



TRANSFORMING TOMORROW TOGETHER

Community Partnership Panel Meeting Notes

Site: Freeport-McMoRan Morenci Operations

Date: November 14, 2019

Purpose

The [Community Partnership Panel](#) is hosted by Freeport-McMoRan to keep the community informed about operational activities and to foster open and ongoing dialogue to develop thoughtful solutions to address community issues.

Industry / Business Update

For the most recent company financial information, please visit: [Freeport-McMoRan Investor Center](#). For a copy of the 2018 Annual Report, please visit: [Freeport-McMoRan Annual Report and Proxy](#).

Southeastern Arizona Operational Updates

Morenci Operations:

Robert Pollock, Controller, shared operational updates about Morenci operations, including:

- **Current Employment**
 - Mine: Approximately 3,700
 - Townsite (Mercantile and MWE): Approximately 120
 - Contractors: Approximately 1,300
 - Vacancies: Approximately 370
- **Project Updates** – Progress continues on the American Mountain project, which includes Highway 191 reroute. Silver Basin project is coming to completion. Renovations at the Clifton Training Center also are moving forward.
- **Environmental Update** – Martha Lujan, Environmental Services Manager, visited with the panel about upcoming permits and environmental issues, including:
 - Morenci experienced three opacity exceedance events in the last few months. All were reported to the Arizona Department of Environmental Quality.
 - Pipeline conveying lean electrolyte spill was reported to NRC on November 4
 - Permitting update:
 - Update to closure financial assurance – September 6
 - Morenci Canyon / Silver Basin – Permit amendment issued on September 10
 - Work to permit producer stockpile has commenced – APP application will be submitted in 2020, with an estimated permit completion target date in 2021

Safford Operations:

- Employment
 - Current Employment: Approximately 1,200
 - Current Vacancies: Approximately 150
 - Contractors: October daily average approximately 400

Central Analytical Services Center / Technology Center:

The processing facilities located in Safford currently have a combined employment of 200.

Corporate Remediation Update

Clifton Soil Program – Three different smelters operated in Clifton from 1880s until 1938 that were purchased by Phelps Dodge Corporation. The three historical smelter sites in Clifton were built, operated and closed long before environmental regulations required air emission controls, and emissions from the smelters may have deposited metal-bearing particles in surrounding soils.

Arizona Department of Environmental Quality (ADEQ) encourages interested parties to voluntarily cleanup impacted sites under its Voluntary Remediation Program (VRP). The Clifton Soil Program will proceed in three phases: 1. community outreach; 2. soil sampling; and 3. soil excavation and restoration, if necessary. Under the Clifton Soil Program, with the permission and voluntary participation of individual property owners, Freeport-McMoRan will sample soils at developed residential, commercial and public properties within Clifton. The company will offer to remove soils that exceed ADEQ-approved, site-specific cleanup levels for arsenic, lead or copper, and restore any landscaping affected by these activities at no cost to the property owner. The company recognizes the impact this program has on property owners and the community and will make every effort to minimize disruption.

Community Development Update

Our Commitment to Community Engagement

Grievance Management System

Freeport-McMoRan has a process to receive, record and respond to local questions, comments and concerns. We encourage all stakeholders to reach out to us.

- **Talk** with your local Freeport-McMoRan or Community Development representative
- **Call** the Community Information and Grievance Line at 877-629-2609, 24 hours a day, 7 days a week (English or Spanish)
- **Email** communitydevelopment@fmi.com or via FreeportInMyCommunity.com/contact
- **Send mail to** Freeport-McMoRan Community Development, 333 N. Central Ave., Phoenix, AZ, 85004

Morenci has responded to approximately eight community grievances over the last quarter. Topics of concern included:

- Property Issues
- Resource Allocation

United Way Kick-Off

The 2019 United Way Campaign started on November 6 and will run through November 27. The Freeport-McMoRan Foundation will match employee gifts:

- Double match on donations of \$25 or more, up to the first \$1,000 contributed
- Single match on donations of more than \$1,000
- Company matching dollars are directed to the local United Way to ensure resources are available to a network of health and human service agencies in our community.

United Way of Graham and Greenlee County Report

Adam O'Doherty explained the United Way, together with the community, works to identify critical needs, reduce duplication of services and close gaps in services as they invest donor gifts in the priority areas of education, income and health.

Some of the work the local United Way Board and CEO are currently undertaking includes:

- Strategic Planning and Capacity Work
- Board Recruitment and Development
- Application Process Changes
- Grant Review Committee
- Community Relations
- Building Capacity

Between January 2018 and November 2019:

- Average of over 80 grant requests received annually
- Average of 1.7 million funded annually to local organizations
- Over \$3.3 million in grants funded during time frame

Our Commitment to Social Investing

Freeport-McMoRan Foundation

The Freeport-McMoRan Foundation is committed to investing in the community through programs and projects that build community capacity, including:

- Women's Development Grants – \$150,000
- Mini-Grants for Education – \$50,000
- Domestic Violence Shelter Grants:
 - 2019 SEAZ Recipient: Mt Graham Safehouse – \$6,000
 - As of 2019, the Freeport-McMoRan Foundation has donated \$3.8 million in support of domestic violence shelters and service providers offering safety, independence and new lives free of violence to thousands of clients each year. This total included Foundation donations over the past 20 years and counting.
- Scouting – \$30,000 in 2019 to support scouting activities near operations in the Southwest
- Grand Canyon Council
- Girl Scouts of Southern Arizona

Local First Arizona Micro Loan Program

Informational session at 1 p.m. Wednesday, November 20 the Blue Door Sanctuary.

Local Site Investments

During the third quarter of 2019, Morenci operations was proud to partner on the following initiatives and projects:

- Greenlee County Fair
- Greenlee County Junior Livestock Association
- Greenlee County Small Stock Association
- Greenlee County Tourism Council – Colors of Copper
- Safford Center for the Arts: 2019-2020 Season
- SBDS Small Business Woman of the Year
- Town of Clifton – Festival of Lights

- Arizona State School Board Association and Local School Board Members Tour
- Arizona Game & Fish – Rocky Mountain Bighorn Sheep Relocation
- Arizona Community Foundation Gala
- Gila Watershed Partnership River Cleanup
- USDA REDI Program Site Visits
- Career Signing Day
- San Francisco River Cleanup
- Fourth of July Celebrations

2019 Greenlee County Biodiversity Week activities included:

- 29 individual activities and events
- 2,000 students reached in Pre-K through 12th grade
- 28 Freeport-McMoRan volunteers donated more than 100 volunteer hours
- Partners: Phoenix ZooMobile, Arizona Farm Bureau, Gila Watershed Partnership, The Reptilist, Aplomado Environmental, Morenci Starbucks and Morenci Motel, U.S. Forest Service, Greenlee County Health Department, University of Arizona Extension Office, Simpson Hotel, Wildlife Habitat Council, Bat Conservation International

Roundtable Updates from Panel member

Upcoming dates:

- November 22: Deadline for Clifton’s General Plan

Questions from the Panel:

Question: Is the Clifton Soil Program voluntary for town parks?

Answer: Yes

Question: Is zero-scaping an option?

Answer: Yes, it will be available.

Question: What kind of workforce will be available to the public?

Answer: Thirty to 100 people, depending on the work.

Question: When will the soil testing begin?

Answer: Soil testing will begin after enough applications have been received.

Question: How many employees are expected to be at the training center on an average day?

Answer: On average, 300 people a day will be at the Clifton training center.

Questions: What is the guest house used for?

Answer: Hosting executives, contracts and having meetings.

Question: Are you making the United Way organization more transparent?

Answer: Yes. We are working on the website to make it more transparent.

The CPP meets on a quarterly basis. For more information, please contact Angie Harmon, Community Development Regional Manager, at 928-366-8009 or aharmon@fmi.com.