



# FORWARD PROGRESS: GHG Reduction Targets

## CONSOL Energy Announces Interim and Long-Term Emissions Reduction Goals

We strive to reduce direct operating emissions of greenhouse gases by 50% in 5 years<sup>1</sup> and aim to achieve net zero operating emissions by 2040 or sooner if feasible.<sup>2</sup> We endeavor to continually advance our technology, innovation, and diversification initiatives, while maintaining unwavering focus on our previously stated financial priorities.

CONSOL Energy (“CONSOL” or “the Company”) firmly believes that under all plausible scenarios, coal will continue to be an essential part of the worldwide energy economy for years to come. Coal will also continue to be a vital component in the production of construction materials, such as steel and cement, that support infrastructure development and promote growth.

Further, the Company’s world-class asset base and focus on technology and innovation will be differentiating factors as we strive to mine the coal that expands access to electricity, supports global social objectives, and provides a reliable and affordable source of baseload energy worldwide, which in turn bolsters industrial markets, and catalyzes economic progress. Having been awarded Bettercoal Supplier status, we believe our commitment to deploy robust ESG operating practices will help ensure that we carry out this role responsibly and sustainably.

The Company acknowledges that greenhouse gas emissions arise from multiple sectors – such as transportation, agriculture, and even the technology industry – and that complex climate challenges demand innovative and economy-wide solutions. CONSOL actively supports fiscal incentives and public-private partnerships that promote the commercialization and deployment of technologies that are essential to meeting aspirational and challenging environmental goals and directly [invests in research and development](#) in these areas.

Our Forward Progress sustainability initiative emphasizes those ESG aspects of greatest impact to CONSOL, our stakeholders, and the environment. Developing emission reduction targets creates a framework for putting our ESG approach into action. This framework provides structure to our goal to reduce the environmental footprint of our direct operations, is in alignment with our long standing [Environmental Policy Statement](#) and complements our [technology and innovation endeavors](#). **Specifically, the Company endeavors to achieve a 50% reduction in direct operating emissions of greenhouse gases in a 5 year period (or by the end of 2026), with an ambition to achieve net zero direct operating emissions by 2040 or sooner if feasible.**

This announcement reflects our Board of Directors and management team’s dedication to continuous improvement and underscores CONSOL’s commitment to an industry leading sustainability profile. As we strive

<sup>1</sup> By the end of 2026

<sup>2</sup> Compared to a 2019 baseline

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for transparency and disclosure, additional information related to our greenhouse (GHG) reduction goals is provided below.

## Direct Greenhouse Gas (GHG) Emissions

Our target covers scope 1 and scope 2 gross emissions across our entire current operating footprint. The recognized [GHG Protocol](#), established by the World Resources Institute and the World Business Council for Sustainable Development, informed our target development process and provides definitions of scope 1 and scope 2 emissions.

Scope 1 emissions are direct GHG emissions from sources owned or controlled by CONSOL Energy. Most of our scope 1 emissions consist of coal mine methane gases which are vented into the atmosphere to create a safe working environment for our miners underground. Scope 1 emissions also account for fuel usage associated with on-road and off-road vehicles and equipment utilized in our operations, for example. Scope 2 emissions are direct emissions from the generation of purchased electricity consumed by CONSOL Energy. For more information on our scope 1 and scope 2 emissions, please refer to our [sustainability reports](#). For a detailed assessment of our emissions at the asset level, please see the disclosures we report to [CDP](#) through its global disclosure system.

Our GHG reduction target and emissions disclosures include the following greenhouse gases: carbon dioxide, methane, and nitrous oxide. We use global warming potentials of 25 and 298 to convert methane and nitrous oxide, respectively, to carbon dioxide equivalencies (CO<sub>2</sub>e).

## Absolute Emissions Reduction

A direct GHG reduction target was selected as we strive to develop goals that are measurable and impactful, for which achievement is reasonably within our control. Further, a scope 1 and scope 2 emissions reduction target helps us to directly measure our performance and our environmental footprint reduction, irrespective of parameters such as production volumes or revenues, which are taken into account when setting emission-intensity based GHG reduction goals.

While CONSOL Energy's absolute GHG emissions are comparable to coal mines of similar size and geology, as well as to other large industrial companies, CONSOL is among the first pure-play coal companies to set forth a GHG emissions reduction target. Therefore, our target, while aggressive, may not be comparable to other companies that do not operate a similar asset base or that operate outside of the coal industry.

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## Reporting Boundaries

The emission reduction targets were developed on the basis of CONSOL Energy's current operating footprint and comprehensively include:

- the Pennsylvania Mining Complex ("PAMC"),
- the CONSOL Marine Terminal,
- the Itmann Metallurgical Project,
- various closed mine reclamation obligations and legacy mine water treatment facilities,
- conventional oil and gas wells acquired in advance of underground mining,
- and the Corporate office.

The target only includes emissions strictly related to assets and production activities that are controlled by CONSOL. As we strive to grow and diversify our business portfolio, we envision adoption of our Forward Progress sustainability approach, including our emission reduction targets, to any acquired assets. In the event of changes to our business portfolio, we expect to complete a GHG assessment that would be incorporated into our emissions inventory, and would subsequently adjust our targets or timing, as appropriate.

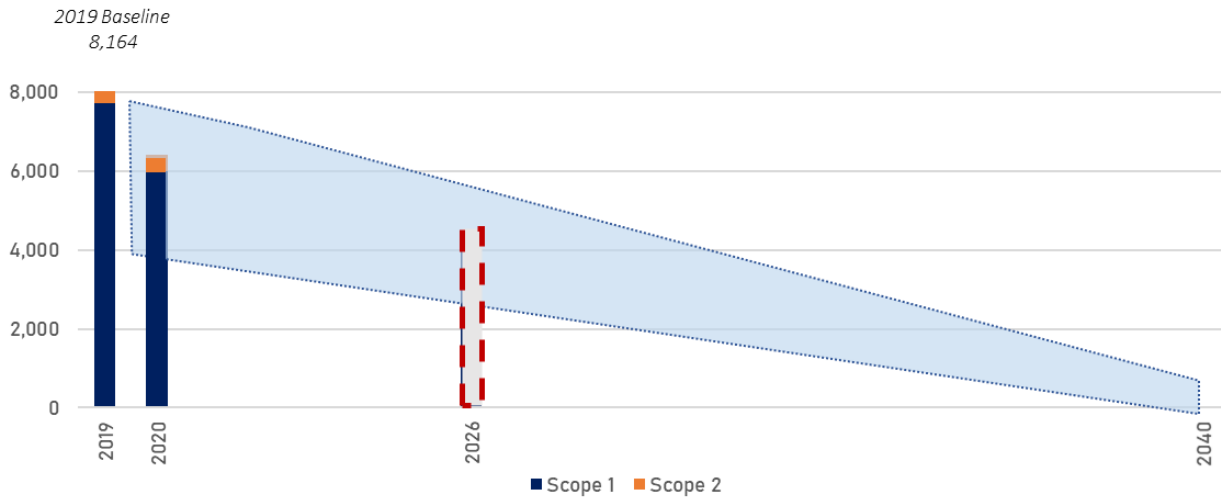
## Defining Baseline Emissions

Our emission reduction targets were derived using the existing assessment of GHG emissions for the operated assets listed above between 2017 and 2020, as reported in our annual sustainability reports. We consider 2019 to be the most recent full year of operation (excluding 2020 due to impacts of the COVID-19 pandemic) and most representative of our current operational profile. Therefore, 2019 was selected as our baseline year, with scope 1 and scope 2 emissions totaling approximately 8.2 million metric tons of CO<sub>2</sub>e (*see figure, below*).

We strive to comprehensively assess our emissions. The emissions disclosed are based on multiple assumptions, published emission factors, and periodic measurements which introduce uncertainty and could limit the precision or accuracy of emissions estimates.

In all cases, we comply with regulatory requirements, standards, and EPA-mandated protocols for estimating and reporting our emissions. Further, these estimates encompass specific sources identified by, or required to be assessed by, applicable regulatory protocols. Consistent estimation approaches are applied to those emissions that are voluntarily assessed and reported by the Company. In measuring our performance against these targets, we will endeavor to utilize the same estimates, factors, and measurement techniques that were utilized to determine baseline year emissions, or will adjust baseline year emissions calculations, if better techniques are developed in the future.

## Direct Operational Emissions (Thousands of Metric Tons as CO<sub>2</sub>e)



### Scope 1 and Scope 2 Emissions Reduction Goals

#### Interim Goal

The first phase of CONSOL's interim greenhouse gas emission reduction target, which seeks to achieve a 50% reduction in greenhouse gas emissions in a five year period (or by the end of 2026), is expected to be achieved through multiple initiatives. Primary to this goal is expansion of the Company's methane destruction program, which has been piloted at the Pennsylvania Mining Complex since 2017. This endeavor is focused on controlling the methane emissions from our mine degasification and ventilation systems. CONSOL (and its predecessors) was the first U.S. operator to pilot mine methane oxidation technologies on operating underground coal mines, and this experience will support the success of our GHG reduction program.

In addition, we anticipate leveraging energy intelligence software that provides real time information on energy use, demand, and costs to help us identify opportunities to improve efficiency and reduce consumption, as we explore other opportunities to reduce our scope 2 emissions. Additionally, we will seek opportunities to use renewable energy resources where practical. We expect these efforts to provide both environmental and cost benefits.

#### Long Term Ambition

CONSOL's long term GHG reduction target envisions full scale deployment of the measures targeted in phase 1 across the entirety of our operational footprint by 2040 or sooner if feasible. This aim will also be influenced by the success and future of the Company's current technology and innovation initiatives, which are in the development phases.

In addition, this ambition could rely on the use of good quality carbon offsets to account for those emissions that cannot be mitigated or avoided. Finally, depending on factors such as the speed of technology development, efficiency improvements, and business growth or business diversification, this target could

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change, accelerate, or decelerate over time. In the interest of transparency, we will report on any developments that could influence this longer-term ambition, as they become material.

## Safety, Assumptions, and Uncertainties

First and foremost, the safety of our workforce is paramount. Under no circumstance will safety be compromised: **safety has been and will remain our top priority.**

As stated above, most of our emissions are related to methane that is vented into the atmosphere to create a safe working environment underground. In order to install the equipment necessary to promote achievement of our operational emissions reduction targets, we will seek applicable safety and environmental regulatory approvals. However, if at any time we believe our emissions reduction efforts could compromise safety or conflict with operations, safety will always take precedence. Simply put, our environmental goals will be adjusted as needed to prioritize and promote safety.

Second, to develop our GHG emissions reduction targets and estimate future emissions, we relied on a comprehensive assessment of historical operational emissions data, adjusted to account for operational expectations and plans. Then, emissions reduction estimates were evaluated based on improvements that can reasonably be expected based on our energy management, efficiency and expansion of the methane destruction program goals. Our estimates are based on standard emission factors which may under or overestimate our emissions. Our goals could change in the future, as monitoring technologies advance and data collection improves. Further, coal mine emissions are difficult to predict and depend on many factors that could be operational, geological, or meteorological in nature, for example. As a result, estimates of our future emissions could differ from actual emissions, which could impact our ability to achieve our GHG reduction targets.

Critically, our interim 2026 target further assumes aggressive schedules for design, regulatory approvals, procurement, site acquisition, installation, and commissioning of the emissions control devices expected to be deployed, the timing of which are largely outside of our control. Any unanticipated delays or extended schedules could impact our ability to meet our goals within the suggested timeframe.

We operate in a dynamic business environment, where technology, market factors such as supply and demand or commodities pricing, and regulatory requirements quickly evolve. We closely monitor these developments and adjust our strategy and business plans as needed to remain competitive and to continue to perform well against our financial commitments and goals. Further, regardless of how business conditions change, we constantly remain focused on our core values of safety and compliance. As we are committed to transparency, we will provide updates related to our progress towards achieving these goals and on the results.

We will proceed diligently toward achieving our GHG reduction goals; however, several considerations, including but not limited to those factors outlined above, could impact the timing and magnitude of our performance. We will maintain flexibility in our environmental endeavors, just as we maintain flexibility in our operations.

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## Reporting and Verification

The calculations we used to estimate our future emissions and targets have been externally confirmed. Further, on an annual basis, we will provide an update on our progress against these goals in our annual sustainability reports, and other sustainability disclosures. These disclosures will address the verification and assurance processes associated with our estimation methodologies, measurements, and calculations, and describe any changes to these methodologies or adjustments to such measurements and calculations.

We anticipate seeking independent verification of our performance against our GHG reduction goals beginning with sustainability disclosures for calendar year 2022.

## Scope 3 Emissions

Our current GHG reduction targets do not include scope 3 emissions.

For CONSOL, scope 3 emissions are primarily related to the “use of sold products” category. While we do not own or control the emissions sources associated with the end use of our coal, we estimate and disclose scope 3 emissions in our annual sustainability reports.

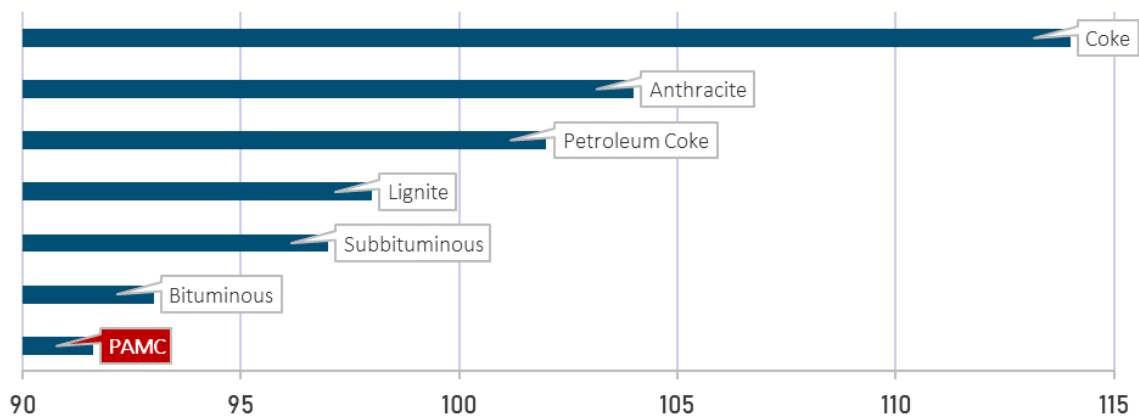
The methodology used to estimate scope 3 emissions does not specifically account for the quality of the coal produced at the Pennsylvania Mining Complex (PAMC), which is among the highest quality coal in the world – with a lower carbon intensity compared to other coal ranks, and properties that make it well-suited for use in non-thermal applications. For instance, the carbon intensity of our PAMC product is approximately 6 to 12% lower than that of sub-bituminous, lignite, and anthracite coals, which provides an associated benefit from a scope 3 emissions perspective.<sup>3</sup> For this reason, CONSOL’s Pennsylvania coal should be among the most desirable coal to be mined as the world strives to achieve specific air quality goals, while alleviating key social objectives such as poverty and providing a reliable and resilient source of energy around the world (*see figure below*).

Separately, CONSOL Energy’s technology initiatives and strategic partnerships focus on creating new opportunities throughout the coal value chain. These endeavors include investing in research of advanced technologies that have been acknowledged as critical under multiple climate scenarios, such as carbon capture, use and storage and BECCS (bioenergy carbon capture and storage) that are being evaluated under our U.S. Department of Energy sponsored 21<sup>st</sup> Century Power Plant project.

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<sup>3</sup> CONSOL Energy Inc. Management and EIA, Carbon Dioxide Emission Coefficients by Fuel [https://www.eia.gov/electricity/annual/html/epa\\_a\\_03.html](https://www.eia.gov/electricity/annual/html/epa_a_03.html)

Carbon Intensity: PAMC Compared to Other Coal Ranks  
(kg CO<sub>2</sub> per Million British Thermal Units)



Additionally, CONSOL is involved in multiple projects that leverage coal’s unique chemistry for use as a feedstock for marketable products and advanced materials, such as carbon foam and coal plastic composites. These products, if successfully commercialized into markets such as building and construction materials, have the potential to create new meaningful demand for U.S. coal (i.e., tens to hundreds of millions of tons per year), preserving mining jobs and creating manufacturing jobs.

These efforts are in the early stages of development, but if successful, could positively impact scope 3 emissions. We are excited about the potential associated with each of these initiatives, which continue to inform our growth and diversification strategies.

For more information regarding our technology initiatives and strategic partnerships, please refer to our [2020 Sustainability Report](#).

We believe that our sustainability, diversification, and technology initiatives have great potential for value creation, and create a pathway to sustain current coal jobs, ensure a secure and reliable electric grid of the future, and promote new manufacturing-type jobs while unlocking new social and environmental benefits from coal.

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## Cautionary Statement Regarding Forward-Looking Statements

Certain statements in this supplement are "forward-looking statements" within the meaning of the federal securities laws and speak only as of the date of this supplement. While these forward-looking statements reflect CEIX expectations at the date of this supplement, they are not guarantees or predictions of future performance or statements of fact. With the exception of historical matters, the matters discussed in this supplement are forward-looking statements (as defined in Section 21E of the Securities Exchange Act of 1934, as amended) that involve risks and uncertainties that are unknown and, therefore, could cause actual results, performance, or achievements to differ materially from results, goals and achievements projected in or implied by such forward-looking statements. Accordingly, investors should not place undue reliance on forward-looking statements as a prediction of actual results. The forward-looking statements may include projections and estimates concerning the timing and success of specific short term and long term emission reduction targets, the role of specific technologies in reducing carbon emissions, and CEIX's role in contributing to global social and environmental goals. When we use the words "anticipate," "believe," "could," "continue," "estimate," "expect," "intend," "may," "plan," "predict," "project," "should," "will," or their negatives, or other similar expressions, the statements which include those words are usually forward-looking statements. All statements other than statements of historical facts included in this supplement are forward-looking statements. When we describe strategy that involves risks or uncertainties, we are making forward-looking statements. Past performance cannot be relied on as a guide to future performance. We have based these forward-looking statements on our current expectations and assumptions about future events. While our management considers these expectations and assumptions to be reasonable, they are inherently subject to significant business, economic, competitive, regulatory and other risks, contingencies and uncertainties, most of which are difficult to predict and many of which are beyond our control. Specific risks, contingencies and uncertainties include but are not limited to changes in laws and regulations including international treaties and laws and regulations regarding greenhouse gas emissions and carbon costs actions, including changes with respect to tax policy, emissions credits, carbon offsets and carbon pricing; trade patterns and the development and enforcement of local, national and regional mandates; unforeseen technical or operational difficulties; the outcome of research efforts and future technology developments, including the ability to scale projects and technologies on a commercially competitive basis and our ability to take advantage of those innovations and developments; the effectiveness of our risk management strategies, including mitigating climate-related risks; our ability to identify and execute opportunities, and the economic viability of those opportunities, including those relating to methane destruction; the ability of our existing assets and expertise to support the growth of, and transition to, various energy opportunities, including through the positioning and optimization of our assets; our ability to efficiently reduce the carbon output (both on an absolute scale and relative intensity) of our operations (both Scope 1 and 2), including through the use of lower carbon power alternatives, management practices and system optimizations; the necessity to direct our focus on maintaining and enhancing our existing assets; the impacts of acquisitions or dispositions; changes in supply and demand and other market factors affecting future prices of coal; changes in the relative energy mix across activities and geographies; the actions of competitors; changes in regional and global economic growth rates and consumer preferences; the pace of regional and global recovery from the COVID-19 pandemic and actions taken by governments and consumers resulting from the pandemic; changes in population growth, economic development or migration patterns; and other factors discussed in this release and in Item 1A of CONSOL's Annual Report on Form 10-K for 2020 and subsequent Quarterly Reports on Forms 10-Q. The forward-looking statements in this supplement speak only as of the date of this supplement and CEIX disclaims any intention or obligation to update publicly or review any forward-looking statements, whether in response to new information, future events, or otherwise, except as required by applicable law.

In this statement, we refer to direct operating greenhouse gas emissions (referred to as scope 1 and scope 2 emissions). We note that this does not refer to our carbon emissions associated with the use of energy products we sell (referred to as scope 3 emissions). CEIX only controls its direct operating emissions. This statement is not intended to suggest that CEIX is addressing the emissions from use of its energy products in its net zero plan. Further, CEIX previously stated operating plans, outlooks, budget and pricing assumptions for the remainder of 2021 do not yet reflect our scope 1 and scope 2 emission targets. In the future, as we move toward our goal to reduce our direct operating greenhouse gas emissions, we expect these costs to be reflected in CEIX operating plans, outlook, budget and pricing assumptions.