



WHEREAS: Experts agree that to avoid the most catastrophic effects of climate change, global temperature increase must be limited to 1.5 degrees Celsius (“1.5°C”). The window for limiting global warming to 1.5°C is quickly narrowing, thus immediate and aligned emissions reduction is required of all market sectors.¹

Investor demand to reduce corporate emissions reflects the reality that climate change poses a systemic risk to portfolios. Failure to maintain global temperatures below 1.5 degrees is projected to have substantial negative economic consequences.²

In response to material climate risk, the Climate Action 100+ initiative, an investor coalition with \$68 trillion in assets, issued expectations including adoption of science-based targets across all relevant emission scopes and disclosure of decarbonization strategies.^{1"}

Freeport McMoRan (“Freeport”) is a major mining company producing copper, gold, and other minerals. Mining is responsible for four to seven percent of greenhouse gas (“GHG”) emissions globally, and mining companies are exposed to numerous climate-related risks.³ Freeport faces increased regulatory risk from localities in which it operates, such as Indonesia’s anticipated rollout of carbon tax legislation.⁴ Freeport acknowledges in its 10-k that existing or future climate-related regulations and legislation may materially increase Freeport’s costs, threaten operating activities, and constrain expansion opportunities.⁵

While Freeport has committed to adopt science-based reduction targets for its Scope 1 and 2 emissions, it has not established 1.5°C aligned reduction goals that cover all business segments, including Scope 3 emissions which comprise over 40% of Freeport’s total emissions. Freeport lags behind major competitors in establishing Scope 3 reduction targets. For instance, major competitor Newmont Corporation has adopted a Scope 3 absolute reduction goal for 2030, validated by the Science Based Targets

¹ https://report.ipcc.ch/ar6wg3/pdf/IPCC_AR6_WGIII_FinalDraft_FullReport.pdf

² <https://www.nytimes.com/2021/04/22/climate/climate-change-economy.html>

³ <https://www.mckinsey.com/capabilities/sustainability/our-insights/climate-risk-and-decarbonization-what-every-mining-ceo-needs-to-know>

⁴ <https://www.reuters.com/business/sustainable-business/indonesias-carbon-tax-rollout-may-face-delays-2022-03-25/#:~:text=Indonesia%2C%20the%20world's%20eighth%2Dlargest,a%20carbon%20market%20by%202025>

⁵ https://www.sec.gov/ix?doc=/Archives/edgar/data/831259/000083125922000009/fcx-20211231.htm#i43d04c9d26874e33802bdf64c458414a_13



initiative.⁶ Rio Tinto also committed to reduce Scope 3 emissions intensity and achieve net zero shipping.⁷

Credible climate transition plans protect against financial risk, increase economic opportunity, and prepare companies to address climate regulations which continue to expand globally.⁸ By setting science-based reduction targets for its Scope 3 emissions and demonstrating progress toward achieving them, Freeport can provide investors with assurance that it is reducing its climate contribution, addressing climate-related risks, and maintaining competitive advantage with peers.

BE IT RESOLVED: Shareholders request the Board issue a report, at reasonable expense and excluding confidential information, disclosing how Freeport McMoRan intends to reduce the full range of its Scope 3 value chain greenhouse gas emissions in alignment with the Paris Agreement's 1.5°C goal requiring Net Zero emissions by 2050.

SUPPORTING STATEMENT: Proponents recommend, at Board discretion, that the report include:

- A timeline for setting Scope 3, 1.5°C-aligned, near-term and net zero by 2050, GHG reduction goals;
- A climate transition plan to achieve emissions reductions goals across all relevant emissions scopes;
- A rationale for any decision not to set Scope 3, 1.5°C aligned targets; and
- Disclosure of annual progress in meeting emissions reduction goals.

⁶ <https://sciencebasedtargets.org/companies-taking-action/>

⁷ <https://www.riotinto.com/-/media/content/documents/invest/reports/climate-change-reports/rt-climate-report-2021.pdf?rev=4fcdc6fe110f4744b3103decd268b083> p. 3

⁸ <https://assets.bbhub.io/company/sites/63/2022/09/Expectations-for-Real-economy-Transition-Plans-September-2022.pdf>, https://cdn.cdp.net/cdp-production/cms/guidance_docs/pdfs/000/003/101/original/CDP_technical_note_-_Climate_transition_plans.pdf?1643994309