigation – none of which has found any wrongdoing on the part of the company or our personnel.

With respect to the past use of PT-FI drivers for the military and police on the road that leads up to the mining operations, we pointed out in our response to the 2004 audit by ICCA that because of safety considerations -- driving conditions in the mining area being among the most challenging in the world -- PT-FI had been providing competent trained drivers for military personnel using PT-FI roads. We acknowledged ICCA's findings that this practice may have led to confusion between the Company and government security. And in response, PT-FI made arrangements to discontinue this practice and took steps to provide training to enable government security to drive safely in PT-FI's area of operations.

I hope this clarifies issues in your report. We appreciate being given the opportunity to comment.

Sincerely,
Bill Collier
Vice President-Communications
Freeport-McMoRan Copper & Gold Inc.