

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.



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 12 years.



55%

Since 2010, Arch subsidiaries have reduced their annual thermal coal production by more than 55 percent, which has helped drive a ~47-percent reduction in Scope 1 and Scope 2 CO₂e absolute emissions over that timeframe.

2M+

Arch has planted well over 2 million indigenous trees on reclaimed land in the past decade.

1ST

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

>50%

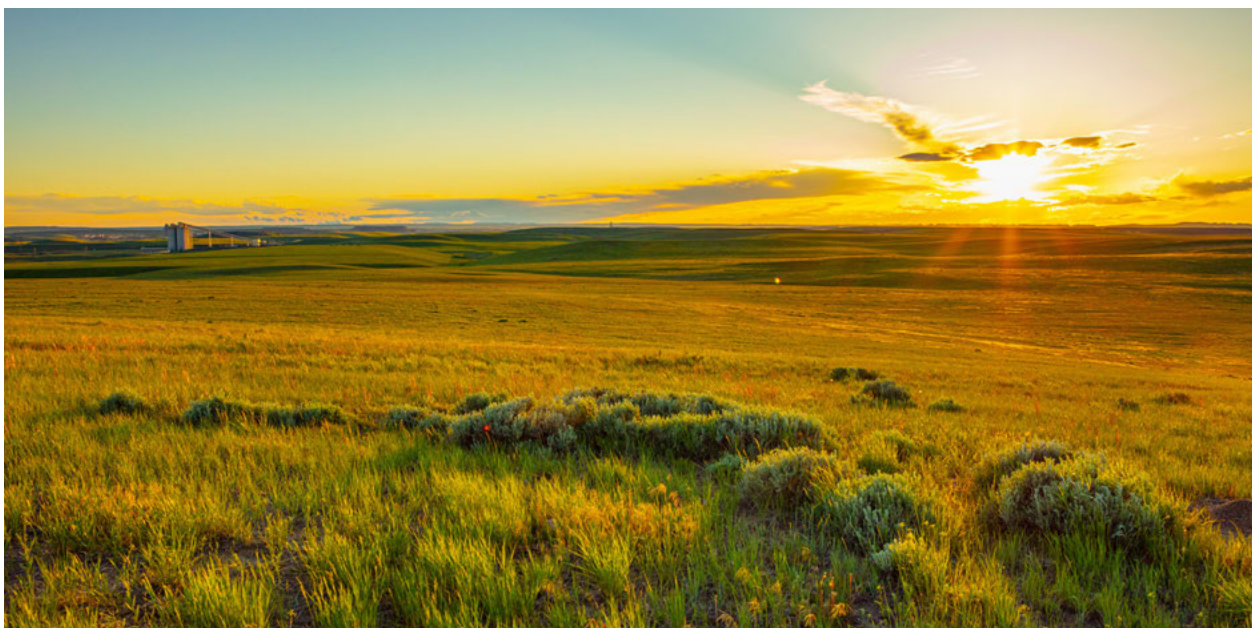
Arch has actively reclaimed former mine sites in the eastern U.S., which is evident in the **greater than 50 percent reduction in long-term holding costs** for these properties since 2017.

30K

Arch's subsidiary operations have **restored more than 30,000 acres of mined lands** since 2016.

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.

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.



100%

During 2022, Arch subsidiaries achieved a **100 percent compliance record for water quality management**, with zero exceedances against more than 100,000 parameters measured.

44%

In 2022, Arch subsidiaries recycled more than **2.2 billion gallons of water**—equivalent to 44 percent of the company’s total water usage—thus avoiding drawing a commensurate amount of new gallons from water sources.

In 2022, Arch subsidiaries achieved a **near-perfect environmental compliance record**, as measured by SMCRA violations, with only one violation, after recording a perfect record, with zero violations, the previous year.



7x

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 in the past 14 years.

SOCIAL

200

Approximate number of subsidiary mine site and corporate employees who **participate in Arch's annual safety and environmental summit.**

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.

92%

Arch's responsible and respectful culture has helped it attract an experienced, talented and high-performing workforce with an average **voluntary retention rate of 92 percent over the past five years.**

Arch's subsidiary operations provide some of the highest wage jobs in their operating regions, with median annual earnings of around \$110,000 and a highly competitive benefits package.

0.85

During the past five years, **Arch has averaged 0.85 lost-time incidents per 200,000 employee-hours worked,** versus an industry average of 2.22.

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.





Arch's subsidiary operations have **recorded more than 2 million safety observations** since launching the behavior-based safety program in 2007.

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

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.**

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.

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.



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

The Arch board recently took steps to enhance its ESG governance framework — **including the establishment of an 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 strengthened and enhanced the diversity of its board in early 2022 following an extensive search aimed at identifying and recruiting highly qualified women and individuals from ethnically diverse groups.