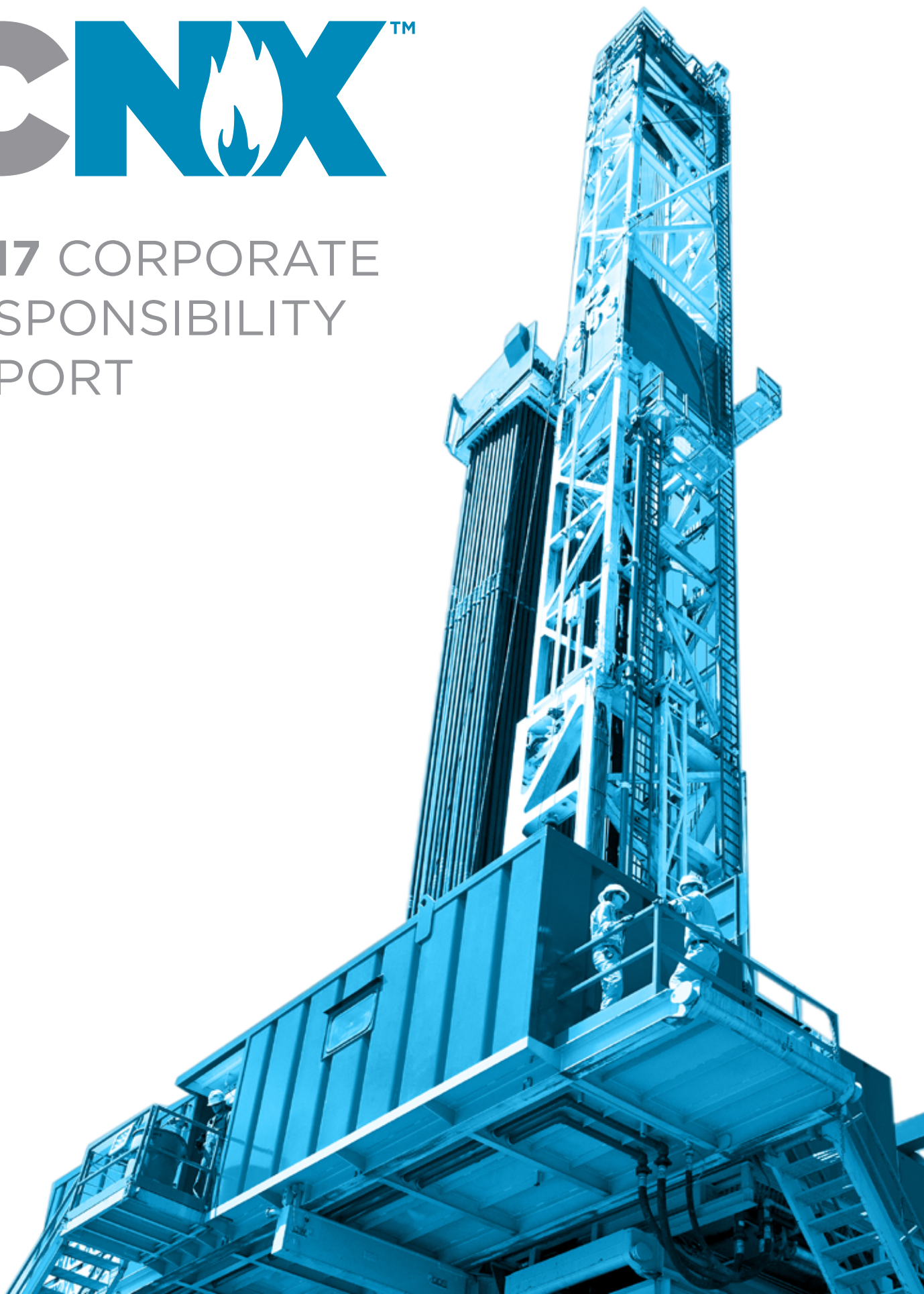




**2017** CORPORATE  
RESPONSIBILITY  
REPORT



## LETTER FROM THE CEO

Our company took on a new name and a new identity during 2017, but our 150-year legacy and our roots in the Appalachian Basin remain as strong and as deep as ever.

From our humble beginning in 1864, we have continually embraced change and transformed ourselves many times. Through the Mellon family's consolidation of the coal estate in Appalachia (later Consolidation Coal Company and CONSOL Energy) and John D. Rockefeller's consolidation of the natural gas estate in that same footprint (giving rise to Consolidated Natural Gas and later Dominion Resources), the corporate genealogy of today's CNX affords our company a unique legacy and asset base.

Those legendary roots in the Appalachian Basin also give us a unique perspective when it comes to corporate social responsibility. Generation after generation of our employees have called this region home and continue to do so today. The pride we take in our hometown extends to each one of our employees and manifests itself in the way we conduct our business and strive to be a responsible corporate citizen.

Our transformation into CNX during 2017 was the culmination of a strategy over a decade in the making. CNX is now a premier, pure-play natural gas exploration and production company possessing a start-up mentality, one of the largest acreage positions in the Marcellus and Utica shales, a low-cost structure, a solid balance sheet and a unique stacked pay opportunity set amassed over many generations.

Because of our legacy and profound commitment to the areas where we live and work, we believe our approach to corporate responsibility is a differentiator from our peers and a proxy for reducing risk across our business.

Managing our risk profile and "future-proofing" our business, thereby creating value for all stakeholders, are the foundational elements of our commitment to corporate responsibility. But the vital obligation of being a good corporate citizen also breathes life into our core values of responsibility, which encompass safety and environmental compliance, ownership and excellence. In short, not only does our commitment to responsible business practices create long-term value for our employees, our shareholders and our communities, but most importantly, it is the right thing to do and part of who we are at CNX.

The natural gas revolution occurring right here in the heart of Appalachia is reducing carbon emissions, enhancing air quality and improving lives in the U.S. and beyond. A lower-carbon future, underpinned by abundant, affordable natural gas, will continue to drive prosperity and energy security for the next generation. CNX is proud to be part of this very bright future for our region and our nation.

During 2017, we continued to execute and deliver on the company's strategic and operational goals, while navigating the separation of our gas and coal businesses. This report also highlights key accomplishments in terms of our commitment to responsible business practices including:

- Cycle time reductions that both maximize operational efficiency and minimize health and safety risk;
- Continuing to exceed industry averages in both employee and contractor safety incident rates;
- Reducing the number of environmental agency enforcement actions by over 35 percent.

Our efforts to enhance our operations, enrich our communities and drive value for all our stakeholders are a continuous focus across CNX, and we make progress each day. On behalf of CNX, thank you for the opportunity to share this report with you, and I encourage you to learn more about our exciting new company.



A handwritten signature in black ink, appearing to read "Nick Delulliis".

**Nick Delulliis**  
President and Chief  
Executive Officer

## ABOUT THE REPORT

This is the first annual Corporate Responsibility Report for CNX Resources Corporation. All information contained in this report is from calendar year 2017 unless otherwise noted. During the year, CNX completed key divestitures in support of the Company's strategic goals. Data related to divested operations have been excluded from this report. Where appropriate, CNX has included historical performance information and, going forward, the Company will compare its performance year-to-year.

CNX's objective is to help its stakeholders—shareholders, employees, neighbors in its communities, regulators and customers—better understand CNX's corporate responsibility objectives, goals and achievements. Throughout this report, unless otherwise noted, "CNX" or the "Company" refers to the following operational areas.

### **Exploration & Production (E&P) Operations:**

Extracts natural gas from shale, shallow oil and gas and coalbed methane wells, along with transportation and processing operations.

CNX's E&P activities included a joint venture with Hess Corporation to explore and develop the Utica Shale in Ohio, with CNX's share at 50 percent. This area also included management of land-related matters for CNX's E&P Operations including land acquisitions for subsurface oil and gas rights as well as for operational surface rights.

### **CNX Midstream Partners LP:**

(NYSE: CNXM) Owns, operates and develops natural gas gathering systems in the Marcellus and Utica Shale in Pennsylvania and West Virginia.

### **CONVEY Water Systems:**

In support of the Company's E&P operations, CONVEY continues to focus on handling every aspect of water, from sourcing to disposal with accurate tracking to the gallon level.

### **Process for Defining Report Content**

This report has been prepared in accordance, with the Global Reporting Initiative (GRI) G4 Sustainability Reporting Guidelines.

Topics covered in this report are those that the Company believes are most pertinent to the business. In choosing the content of this report, CNX considered short-term and long-term strategies as well as the following criteria:

- Concerns and topical issues brought to CNX's attention through stakeholder dialogue;
- Topics included in surveys sent to the Company by sustainability indexes and rating agencies for the assessment of CNX's sustainability performance;
- Public information gathered from institutions, governments, nongovernment organizations (NGOs) and associations at both national and local levels; and
- Benchmark analysis and monitoring of the oil and gas sector.

ECONOMIC	ENVIRONMENTAL	LABOR PRACTICES & DECENT WORK
Economic Performance	Compliance	Occupational Health and Safety
Reserves	Emissions	Training and Education
	Water	

In addition to the above listed material aspects, CNX has included other GRI aspects and related information in this report where appropriate.

This report was prepared by CNX representatives, and it has been reviewed and approved by CNX’s Health, Safety and Environmental (HSE) Committee of the Board of Directors. External assurance on any portion of this report was not conducted this year.

CNX’s Internal Audit (IA) Department reviewed the 2017 Safety and Environmental Statistics reported in the Corporate Responsibility Report. For Safety, IA reviewed the Employee Total Recordable Incident Rate and the Contractor Total Recordable Incident Rate. For Environmental Management, IA reviewed the Notices of Violation, Spill Quantities and Penalty Payments. No material variances were noted.



## ABOUT CNX

CNX Resources Corporation (NYSE: CNX) is one of the largest independent natural gas exploration, development and production companies in the United States, with operations centered in the major shale formations of the Appalachian Basin. With the benefit of a more than 150-year legacy and a substantial asset base amassed over many generations, the Company deploys an organic growth strategy focused on responsibly developing its resources in order to create long-term value for its shareholders, employees and the communities where it operates. The Company is a member of the Standard & Poor's Midcap 400 Index.

CNX's land holdings are in the Marcellus Shale where the Company operates, develops and explores for natural gas primarily in Appalachia (Pennsylvania, West Virginia, Ohio and Virginia). CNX is focused on the continued development of its Marcellus Shale acreage and delineation and development of its unique Utica Shale acreage and stacked pay opportunity set. The Company's concentrated operating area, legacy surface acreage position, regional operating expertise, extensive data set from development, non-operated participation wells and held-by-production acreage position, provide it with a unique perspective and significant operating advantage.

Utica Shale plays cover large areas, provide multi-year drilling opportunities and collectively have sustainable lower risk growth profiles. The Company currently controls approximately 531,000 net acres in the Marcellus Shale and approximately 652,000 net acres in the Utica Shale. Additionally, it holds approximately 2.2 million coalbed methane net acres.



## MISSION AND VALUES

CNX's corporate mission is to empower its team to embrace and drive innovative change that creates long-term per-share value for the Company's investors, enhances its communities and delivers energy solutions for today and tomorrow.

CNX's corporate values serve as the compass for the Company's road map and guide every aspect of the business as CNX strives to achieve its corporate mission:

- Responsibility: Be a safe and compliant operator; be a trusted community partner and respected corporate citizen; act with pride and integrity;
- Ownership: Be accountable for the Company's actions and learn from outcomes, both positive and negative; be calculated risk-takers and seek creative ways to solve problems;
- Excellence: Be prudent capital allocators; be a lean, efficient, nimble organization; be a disciplined, reliable, performance-driven company.

Safety and Compliance are engrained in each of CNX's core values. Every employee has a responsibility to uphold the Company's commitment to excellence when it comes to safety and environmental stewardship. Each is empowered to stop work if there is a situation in which personnel or the environment is at risk. Individual employees are supported by a corporate Health, Safety and Environmental (HSE) department and a Safety and Environmental Management System which provide guidance, training and other support to ensure safe, compliant and responsible development of natural gas resources.

CNX is dedicated to providing a safe working environment to its employees and service partners, and to maintaining a safe environment in the communities where it operates. CNX continuously evaluates its risk profile and the management system cycle to ensure protections are effective and adequate. This, paired with evaluation of key performance (leading) indicators, increases the Company's focus to proactively prevent incidents and impacts. CNX's Management System, aligned with ISO 14001 and OHSAS 18001, consists of specific elements related to roles and responsibilities, planning, risk assessment, management of change, root cause failure analysis and audit. It provides a systematic approach to eliminate incidents, identify risks and ensure compliance, thereby reducing overall non-compliance and worker compensation costs, while adding to improved efficiencies and higher productivity.

# CORPORATE GOVERNANCE

## **Strong Commitment to Corporate Governance**

CNX Resources Corporation's Board of Directors and management team believe that good corporate governance goes hand-in-hand with strong financial performance. Plus, the Company firmly believes that sound principles of corporate governance are essential in making good decisions on behalf of CNX's shareholders, employees and other stakeholders.

CNX's Board of Directors regularly reviews the Company's governance policies to ensure that CNX is in compliance with applicable laws and regulations as well as best practices. On the Corporate Governance section of the CNX website, you can find CNX's corporate governance documents, including its Bylaws, Corporate Governance Guidelines, Code of Director Business Conduct and Ethics, Code of Employee Business Conduct and Ethics, Charters for each of the Board Committees, Internal Auditing Charter, and Related Party Compliance Reporting Policy and Procedure.

Please also see the CNX Annual Report on Form 10-K for the fiscal year ended December 31, 2017, and Proxy Statement for the 2018 Annual Meeting for further information.

## **Codes of Conduct and Avoiding Conflicts of Interest**

It has always been the intent of CNX to maintain high ethical and legal standards in conducting business and, to this end, CNX has developed codes of ethical conduct that apply to the Company's directors and employees.

The essence of the CNX codes of conduct is that the Company's directors and employees will conduct business with integrity, in compliance with applicable laws and in a manner that excludes considerations of personal advantage. Each of the codes of conduct address topics relating to encouraging ethical behavior, including avoiding conflicts of interest,

placing restrictions upon the receipt of gifts and the making of payments, protecting CNX's assets and complying with laws. Each year, the Board assesses the adequacy of its codes and approves additions or revisions as necessary to keep the codes current with applicable laws and high standards of business ethics.

## **Oversight of Economic, Environmental and Social Performance**

The CNX Board Committees are tasked with oversight responsibilities ranging from economic and financial matters related to its business impact on the environment and the communities in which the Company's employees live and work. The Board and each Board Committee receive information and training from CNX's senior management team to further develop and enhance the Board's collective knowledge of economic, environmental and social topics. The Board and certain Board Committees have the authority to delegate to senior executives and other employees, including disciplines related to economic, environmental and social topics relevant to CNX, to the extent permitted by law and CNX's corporate governance documents.

## **The Board's Role in Risk Management**

The management team is responsible for the management and assessment of risk at CNX and communicating those risks to the Company's Board. Through quarterly presentations to the Board and the appropriate Committees (as determined by the subject matter of the particular risk), management identifies and discusses material risks affecting the Company's business, including reviewing economic, environmental and social matters. In 2017, CNX's management team performed a comprehensive evaluation of all material risks facing the Company and communicated those results to the full Board.



Under CNX's Corporate Governance Guidelines, the Board is charged with assessing major risks facing the Company and reviewing options for their mitigation with the assistance of the various committees. Even when a risk has been delegated to a particular Committee, the Board as a whole continues to monitor such risk through its receipt and review of reports by the respective Committees at each regularly scheduled Board meeting. To assist in the identification and management of risk, the Board and senior management regularly consult with shareholders and other stakeholders to identify issues.

The Audit Committee assists the Board in its general oversight of CNX's policies, guidelines and related practices regarding risk assessment and risk management, including the risk of fraud. As part of this endeavor, the Audit Committee reviews and assesses the Company's major financial, legal and similar risk exposures and the steps that management has taken to monitor and control such exposures. The Audit Committee also reviews and assesses the quality and integrity of CNX's public reporting, the Company's compliance with legal and regulatory requirements, the performance and independence of the Company's independent auditors, the performance of the internal audit department, the effectiveness of CNX's disclosure controls and procedures, and the adequacy and effectiveness of the Company's risk management policies and related practices.

The HSE Committee addresses various risks associated with health, safety and environmental matters. This Committee reviews: any material compliance issues with health, safety and environmental laws; any material pending or threatened administrative, regulatory or judicial proceedings regarding health, safety or environmental matters; and management's response to the foregoing matters.

CNX's Nominating and Corporate Governance Committee addresses risks associated with its management structure by reviewing the qualifications and backgrounds of the CNX directors on an annual basis to ensure that its Board is comprised of individuals who are capable of providing appropriate oversight to the executive management team.

Finally, CNX's Compensation Committee reviews and comments on the Company's succession planning and assesses whether or not compensation policies and practices incentivize excessive risk-taking.

#### **Communications with the Board of Directors**

To communicate critical concerns, including those relating to economic, environmental and social topics to the Board, interested persons may do so by writing to the Board at the attention of the Corporate Secretary at CNX Resources Corporation, CNX Center, 1000 CONSOL Energy Drive, Canonsburg, PA 15317, or by sending an e-mail to [directors@cnx.com](mailto:directors@cnx.com). The Corporate Secretary will relay all such communications to the Board in its entirety or to individual directors (as appropriate) at the next regularly scheduled Board meeting (or earlier if necessary), except for spam, junk mail, mass mailings, solicitations, resumes, job inquiries or other matters unrelated to CNX. Communications that are intended specifically for the Chairman or the independent directors are to be sent to the street address or e-mail address noted above, to the attention of the Chairman or the independent directors, as intended.

# HEALTH, SAFETY & ENVIRONMENTAL

## Protecting Each Other and the Environment

CNX employs a team of diverse Health, Safety and Environmental (HSE) professionals with more than 250 years of combined energy industry experience. This team is responsible for supporting each of the Company's operational phases through policy development, operations reviews, emergency response preparedness, HSE reporting obligations, sustainability initiatives and providing specialized industry or job specific training to both employees and service providers. CNX's HSE Department adds organizational value by reducing company risk of workplace injuries and regulatory enforcement, while quantifying and minimizing the environmental footprint of CNX's activities. In support of these important initiatives, CNX has outlined several examples of completed and ongoing steps that support the HSE team's mission in this section.

## Vendor Management

Throughout 2017, CNX began participating in and co-chairing an Appalachian Basin Working Group designed to help operators in the region compare industry policies, practices and service partners. This collaboration will help ensure the utilization of best practices not just at CNX, but across Appalachia.

CNX utilizes ISNetworld, a third-party validation service, to confirm service partners' compliance with minimum standards required to perform work. Late in 2017, CNX began utilizing ISN identification cards to replace hazard training stickers. The cards will allow for real-time electronic tracking for required field training and certifications, adding to overall management efficiencies.

## Implementation of the Leak Detection and Repair Program

As local, state and federal regulations continue to evolve, CNX strives to reduce emissions and implement best management practices to maintain a high level of performance and compliance with these regulations. As part of this effort, CNX has developed and implemented a leak detection and repair (LDAR) monitoring program to identify and repair leaking components at both well pad and midstream facilities, minimizing fugitive emissions. Utilizing a Forward Looking InfraRed (FLIR) camera, CNX has conducted, and will continue to conduct routine surveys of components in compliance with both federal 40 CFR part 60 subpart OOOO and OOOOa regulations, as well as state specific permit conditions.

As part of the survey, CNX has developed site-specific walking paths to ensure adequate coverage of qualifying components at each facility. If a leak was identified during a survey, a first attempt to repair the leaking component was made immediately. If the leak could not be repaired, it was tagged and dated to ensure the repair was made per regulatory requirements. Once repairs were made, they were verified utilizing the FLIR camera and documented. To ensure FLIR surveys were conducted and the repair of leaking components were identified and completed within regulatory mandated timeframes, CNX created an electronic compliance calendar which alerted operations when surveys were due and also tracked repairs and repair verification deadlines. This ensured full compliance with federal and state survey and reporting requirements.

### EMIS System Refinement

CNX continued to implement improvement and development efforts to the Company's environmental management information system (EMIS) in 2017 through the creation of a Compliance Calendar. This tool better enabled the HSE and Operations teams to organize and anticipate upcoming compliance obligations, ensuring they were met on time. Further, the team worked to develop an HSE Incident App, enhancing equipment inventories to more efficiently and effectively quantify air quality emissions impact and create internal portal panels that helped organize and visualize important HSE metrics.

### Emergency Response

There is no sponsor more important in the preparation and execution stages of community awareness than emergency responders. CNX continued to involve local emergency response personnel in its operations to promote awareness and improve emergency response management systems. Emergency responders are better equipped to protect their communities and minimize the impact of an incident when they are more familiar with CNX's operations and response protocols.

Communication played a critical role in preserving a strong relationship with the emergency response community. To better support this affiliation, members of the HSE team facilitated responder well site awareness and pipeline safety presentations. The team also conducted field tours to familiarize emergency responders with active location materials, tools and equipment layout. Emergency responders also participated in annual emergency preparedness exercises. The purpose of those drills was to evaluate emergency plans, identify resource requirements, increase coordination and improve the overall performance of personnel involved in the response.



### Safety on the Roads

CNX prides itself on being an engaged member of the community, and the roadways are no exception. Collectively, millions of miles are driven each year by employees and service partners on state, county and township roads. CNX deploys signage for each location to declare the approved travel route. In 2017, CNX spent \$1.75 million in roadway construction, repair and development.

CNX recognizes that commuting is one of the higher risk tasks performed each day. The Company has a long-standing policy in place to declare blackout periods during school bus transportation hours. CNX works closely with state and local governments, school districts and emergency responders to ensure the Company's intentions are communicated clearly. Furthermore, all CNX employees driving a company vehicle are required to complete a driver's awareness course every two years.

### HSE Looking Forward

The commitment to excellence in all aspects of HSE's performance remains a vital priority. CNX is committed to improving safety and environmental performance through partnerships with its service provider community. CNX continues to develop internal organizational changes and incorporate policy improvements into the management system. CNX also develops a streamlined HSE field handbook to further support the Company's expectation for excellence. CNX is using the Company's HSE data and KPIs to drive training and focus topics aimed at incident prevention. In order to do this, CNX continues to invest in systems and processes that ensure the most stringent quality assurance/quality control of its decision-driving data. Additionally, CNX remains committed to innovation and identification of opportunities and/or processes that reduce overall employee exposure, reduce environmental exposure/risk, while decreasing CNX's overall environmental footprint.

# EXPLORATION & PRODUCTION

## 2017 Performance

In 2017, CNX produced 407.2 Bcfe of natural gas, a three percent increase in production compared to 2016. The base decline of 32 percent was offset with development mainly focused in the Utica of Monroe County, Ohio and Marcellus fields in Greene County, Pennsylvania. Capital efficiency performance was maintained from 2016 to 2017 at 2.78 Mcfe/\$. Reduced capital structure and improved well quality offset increased in service inflation cost during 2017. While capital efficiency remained constant, CNX increased its well Rate of Return (ROR) from 52 percent in 2016 to an average of 57 percent Before Tax Internal Rate of Return (BTAXIRR) in 2017. CNX achieved superior results in 2017 as compared to legacy wells in the Utica and Marcellus focus area. A 38 percent increase in the Monroe County, Ohio Utica Estimated Ultimate Recovery (EUR) and a 77 percent increase in the Greene County, Pennsylvania Marcellus was achieved during 2017. This performance increase was driven by the enhanced stimulated reservoir design including minimum and maximum stress optimization, proppant loading and subsurface cluster diversion technology. Capital reductions ranging from 49 to 77 percent compared to legacy development in these fields delivered the increase in well ROR. Deep Utica performance continued to improve throughout 2017; the Aikens 5M and 5J wells located in Westmoreland County, Pennsylvania were drilled and completed successfully with total capital of \$15 million per well and EUR's forecasted between 3.5 to 3.7 Bcfe/1000 feet. This performance will achieve a 50 percent BTAXIRR and yield lucrative future opportunities. Overall, lease operating expenses were held flat year-over-year, therefore achieving a 38 percent decrease in unit cost driven by production growth.

CNX continually evaluates the Company's undeveloped acreage. In 2017, CNX obtained data that allowed it to assess 220,541 Utica acres located primarily in Southwestern Pennsylvania and Central Pennsylvania. Building on the knowledge CNX gained on these newly assessed acres, the Company was able to move 165,662 acres from Non-core to Core (60,266 Marcellus and 105,396 Utica).

## Stacked Pay Development

In late November 2017, CNX turned-in-line the Aiken's 5J and 5M dry Utica wells located in Westmoreland County, Pennsylvania, which had an average lateral length of 7,500 feet. Similar to the Gaut 4IH dry Utica well, which is offset to the Aikens wells, the Company has been utilizing managed pressure drawdown. Each well averaged approximately 25 MMcf per day for a period of 35 days under restricted choke, with an average flowing casing pressure of 8,830 psi. Cumulative production for both wells combined is 1.74 Bcf over the same period. The company believes that the pressure data provides a positive indication for production volumes and EUR. Total costs for the Aikens wells averaged \$15 million each, which is a reduction of \$13.7 million, or 48 percent, compared to the CNX's initial Gaut 4IH well. Based on these capital costs, strip pricing and assuming the same 3.5 Bcfe per 1,000 feet of lateral EUR of the Gaut 4IH, the Company expects average after-tax rates of return from the Aikens wells of approximately 50 percent.

***“Given the continuation of extraordinary results of these dry Utica wells, at substantially lower capital costs compared to our initial well, we have successfully proven the commercial viability of developing the deep dry Utica Shale in Pennsylvania,” stated Timothy C. Dugan, CNX Chief Operating Officer. “The future of dry Utica development is on the immediate horizon, and CNX will significantly benefit from stacked pay opportunities through leveraging existing pads, gathering and water infrastructure and takeaway capacity. Also, stacked pays will give us the flexibility to toggle between accelerating and decelerating activity based on varying market conditions. Our dry Utica and stacked pay opportunity set cannot be replicated and it gives CNX a tremendous competitive advantage.”***

The economics of stacked pay is inherently more attractive because of the shared costs for pad and production equipment. However, stacked pay, where the Marcellus Shale play lays over the Utica Shale play, is expected to deliver CNX even better returns as a result of the dry Utica blending down the damp Marcellus and reducing or eliminating the processing costs associated with wet production. Finally, stacked pay development limits earth disturbance that would otherwise be necessary for additional pads, minimizing environmental impact. Stacked pays mean more gas, more economically and lower capital intensity with a smaller and smaller environmental footprint. This translates to a higher Internal Rate of Return (IRR) and a greater Net Asset Value (NAV)/share impact with a direct correlation to HSE performance. In short, stacked pay development is the next significant step to adding more efficiencies. This campaign is expected to commence in 2018 in CNX’s Richhill and Majorsville fields in Southwestern Pennsylvania.



### Total Freshwater Withdrawal by Source for E&P Operations (Thousands of Gallons)

Source	2012	2013	2014	2015	2016	2017
Surface Water	197,664	343,095	900,137	162,668	163,655	615,433
Groundwater	0	46,422	21,615	8,872	0	0
Municipal Water	60,992	39,647	59,438	120,642	53,111	49,660
Total Water Withdrawn	258,656	429,163	981,190	292,182	216,716	665,093
Water Reused by CNX	39,056	79,179	171,732	136,026	138,742	134,101
Water Reused by Third Party	0	0	0	2,343	21,992	58,552
Total Water Reused as a percentage of Total Water Withdrawn	15.1%	18.5%	17.5%	47.4%	74%*	29%

\*2016 Total Water Reused as a Percentage of Water Withdrawn has been updated to include CNX and third-party reuse.

### Operational Water Reuse and Disposal (Thousands of Gallons)

Region	Well Type or Play	Volume	Method
Virginia**	Coalbed Methane (CBM)	0 68,978	Reuse Disposal
Central PA ***	CBM / Conventional	0 772	Reuse Disposal
Southwestern PA**	CBM / Conventional	17,226 1,834	Reuse Disposal
West Virginia**	CBM / Conventional	69 434	Reuse Disposal
Central PA	Marcellus Shale / Unconventional	6,561 5,115	Reuse Disposal
Central PA**	Utica Shale / Unconventional	782 326	Reuse Disposal
Southwestern PA**	Marcellus Shale / Unconventional	59,293 16,445	Reuse Disposal
Southwestern PA**	Utica Shale / Unconventional	340 22	Reuse Disposal
West Virginia	Marcellus Shale / Unconventional	12,129 9,473	Reuse Disposal
Ohio**	Marcellus Shale / Unconventional	210 973	Reuse Disposal
Ohio**	Utica Shale / Unconventional	28,578 28,411	Reuse Disposal

\*\*Disposal via Permitted UIC Injection

\*\*\*Disposal via Permitted UIC Injection or Permitted Treatment and Discharge

### Water Reuse

CNX completions activity in 2017 demonstrated significant growth in comparison to the 2015 and 2016 operational schedules. The Company essentially had enough produced fluid within its own systems/control to run the completions program (hence the 47.4 percent and 74 percent reuse

ratios vs. withdrawn volumes). In 2017, CNX activity level increased such that the Company used the produced fluid reserves in its core activity areas. This is especially true in Southwestern Pennsylvania Marcellus and Coalbed Methane (CBM) development, where the reuse to disposal percentages were 74 percent and 90 percent, respectively.

Surface water withdrawals and municipal source availability allowed CNX to bring freshwater into the system to keep pace with its development plans. Remote and exploratory fields in West Virginia and Ohio reused water to the extent practicable, with excess volumes being sent to nearby disposal locations. This approach removed excess hauling traffic from local highways and minimized secondary fuel consumption, while ensuring water logistics needs were met.

### **Air Quality**

Sustainable production continues to be an emphasis for CNX, and CNX's HSE and Operations teams continue to emphasize emission reductions as part of its growth strategy. CNX remains committed to consistently enhancing production while managing emissions intensity and impacts attributed to climate change and regional air pollution. CNX remains steadfast in its multi-tiered strategy to manage air quality considerations through continually tracking regulatory requirements and updates, participating in expert workgroups, refining its understanding of the Company's footprint, improving performance despite production growth, while implementing targeted and successful reduction strategies.

The Company has been actively engaged in air quality rulemaking efforts and submitted detailed comments related to the impact of Pennsylvania's general permitting processes. To help guide developing compliance requirements, CNX participates in technical working groups and peer membership committees aimed at collaborative strategies. CNX's voluntary reduction efforts are exemplified through its environmental partnerships and supplemental disclosures, such as Center for Responsible Shale Development (CRSD) and CDP (Carbon Disclosure Project).

In 2017, CNX's EMIS was successfully transformed to better accommodate air quality emissions equipment inventories. The reconfiguration was the catalyst to improved reporting accuracy and efficiency, with CNX submitting its annual Greenhouse Gas (GHG) report to the United States Environmental Protection Agency (USEPA) with a comfortable and timely compliance margin. CNX's AirQuality team has identified opportunities to further enhance the system through automated data collection, Supervisory Control and Data Acquisition (SCADA) system integration, and more detailed

equipment inventories than ever before. Further, the system features a Compliance Calendar tool that allows the team to better anticipate upcoming air quality compliance testing and review needs. This maximizes departmental efficiencies and ensures mobilization costs to locations are minimized (further reducing indirect fuel consumption).

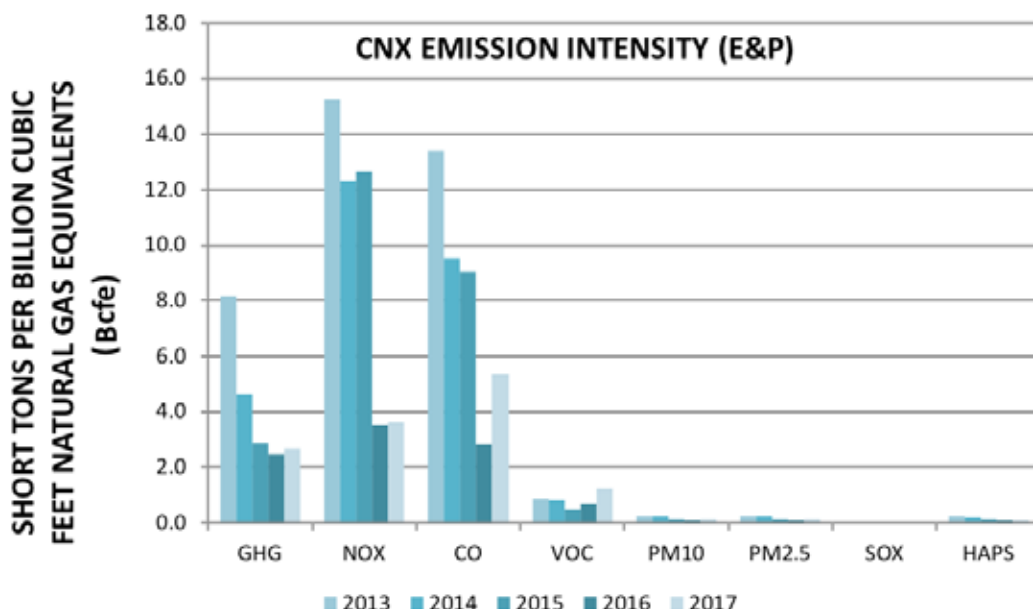
As a member of the Center for Responsible Shale Development (CRSD), and in the spirit of continuous improvement, CNX has voluntarily adopted operational emissions reduction strategies that go above and beyond current regulatory requirements. These standard practices include, but are not limited to:

- The exclusive use of green completions, in which gas produced during flowback operations is captured, rather than being vented to the atmosphere;
- Flaring gas at 98 percent efficiency only in cases of low flammability content or if necessary due to site safety concerns;
- Use of ultra-low sulfur diesel fuel for all non-road equipment during operations;
- Requiring 95 percent of contractor drilling rig engines and 75 percent of contractor diesel fracturing pump engines to achieve compliance with (U.S. EPA) Tier 4 Emissions Standards for particulate matter;
- Requiring 80 percent of contractor heavy duty engines used to power fracturing pumps and 95 percent of freshwater transport trucks to comply with (U.S. EPA) Final Particulate Matter Emission Standards for 2007 and Later Model Year Heavy-Duty Vehicles and Engines;
- Stack testing all dedicated unconventional compressor engines greater than 100 HP to ensure maintenance of specifications for VOC, CO and NOx emission levels;
- Installing emissions controls on every tank or storage vessel located at an unconventional well pad with potential VOC emissions in excess of six tons per year;
- Utilizing only low bleed pneumatic controllers serving unconventional pads, with a natural gas bleed rate of less than 6 scf/hr;
- Implementing a Directed Inspection and Maintenance (DI&M) program in order to identify and repair equipment leaks;
- Inspections are conducted using a Forward Looking Infrared (FLIR) camera.

**Emissions Performance**

In 2017, CNX's strategies yielded positive results in operational activity growth that far outpaced emissions increases. Activity levels increased in 2017 for drilling and completions by approximately 70 percent. This was the primary driver of CNX's 33 percent increase in total criteria and direct GHG emissions compared to

2016. The Company's increased activities included drilling 21 more wells and completing 49 more wells than in 2016. CNX further reported indirect emissions increases of only five percent (CNX + CNXM). These improvements are attributable to further consolidation of field office locations and vehicle fleet reductions.



GHG EMISSIONS (EMISSIONS (thousands metric tons CO2 (eq))	
Total Direct GHG Emissions (Scope 1)	2209.03
Total Indirect GHG Emissions (Scope 2)	571.70
Total Other Indirect GHG Emissions (Scope 3)	21362.88
Total GHG Emissions	2780.72
Total Direct GHG Emissions (metric tons CO2 eq./\$100,000 E&P Revenue)	162.54

CRITERIA POLLUTANTS (short tons)	
Carbon Monoxide	2183.43
Nitrogen Oxides	1465.82
Volatile Organic Compounds	503.30
PM10	48.86
PM2.5	47.79
SO2	1.89



## HSE Performance

In 2017, CNX's safety and environmental performance continued to be a primary focus. Even with increased activity, CNX reduced the volume of spilled fluids by 66 percent, thus reducing violations from 41 to 26. The Company invested additional time and resources to develop standards regarding site containment and containment protection. A recycled coal mine conveyor belt was utilized to protect the containment under heavy equipment on site.

CNX employees completed another year with zero Occupational Safety and Health Administration (OSHA) reportable\* safety incidents. CNX did sustain its first recordable\* OSHA incident in 554 consecutive days. In 2017, CNX and service partners remained ahead of industry peers regarding Total Recordable Incident Rate (TRIR).

\*Recordable and reportable incidents as defined in OSHA 29 CFR 1904.

## Looking Forward

In 2018, CNX is planning to add a fourth rig that will aid in the turn-in-line (TIL) of 71 wells and an expected production growth of 29 percent. A focus on data-driven decision making, automation and a tighter integration of each operational segment will further advance operational efficiency and drive the Company's goal of maximizing earnings before interest, taxes, depreciation and amortization (EBITDA).



## CNX MIDSTREAM PARTNERS LP

- Moved 1,266 BBtu/day through pipelines and compressor stations;
- Realized net income of \$115 million;
- Reduced criteria air pollutants 46-78 percent, respectively;
- Improved environmental performance by 69 percent.

CNX Midstream (CNXM) is a master limited partnership formed in May 2014 as a 50-50 joint venture between CNX and Noble Energy, Inc. (NYSE: NBL) (“Noble Energy” and together with CNX, the “Sponsors”). On January 3, 2018, CNX acquired from Noble Energy its 50 percent interest in CNXM. This acquisition gave CNX control of CNXM. CNXM was formed primarily to own, operate, develop and acquire natural gas gathering and other midstream energy assets to service CNX’s and Noble Energy’s production in the Marcellus Shale in Pennsylvania and West Virginia. CNXM’s assets include natural gas gathering pipelines and compression and dehydration facilities, as well as condensate gathering, collection, separation and stabilization facilities. As of December 31, 2017, the existing dedicated acreage to CNXM covered approximately 515,000 aggregate net acres, which is subject to the release provisions set forth in the gas gathering agreements with each of the Sponsors. In 2017, CNXM installed over seven miles of new gas gathering pipelines and secured 100 percent ownership of CNXM’s Anchor System assets.

A summary of the structure of CNXM, its relationship with CNX and the acreage dedicated to the partnership and related gas gathering agreements is available in CNXM’s 2017 Annual Report on Form 10-K (pp. 5-13).

### Gathering Assets

As of December 31, 2017, CNXM’s gathering assets comprised a network of 260 miles of gathering pipelines with an average daily throughput of approximately 1,266 BBtu/d. In addition, CNX operated two condensate handling facilities in Majorsville, Pennsylvania (anchor systems) and Moundsville, West Virginia (additional systems) that provided condensate gathering, collection, separation and stabilization services. Each facility has nominal handling capacities of 2,500 Bbl/d.

The following table provides information regarding gathering assets as of, and with respect to, average daily throughput, for the year ended December 31, 2017:

System	CNX Ownership Interest	Gas Type	Pipelines (miles)	Average Daily Throughput (BBtu/d)	Maximum Interconnect Capacity <sup>1,2</sup> (BBtu/d)	Compression (horsepower)
Anchor	100	Dry/Wet	177	972	1,429	77,830
Growth	5	Dry/Wet	31	51	860	6,700
Additional	5	Dry/Wet	52	243	445	9,480

<sup>1</sup> Maximum interconnect capacity is the maximum throughput that can be delivered from the system through physical interconnections to third-party facilities or pipelines.

<sup>2</sup> CNX’s midstream systems currently have interconnects with the following interstate pipelines: Columbia Gas Transmission, Texas Eastern Transmission and Dominion Transmission, Inc.

### Operational Highlights

The partnership saw continued growth in its financial performance during the year ended December 31, 2017. Compared to the year ended December 31, 2016, results attributable to the general and limited partner ownership interests in the partnership were as follows:

- Net income of \$115 million as compared to \$96.5 million;
- Average daily throughput volumes of 1,266 Btu per day (BBtu/d) (or 986 BBtu/d net to the partnership) as compared to the 1,354 BBtu/d (or 869 BBtu/d net to the partnership);
- Adjusted EBITDA of \$136.1 million as compared to \$110.5 million;
- Net cash flows provided by operating activities of \$155.6 million as compared to \$160.1 million;
- Distributable cash flow of \$117 million as compared to \$96.2 million.

In addition, current year operating cash flows exceeded the sum of capital expenditures (\$48.4 million), distributions to unitholders (\$77.1 million) and interest paid not including the amortization of the revolver fees (\$4.3 million) during the year ended December 31, 2017. Amounts outstanding under the partnership's revolving credit facility decreased by \$17.5 million during the year ended December 31, 2017.



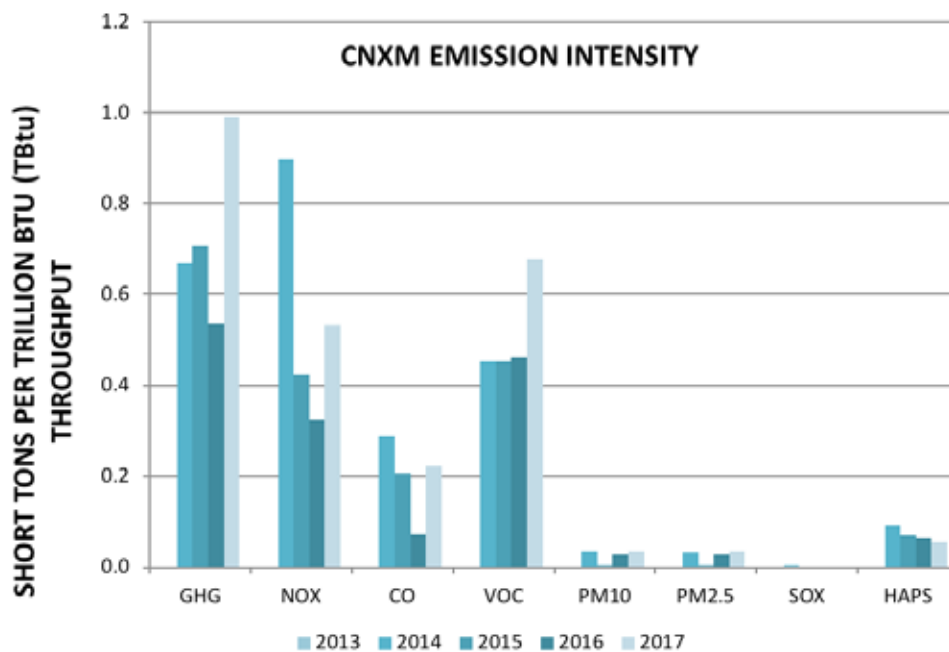


**HSE Emphasis**

CNXM mirrors CNX’s commitment to the core values of responsibility, ownership and excellence. Furthermore, CNXM is aligned with CNX regarding strategic air emissions reduction efforts.

In these initiatives, CNXM participates alongside CNX in the Center for Responsible Shale Development (CRSD) operator certification process. Although CNXM is not a CRSD member, its midstream facilities conform to the standards and principles set forth by CRSD. As such, emissions controls are not only forefront in facility design, but they are consistent with CNXM’s compression optimization strategies.

This approach was exemplified in 2017 with the addition of new dehydration and compression capacity with state of the art emission control systems, which were deployed with the continuous use of best management practices operationally to achieve the highest levels of emission reductions possible. As a result, similar to CNX, the gathering field realized only modest net increases of criteria and direct GHG emissions of 35 percent (CNXM) and 44 percent (CNXM + CNX) respectively, compared to significantly greater increases in throughput. These increases resulted from the Company’s continued gathering capacity buildout and has materialized into modest increases in CNXM’s overall emissions intensity in 2017 compared to 2016.



2017 CRITERIA POLLUTANTS - CNXM (short tons)	
Carbon Monoxide (CO)	102.78
Nitrogen Oxides (NOx)	246.44
Volatile Organic Compounds (VOC)	313.25
Particulate Matter less 10 Microns (PM10)	15.62
Particulate Matter less 10 Microns (PM2.5)	15.61
Sulfur Oxides (SO2)	1.38

## CONVEY WATER SYSTEMS

### CONVEY TRANSPORTED 39 MILLION BARRELS OF WATER SAFELY AND COMPLIANTLY

CNX recognizes the inherent value of water and continues to focus on the responsible use and protection of this valuable natural resource for the benefit of the communities where the Company operates. In 2017, CONVEY Water Systems strengthened its commitment to provide water-related services in a safe and environmentally responsible manner. As part of this effort, CNX continues to evaluate emerging treatment technologies and champion the reuse of produced fluids among like-minded operators in the Marcellus and Utica basin. These activities support CNX's strategic vision of water asset management, where the innovative use of existing water assets not only maintains the highest standards of environmental protection, but also creates value for the Company.

CNX's water assets provide the Company with significant operational benefits as well as business opportunities. For the fifth consecutive year, CONVEY increased water use and sharing agreements with third-party consumers. This has the benefit of reducing the footprint of shale gas-related water infrastructure and the need to utilize valuable fresh water. CNX continued to pursue water treatment and reuse technologies including the potential for beneficial use of byproducts resulting from water treatment, all of which can positively impact water asset management and financial performance.

In support of CNX's E&P operations, CONVEY continues to focus on handling every aspect of water from sourcing to disposal with accurate tracking to the gallon level. Understanding the true all-in cost of the life cycle of water drives operational efficiencies. From an operational perspective, CNX continues to focus on three key areas of water resource management: minimizing impacts to local water resources, maximizing recycling/reuse of process waters and increasing its footprint in third-party sales that encompass the full life cycle of water.

In 2017, CONVEY handled 39 million barrels of water. Although freshwater delivery may have been lower than normal, there was an increased need to handle flowback and production water in the most economically and environmentally responsible manner possible.



### **Barnesville UIC**

CONVEY's Barnesville, Ohio, Underground Injection Control (UIC) well played an integral role in minimizing additional costs associated with disposal in 2017. The facility has benefited from the acid frac performed in 2016 and chemical/filtration system optimization. The result is a 60 percent decrease in costs when compared to other third-party wells. Additionally, the permitted, 10,000-foot-deep UIC well began accepting third-party customers, creating a new revenue stream for CONVEY. Currently, there are four contracts signed with trucking vendors and E&P operators that utilize the well for disposal.

Third-party-operated UIC wells are also regularly utilized by CONVEY for water disposal when more economical due to proximity. CONVEY has developed an internal process to evaluate the potential for induced seismicity associated with these Class II saltwater injection wells. As part of its Waste Vendor Auditing System, CNX utilizes a stepwise screening process to avoid injection wells that have a high potential to induce seismicity. This includes avoiding wells located within a buffer zone around areas of known faults or increased seismic activity and a review of well logs to ensure that the wells are not injecting into or above a formation with increased seismicity risk. CNX believes that, with sound management practices, Class II saltwater injection wells can provide a safe and effective method for disposal.

### **Washington Dams**

In 2011, CNX purchased two reservoirs south of Washington, Pennsylvania: Washington Dam #3 and Washington Dam #4. Collectively, these reservoirs store more than 1 billion gallons of water for CNX's use in natural gas well development. The dams were originally constructed in 1895 and, when purchased in 2011, required upgrades to comply with current Pennsylvania Department of Environmental Protection (PADEP) Dam Safety standards.

The most notable of these upgrades was the complete reconstruction of the emergency spillways. After a year of construction, the new spillway for Dam #3 was completed in 2017. This design maximizes water flow while keeping the spillway as narrow as possible. Dam #3's spillway can now pass nearly 5 million gallons of water per minute. This project, with a \$4.5 million budget, was constructed with zero OSHA recordable accidents, zero reportable personal injuries (RPI) and zero environmental violations.

Preparations are being made for the construction of Dam #4's new spillway in 2018. Dam #4 presents increased challenges, considering the reservoir is nearly three times larger and the dam nearly twice as high as Dam #3. Construction is slated to begin in May of 2018 and scheduled to be completed by August. With new spillways, these critical facilities will safely provide water for the community for many years to come.

## INTERNAL COMMUNITY & CULTURE

At the heart of all CNX's internal initiatives is the foundational belief that as a simplified organization, the Company takes a small business approach when it comes to its enterprise and employees. CNX's ownership culture means that the Company cares about its employees and expects top focus, performance and execution on a daily basis. The median compensation of \$129,390 for a CNX employee in 2017 reflected its leadership status within CNX's peer group. It also supported the belief that an employee who is well compensated and has access to an array of health and wellness options is a productive employee who is ready to set and achieve the lofty goals of the Company.

With the birth of the new company in 2017, CNX continues to strive towards making the organization more lean and efficient, as well as aligning its workforce for the future. CNX made incremental changes within the employee base that helped CNX to best define the Company as a stand-alone E&P company. In addition, CNX made great strides within its company culture, including modifications at the corporate office, modernized policy updates and the addition of cultural ambassadors.

A basketball court, rooftop recreation area and community grill are all new features of CNX's headquarters that employees can enjoy, adding to CNX's important focus on work-life balance. These new amenities not only create an enriching work experience, but they also enhance productivity and support CNX's NAV/share-driven approach. "Cultural Ambassadors" were nominated across the organization to help keep a finger on the pulse of needs and requests of employees. Many ideas were generated by the ambassadors, such as the addition of Veteran's Day as an individual holiday for employees that have served or who are serving in the military. CNX ambassadors meet regularly and are a part of all major company events. Their enthusiasm

and spirit helped to drive CNX through the changes that the Company experienced within the year, and CNX looks forward to its contributions in the future.

New policies and updates to some of the existing ones were another important piece of CNX's cultural evolution in 2017. For example, the Company added a "Parental Leave Policy" which now grants all new parents (both male and female) two weeks of paid time off to spend with a newly born or adopted child. Nearly 30 employees have taken advantage of this new policy since it was adopted mid-year. Another policy addition was "Vacation Rollover." Employees can now rollover one week of unused vacation each year for use within the next calendar year. CNX's corporate dress code was also updated from business casual to casual this year. Finally, the Company added a new policy for "Professional Development." Under this policy, employees are allotted \$3,500 to use for professional development courses and certifications within a rolling 24-month period.

### Diversity

Diversity was at the forefront for CNX in 2017, with much of the year spent identifying organizations that would help connect the Company to the rich diversity of the region. CNX focused efforts on casting the recruiting net as wide as possible into the diverse talent of the area by connecting with community organizations, working with local campus diversity groups and sending job postings to partners like PA Women Work. In addition, CNX focused on strengthening the diverse groups that the Company has internally. For example, in 2017, CNX joined the Women's Energy Network (WEN). Through this group, female employees were encouraged to attend industry events to meet and network with other women that work in the energy sector. Not only do they attend outside events, but the members of WEN at CNX have also hosted internal events which helps to strengthen ties across departments and break down silos.



## Employee Engagement

There was no shortage of team-building events for employees in 2017. CNX continued its “Oilfield Olympics” which included a chili cook-off, “Pi Day” dessert challenge and “Cinco Dip Mayo” dip-themed fiesta. Charity collections were also taken at many of the events and the funds were donated to local organizations chosen by employees.

Additionally throughout the year, CNX hosted larger celebrations such as an employee tailgate where PNC Bank attended in support of their Workplace Banking initiative. CNX was pleased to host the Stanley Cup once again, and a breakfast celebration was held in honor of Lord Stanley’s visit. A fresh donut bar, breakfast buffet, sweet treats and an opportunity for employees and their families to have their photo taken with the Stanley Cup were highlights of the day. The CNX third annual Fall Festival was a hit with employees and featured themed treat stations including “Jurassic Park,” “Legos,” “Vikings” and “Trolls.” In addition to the treat trail, CNX hosted a food truck, candy-making station, apple cider bar and fresh-made cotton candy.

## Health Benefits

In 2017, CNX continued to offer an array of benefit programs that supported the concepts of consumerism and employee choice. The Company’s High Deductible Health Plans coupled with Health Savings Accounts (HSA) allowed employees to pay a lower per-pay check deduction (or for some options, no per-pay deduction at all), while receiving contributions from CNX to their Health Savings Accounts

The funds contributed can be used to help offset the cost of the deductibles and co-insurance or can be saved for future health care expenses. In addition, eligible employees were able to set aside their own dollars on a pre-tax basis to continue to build savings in the HSA. Along with medical coverage, CNX offered a full menu of additional benefit programs for employees to choose from, including multiple dental insurance options, vision coverage, buy-up options to enhance the company-paid short-term disability and long-term disability benefits, buy-up life insurance options for employees, spouses and children. Offerings also include a suite of voluntary benefits including group accident, hospital indemnity, critical illness and identity theft coverage. As the 2017 enrollment data demonstrates, employees took advantage of the choices available to them and selected the plans and coverage levels that worked best for their own personal or family needs:

In 2017, of those employees enrolled in the medical plans, approximately 52 percent enrolled in the lower deductible Gold Plan and 48 percent enrolled in the higher deductible, but lower cost, Silver Plan.

In 2017, of those employees enrolled in the dental plans, approximately 58 percent enrolled in the UCCI 301 Base Plan and 42 percent enrolled in the UCCI 302 Buy-Up Plan.

In 2017, 54 percent of employees enrolled in at least one of CNX’s voluntary benefit offerings. The most popular was the group accident, which approximately 35 percent of employees elected. This was followed closely by identity theft, which was elected by approximately 33 percent of employees.

## Well-Being

CNX offered its Well-Being Program for the seventh consecutive year. Approximately 84 percent of employees participated in the biometric screening (blood draws), breaking the Company's record. These screenings help identify modifiable health conditions. CNX's Well-Being Program is designed to promote a healthier lifestyle to reduce and prevent disease conditions, such as obesity, diabetes and high blood pressure, which can be modified through awareness, nutrition, exercise and lifestyle changes. Performing annual biometric screenings and participating in wellness coaching sessions are critical in giving CNX employees the necessary tools toward achieving those goals.

In addition to the annual biometric screening, the Well-Being Program introduced Wellness Coaches to further assist employees in modifying their lifestyles to reduce and prevent those conditions affecting overall health. Wellness Coaches' unique coaching model provides employees the resources and tools needed to build a foundation for a personal wellness plan. The coaches assist in the development of a personalized wellness plan, provide feedback and accountability, encourage progress and address challenges/barriers that arise.

The Well-Being Program also includes access to a special wellness portal that contains health tracking tools, healthy recipes, exercise videos and a multitude of other resources for achieving and maintaining a healthier lifestyle, while participating in company-wide wellness challenges. In 2018, CNX intends to add on-site fitness classes for employees.

## Continued Learning

The Developing Internal Success Reaching Untapped Potential (DISRUPT) Leadership Program was introduced in 2017. The Company hopes to grow a pipeline of leadership, both now and for the future, and CNX believes that the DISRUPT program can be an important contributor to that goal. For 2017, DISRUPT featured three groups of employees: Individual Contributors and New Managers, People Managers and Managers of Managers. Within each of the three groups, CNX brought together high-potential employees from across disciplines in the organization and drew from content provided by Development Dimensions International (DDI). The Company's in-house Human Resource Business Partners are DDI Facilitator Certified to deliver content, and the subject areas covered in 2017 followed the evolution of the business during the year: communication, change, trust and influence, as well as feedback, listening and coaching. The content provided key foundational skills and an arena for discussion, but the true value was found in the breakdown of silos as employees from across the organization learned from each other's experiences.

The Company's second round of engineering, exposure and experience (E3) rotational engineers brought a fresh take on the program that is a storied success within the Company and the industry. The E3 program is a cohort group comprised of eight engineers, typically new graduates with little to no experience. The program was designed as a 360-degree developmental experience and is a way to come into the company with little to no prior field exposure. Beginning in June, participants embarked on a 15-month rotation through CNX's gas operations and along the way are working to identify a "Fresh Eyes" continuous improvement project that they will present at graduation. During this time, the engineers also worked monthly with a leadership coach who led them on a journey of self-discovery and personal development—all in an effort to prime them for entry into permanent roles at CNX upon graduation.

Finally, 2017 saw the return of the summer intern program at CNX. The Company's recruiting team visited several hometown schools to recruit during the fall season, including Marietta College, Penn State, West Virginia University and University of Pittsburgh. Multiple departments hosted interns including accounting, engineering, HSE, materials and supply chain management and land. Over the summer months, participants worked on projects to help lower costs and increase efficiencies within their department. They also took field visits and joined company events and outings. In total, CNX hosted 11 interns from college sophomore through graduate school level.

### Looking Forward

Much-needed change was introduced to CNX's performance appraisal process. The Company strives to be a high-performing organization and to pay employees for performance. During the year, CNX introduced a new process and rating system which includes Management By Objective (MBO) via specific, measurable, achievable, realistic and timely (SMART) goals. SMART goals were created and rolled from the top down starting with the CEO and allowing each subsequent manager to create three corresponding company-related goals and one personal development goal. These goals are weighted individually and then cascaded downward into the goals of each team. At the close of the year, employees presented accomplishments to supervisors, fostering a culture of open communication. Managers then assigned a score for each employee based on performance toward specific goals, and the resulting scores will be used during the merit process in 2018.



## EXTERNAL COMMUNITY

### CNX Stakeholders

CNX stakeholders are defined as people or groups who are potentially affected by the Company's operations or who have an interest in, or influence over, how CNX operates its business. On a daily basis, the Company interacts with a diverse range of stakeholders related to a wide range of topics. Below is a list of some of its stakeholders and many of the ways CNX engages with them.

Stakeholder	Engagement	Frequency
Business Partners	Joint venture board meetings; HSE audits; Service Partner Continuous Improvement meetings; Pre/Post Job Evaluation	As needed
Customers	Communications through CNX's marketing department	As needed
Investors	Annual Shareholder Meeting; Conferences; Roadshows; Analyst and Investor Day	Continuous
Members of the Community	Public notices; Public meetings; Social media; Community-sponsored events	As needed
Employees	Intranet postings and email communications; Quarterly town hall meetings led by the CEO and executive management team; 24-hour compliance hotline	Continuous
Contractors	Scheduled safety meetings; HSE audits; Annual Core Values Summit	Continuous
Elected Officials and Regulators	Required regulatory reporting; Public meetings; Political Action Committee	Ongoing
Media	News releases; Interviews; Publicly available reports; Social media	Ongoing
NGOs	Publicly available reporting	As requested

Another way CNX engages with its stakeholders is through membership in trade organizations. Here is a list of major organizations of which CNX is an active participant:

- Allegheny Conference on Community Development (ACCD)
- Center for Responsible Shale Development (CRSD)
- Independent Petroleum Association of America (IPAA)
- Marcellus Shale Coalition (MSC)
- Ohio Oil and Gas Association (OOGA)
- Virginia Oil and Gas Association (VOGA)
- West Virginia Oil and Natural Gas Association (WVONGA)

## Community Investment

As CNX continues to expand its operations, the Company will also maintain an active role in improving the vitality of the communities in which it already operates, while at the same time focusing on new areas in which the Company continues to grow. As part of the launch of CNX, new pillars of corporate social responsibility and community engagement were introduced in order to guide philanthropic efforts.

- **Children's Health and Wellness** – CNX supports organizations dedicated to the educational, physical, mental, developmental and emotional health of children in the communities where its employees live and work;
- **Empowering Less Fortunate Neighbors and Communities** – From issues facing its communities, such as poverty and hunger, a vulnerable aging population, drug addiction and its negative effect on families, the Company is committed to breaking down barriers and providing assistance to the less fortunate;
- **Domestic Violence Awareness and Prevention** – CNX recognizes the need to increase awareness of domestic violence and to support organizations, including law enforcement, that provide effective services for victims and their families;
- **Environmental Responsibility** – The Company is dedicated to preserving and enhancing the environment through its efforts, as well as public and private partnerships, in the communities where it operates.

In addition to corporate support for such initiatives, CNX also encourages employees to contribute their time, skills, money and other resources to support organizations and activities in the communities where they live and work.



In December, CNX celebrated the holiday season with a “month of giving” highlighted by five donations to Greater Pittsburgh organizations totaling \$100,000.

- The Corner Cupboard Food Bank received a \$5,000 donation to cover its operating costs for approximately two months during the holiday season, a time when the food bank typically sees increased demand for its services. Approximately 2,000 Greene County residents—half of which are children and senior citizens—rely on the Corner Cupboard Food Bank’s 11 distribution sites each month;
- Domestic Violence Services of Southwestern Pennsylvania (DVSSP) partnered with CNX to host a roundtable discussion regarding current issues and trends related to domestic violence. CNX’s \$7,500 donation was utilized to assist DVSSP in delivering the proven, innovative Coaching Boys into Men program to male sports teams at local high schools to raise awareness of this critical issue in and around CNX’s operational footprint;
- UPMC Hillman Cancer Center received a \$25,000 donation to support the ongoing cost of CNX Caring Carts—mobile carts staffed by both CNX and cancer center volunteers to provide needed essentials and personal comfort items to patients battling cancer and their families;
- Through a partnership with the Pittsburgh Penguins Foundation, CNX donated, and the company’s employees will help construct, a state-of-the-art \$60,000 playground in partnership with the Westmoreland County Commissioners and the Westmoreland County Bureau of Parks and Recreation at Northmoreland Park in Allegheny Township, Westmoreland County, Pennsylvania;
- In addition to collection boxes placed throughout the CNX corporate headquarters for employees to fill with donated toys, the company presented a \$2,500 donation to the Washington County Toys for Tots program.



### **Contributions Policy**

Public policy decisions at the local, state and federal levels can affect the long-term success of CNX and its subsidiaries. CNX believes it has a responsibility to participate in the public policy process in order to protect and enhance the Company's interests and create value for its shareholders. To ensure that the Company's contributions comply with all applicable laws and reflect its corporate values, CNX sets forth this Contributions Policy ("Policy") to provide corporate governance, control, oversight and procedural guidance. All contributions must be legally permissible, supportive of and consistent with the Company's business strategy, goals and priorities; and made in full accordance with CNX's commitment to act with integrity in all of its activities.

The Board of Directors (the "Board") is responsible for monitoring the compliance of CNX and its Political Action Committee (PAC) with this Policy. An annual report of CNX's contributions is submitted to the Board for review.

### **Corporate Political Contributions**

Where permitted by law and when consistent with this Policy, CNX and its subsidiaries may use corporate funds to contribute to state or local candidates and committees, entities organized pursuant to Section 527<sup>1</sup> of the Internal Revenue Code, and to other federal political committees where permitted. Contributions from corporations to federal candidate committees and certain other federal political committees are prohibited by law. In certain states, CNX and its subsidiaries are permitted to make corporate political contributions to state-level candidates or committees. CNX and its subsidiaries may make state-level corporate political contributions where permitted by law, in compliance with state contribution limits and registration/reporting requirements where applicable.

All corporate political contributions made by CNX must be approved in advance by the Vice President for Government Affairs and the General Counsel.

<sup>1</sup>527 organizations are political organizations subject to Section 527 of the Internal Revenue Code of 1986, as amended. These organizations are established primarily for the purpose of influencing the outcome of elections of candidates for political office.





## CNX PAC

CNX sponsors a federal PAC that is funded solely by voluntary employee contributions. “CNXPAC” is a federally-registered PAC that may make contributions in connection with federal elections, subject to contribution limits defined by the Federal Election Campaign Act. The PAC may also make state-level political contributions, in compliance with state contribution limitations, registration and reporting requirements where applicable.

All CNXPAC contributions must be approved by the PAC Board of Directors. Detailed information on the PAC’s contributions to candidate’s campaigns and other political committees is publicly disclosed in the PAC’s regular reports to the Federal Election Commission (“FEC”). Disbursements from the PAC to state-level candidates and committees are also reported on these FEC filings. All of the PAC’s filings with the FEC are available for public review on the FEC’s website at [www.fec.gov](http://www.fec.gov).

## Economic Contribution

CNX operations have been centered in the Appalachian region throughout the Company’s history. CNX’s deep local roots have continually supported direct and indirect economic growth through creation of employment opportunities for its employees and service partners. In 2017, the Company’s direct economic contribution of \$151 million stemmed from employee wages and benefits, and taxes paid to federal, state and local governments.

State	Payroll (millions \$)	Benefits (millions \$)	Taxes Paid* (millions \$)	Total (millions \$)
Pennsylvania	76	7	1	84
West Virginia	14	12	8	24
Virginia	10	1	3	14
Kentucky	0	0	0	0
Ohio	2	0	2	4
Other	1	0	10	1
Total	103	16	24	127

\*Includes, as appropriate, payroll taxes, state and local taxes, sales and use taxes, license and franchise taxes, severance taxes, state and federal reclamation taxes, black lung taxes, gross receipts taxes and other excise taxes

## SUMMARY TABLE

Indicator	2016	2017*
<b>Safety</b>		
Workforce Fatalities (Contractor & Employee)	0	0
E&P - Employee Total Recordable Incident Rate	0	0.72
E&P - Contractor Total Recordable Incident Rate	1.02	1.20
CNXM - Employee Total Recordable Incident Rate	0	0
CNXM - Contractor Total Recordable Incident Rate	4.01	2.41
CONVEY - Employee Total Recordable Incident Rate	0	0
CONVEY - Contractor Total Recordable Incident Rate	0	0
<b>E&amp;P Activity Related Spills</b>		
E&P Spills ≥ 100 Barrels Off Containment	1	0
E&P Spills ≥ 1 Barrel Off Containment	43	23
E&P Produced Oil Spills ≥ 1 Barrel Off Containment	2	1
E&P Total Volume Released ≥ 1 Barrel Off Containment (gals.)	20,835	7,098
<b>CNXM Activity Related Spills</b>		
CNXM Spills ≥ 100 Barrels Off Containment	0	0
CNXM Spills ≥ 1 Barrel Off Containment	3	0
CNXM Produced Oil Spills ≥ 1 Barrel Off Containment	0	0
CNXM Total Volume Released ≥ 1 Barrel Off Containment (gals.)	708	0
<b>CONVEY Activity Related Spills</b>		
CONVEY Spills ≥ 100 Barrels Off Containment	0	0
CONVEY Spills ≥ 1 Barrel Off Containment	6	1
CONVEY Produced Oil Spills ≥ 1 Barrel Off Containment	0	0
CONVEY Total Volume Released ≥ 1 Barrel Off Containment (gals.)	3,788	672
<b>Notices of Violation</b>		
E&P Notices of Violation	41	26
CNXM Notices of Violation	4	2
CONVEY Notices of Violation	4	5
<b>Environmental Related Penalty Payments</b>		
E&P Penalty Payments*	\$246,450	\$556,375
CNXM Penalty Payments*	\$87,000	\$7,500
CONVEY Penalty Payments*	\$0.00	\$0.00
<b>Water</b>	(Thousands of gallons)	(Thousands of gallons)
Surface Water Withdrawn	163,655	615,433
Groundwater Withdrawn	0	0
Municipal Water Withdrawn	53,111	49,660
Total Withdrawn	216,716	665,093
Water Reused or Recycled	138,742	134,101
Water Reused by a Third Party	21,992	58,552
Total Water Reused as a Percentage of Water Withdrawn	74%**	29%

\*2017 penalty amounts include payments made for violations from previous years

\*\*2016 Total Water Reused as a Percentage of Water Withdrawn has been updated to include CNX and third-party reuse

GHG Emissions	(Thousands Metric Tons CO2 (eq))
Scope 1	2209.03
Scope 2	571.70
Scope 3	21362.88
Total GHG	2780.72
Total Direct GHG Emissions (metric tons CO2 eq./\$100,000 E&P Revenue)	162.54

Criteria Pollutants	E&P (Short Tons)	CNXM (short tons)	Total (short tons)
Carbon Monoxide	2183.43	102.78	2286.21
Nitrogen Oxides	1465.82	246.44	1712.26
VOCs	503.30	313.25	816.55
PM 10	48.86	15.62	64.48
PM 2.5	47.79	15.61	63.40
SO2	1.89	1.38	3.27

## SUMMARY TABLE

Employees	E&P	CONE	DBU
Full-time Male	384	97	12
Full-time Female	153	10	2
Full-time Total	537	107	14
Part-time Male	13	2	0
Part-time Female	9	0	0
Part-time Total	22	2	0
Union	0	0	0
By Location			
Pennsylvania Male	239	70	10
Pennsylvania Female	117	6	1
West Virginia male	60	28	2
West Virginia Female	20	4	1
Ohio Male	12	1	0
Ohio Female	3	0	0
Virginia Male	61	0	0
Virginia Female	10	0	0
Maryland Male	0	0	0
Maryland Female	0	0	0
Other Male	3	0	0
Other Female	0	0	0
New Hires Male	59	4	1
New Hires Female	12	0	0
Men	48	8	3
% Men Turnover*	61%	10%	4%
Women	18	1	1
% Women Turnover*	23%	1%	1%
Age Group			
<30	72	19	2
30-50	304	63	12
50+	150	26	0
Disabled	7	1	0
Reportable Veteran	8	2	0

\*Of the turnover population (which includes involuntary and voluntary turnover in E&P, CONE and DBU collectively), this number reflects the percentage of people who were men or women in each of those segments.

## GRI INDEX

This report contains Standard Disclosures from the GRI Sustainability Reporting Guidelines.

Ref	Description	
G4 -1	Statement from the most senior decision maker of the organization (CEO).	Letter from CEO
G4 -2	Key impacts, risk and opportunities.	About CNX
G4 -3	Name of the company.	About the Report
G4 -4	Primary brands, products and services.	About the Report
G4 -5	Location of the organization's headquarters.	About CNX
G4 -6	Country of operation.	About the Report
G4 -7	Nature of ownership and legal form.	Corp. Gov.
G4 -8	Markets served.	About the Report
G4 -9	Scale of the organization.	About CNX
G4 -10	Employee demographics.	Internal Community
G4 -11	Percentage of employees covered under collective bargaining agreements.	Internal Community
G4 -12	Describe the organization's supply chain.	HSE
G4 -13	Significant changes during the reporting period.	About CNX
G4 -15	Externally developed economic, environmental and social principles to which the organization subscribes.	E&P
G4 -16	Association memberships.	External Community
G4 -17	All entities included in the organization's consolidated financial reports and whether they are covered in the report.	About the Report
G4 -18	Process for defining report content.	About the Report
G4 -19	List of material aspects.	About the Report
G4 -20	Internal aspect boundaries.	About the Report
G4 -21	External aspect boundaries.	About the Report
G4 -22	Restatements of information provided in previous reports.	HSE
G4 -23	Significant changes from previous reporting periods in scope and aspect boundaries.	None
G4 -24	List of stakeholder groups engaged by the company.	External Community
G4 -25	Basis for stakeholder identification and engagement.	External Community/ About the Report
G4 -26	Approach to stakeholder engagement.	External Community
G4 -27	Key topics addressed through stakeholder engagement.	External Community
G4 -28	Reporting period.	Calendar year 2016
G4 -29	Date of most recent previous report.	May, 2015
G4 -30	Reporting cycle.	Annual
G4 -31	Contact point.	Contact Details
G4 -32	GRI content index, in-accordance level and external assurance.	GRI Index
G4 -33	Assurance process.	About the Report
G4 -34	Governance structure.	Corp. Gov.
G4 -38	Composition of the highest governance body.	Corp. Gov.
G4 -39	Whether the Chairman of the highest governance body is also an officer.	Corp. Gov.

## GRI INDEX

Ref	Description	
G4 -40	Selection process for the highest governance body.	Proxy
G4 -41	Processes for the highest governance body to ensure conflicts of interest are avoided and managed.	Related Party Policy
G4 -45	Highest governance body's role in economic, environmental, and social impacts, opportunities and risks.	Proxy
G4-46	Highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics.	Proxy
G4 -47	Frequency of highest governance body's review of economic, environmental, and social impacts, risks and opportunities.	HSE Committee Charter
G4-48	Highest committee that formally reviews and approves the organization's sustainability report.	About the Report
G4-49	Report the process for communicating critical concerns to the highest governance body.	Proxy
G4 -51	Remuneration policies for highest governance body and executive officers.	Proxy
G4 -52	Process for determining remuneration.	Proxy
G4 -53	Stakeholders' views on remuneration.	Proxy
G4 -56	Organization's values, principles, standards and norms of behavior such as codes of conduct or codes of ethics.	Corp. Gov.
G4 -58	Whistleblower mechanisms.	Corp. Gov.
G4 -DMA	Economic performance	About CNX
G4 -EC1	Direct economic value generated and distributed.	About CNX
G4-OG1	Volume and type of estimated proved reserves and production.	Gas Operations
G4 -DMA	Water	CONVEY
G4 -EN8	Total water withdrawal by source.	CONVEY
G4 -EN10	Percentage and total volume of water recycled and reused.	CONVEY
G4 -DMA	Emissions	HSE
G4 -EN15	GHG Scope 1 emissions.	HSE
G4 -EN16	GHG Scope 2 emissions.	HSE
G4 -EN17	GHG Scope 3 emissions.	HSE
G4 -EN18	GHG emission intensity.	HSE
G4 -EN19	Reduction of GHG emissions.	HSE, Gas Operations
G4 -EN21	NOx ,SOx and other significant air emissions.	HSE
G4 -DMA	Compliance.	HSE
G4 -EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	HSE
G4 -EN31	Total environmental protection expenditures and investments.	HSE
G4 -DMA	Training and education.	Internal Community
G4 -DMA	Occupational health and safety.	HSE
G4 -LA6	Rates of injury, lost days and fatalities.	HSE

## GRI INDEX

Ref	Description	
G4- LA9	Average hours of training per year, per employee.	Internal Community
G4 -LA10	Programs for skills management and lifelong learning.	Internal Community
G4 -LA11	Percentage of employees receiving regular performance and career development reviews.	Internal Community
G4 -SO4	Communication and training on anti-corruption policies and procedures.	Corp. Gov.
G4 -SO6	Total value of political contributions by country and recipient.	External Community

## CONTACT DETAILS

For any questions regarding CNX's Corporate Responsibility program, this report, or its contents, please contact Brian Aiello, Director of Communications and Corporate Social Responsibility at [brianaiello@cnx.com](mailto:brianaiello@cnx.com).

## LOOKING FORWARD

Our 2017 Corporate Responsibility Report includes forward-looking statements about the Company's business and the Company's future business plans, initiatives, goals and objectives. These forward-looking statements are based on concurrently available operating, financial and competitive information and are subject to a number of significant risks and uncertainties. When we use the words "believe," "intend," "expect," "may," "should," "anticipate," "could," "estimate," "plan," "predict," "project," or their negatives, or other similar expressions, the statements which include those words are usually forward-looking statements. When we describe a strategy that involves risks or uncertainties, we are making forward-looking statements. Actual future results may differ materially depending on a variety of factors including, but not limited to, the risks detailed in the Company's filings with the Securities and Exchange Commission, including the "Risk Factors" section of CNX's and CNXM's Annual Report on Form 10-K for the fiscal year ended December 31, 2017. Any forward-looking statements in the Corporate Responsibility Report speak only as of the date of the Corporate Responsibility Report and the Company assumes no obligation to update any of these forward-looking statements.

