

Arch ESG Highlights

Serving the steel-intensive needs of a decarbonizing world, sustainably and responsibly.

ENVIRONMENTAL



Arch's metallurgical products are **essential to the production of new steel**, which in turn is essential to the construction of a new, low-carbon economy.

Steel is pivotal to global decarbonization efforts, including sustainable urban design, infrastructure replacement and the construction of mass transit systems, wind turbines and electric vehicles.



60% ↓

Since 2010, Arch subsidiaries have reduced their annual thermal coal production by nearly 60 percent, which has driven a 56 percent reduction in Scope 1 and Scope 2 CO₂e emissions over that timeframe.



Arch has undertaken a strategic, **ESG-driven pivot towards global steel and metallurgical markets** and away from domestic power and thermal markets over the past decade.

As part of its strategic pivot, Arch is also transitioning towards underground mining, with its more limited environmental footprint and land usage, while systematically reducing surface mining activities.

Arch is the first and only U.S. metallurgical coal supplier to join ResponsibleSteel™, a global steel industry certification initiative focused on building an increasingly sustainable steel value chain.





Arch has planted **2.7 million indigenous trees** on reclaimed land in the past decade.

Arch recently established an **industry-first thermal mine reclamation fund** to ensure that long-term funding is available for the reclamation and closure obligations at its Powder River Basin operations.



Arch has actively reclaimed former mine sites in the eastern U.S., which is evident in the greater than 50 percent reduction in long-term holding costs for these properties since 2017.

26K

Arch's subsidiary operations have restored **more than 26,000 acres of mined lands** since 2016.

During 2021, Arch subsidiaries achieved a **100 percent compliance record for water quality management**, with zero exceedances against more than 134,000 parameters measured.



In 2021, **Arch subsidiaries achieved a perfect environmental compliance record**, as measured by SMCRA violations.

42%

In **2021, Arch subsidiaries recycled nearly two billion gallons of water** – equivalent to 42 percent of total water usage – thus avoiding drawing a commensurate amount of new gallons from water sources.

Since 2010, Arch subsidiaries have claimed one of the top national awards for reclamation excellence and community engagement – **the National Reclamation and Good Neighbor awards** – seven times.

SOCIAL

10

Arch subsidiary operations have won a total of **10 Sentinels of Safety awards** – the nation’s highest honor for excellence in mine safety – during the past 11 years.

During the past five years, **Arch has averaged 0.94 lost-time incidents per 200,000 employee-hours worked**, versus an industry average of 2.25.



Arch employees engage in a proactive, behavior-based approach to safety, which has helped the organization consistently lead its large, integrated peers in safety performance.

The leadership at Arch’s flagship metallurgical mines meet quarterly with **Arch-established community advisory panels (CAPs)** comprised of business leaders, educators, first responders, and elected officials.

Arch’s subsidiary operations provide some of the highest wage jobs in their operating regions, with median annual earnings of more than \$108,000 and a highly competitive benefits package.



93%

Arch’s responsible and respectful culture has helped it attract an experienced, talented and high-performing workforce with an average **voluntary retention rate of 93 percent over the past five years.**

Arch’s subsidiary operations have **recorded approximately 1.75 million safety observations** since launching the behavior-based safety program in 2007.

Every employee of Arch and its operating subsidiaries receives the Code of Business Conduct, and all **salaried employees are expected to complete annual online training** on its contents.

Arch requires suppliers to conduct business in the same ethical and responsible manner it requires of its own employees, and stipulates these requirements via its **Supplier Code of Conduct.**

Arch C.A.R.E.S. further reinforces the company’s ongoing **efforts to ensure a safe and respectful work environment.**

GOVERNANCE

Arch believes that **strong corporate governance policies and practices are the foundation of a well-functioning board** and are vital to preserving the trust of stakeholders.



The Arch board meets in executive session — with only independent directors in attendance — on a regular basis, and conducts annual self-evaluations at both the full board and committee levels.

The board provides critical oversight of the corporation's comprehensive and robust enterprise risk management (ERM) system — including climate-related risks and opportunities — and is committed to setting the tone at the top on environmental, social and governance (ESG) matters.



In 2021, the Arch board took steps to enhance its ESG governance framework — including via the creation of a new ESG and Nominating Committee — to gain efficiencies and re-emphasize the board's commitment to continuous improvement in ESG.

Arch utilizes an industry-leading environmental management information system (EMIS) to assist in managing and tracking environmental data; compliance obligations; audit findings and corrective actions; and regular internal reporting of environmental activities.



Arch regularly conducts shareholder outreach on matters such as executive compensation, corporate governance and ESG responsibility, and takes action on key learnings related to this outreach.



Arch strengthened and enhanced the diversity of its board in early 2022 with the election of Molly P. Zhang following an extensive search aimed at identifying and recruiting highly qualified women and individuals from ethnically diverse groups.