

2024-2025

# Sustainability Report

Jan. 1, 2024 - Dec. 31, 2025

Environmental | Social | Governance



REX American Resources Corporation





## About REX

REX American Resources Corp. (NYSE: REX), publicly traded since 1984 and on the New York Stock Exchange since 1986, is one of the nation's leaders in the ethanol industry.

REX is the majority owner of two ethanol production plants with a combined capacity of 300 million gallons per year: One Earth Energy, LLC in Gibson City, Ill., and NuGen Energy, LLC in Marion, S.D. With One Earth Energy's current expansion efforts, we expect the combined capacity will be 350 million gallons per year by the middle of 2026.

In addition to ethanol, these plants produce and sell three co-products: dried distillers grains with solubles (DDGS), modified distillers grains with solubles (MDGS) and distillers corn oil.

REX is also a minority owner of Big River Resources, LLC, a holding company for four ethanol production plants: two in Iowa, one in Illinois and one in Wisconsin.

These four plants, which have a combined capacity of approximately 430 million gallons of ethanol per year, (expected to grow to 480 million gallons by the middle of 2026), also produce and sell DDGS, MDGS and distillers corn oil.

All six plants are in the corn belt close to major railroads and truck routes.



We operate in tight-knit, rural areas – the heartland of America – where the work ethic is strong, and people look out for one another and for their communities.

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## Driving Sustainable Growth and Lowering Our Community Carbon Footprint

In our fourth Sustainability Report, covering January 1, 2024 through December 31, 2025, we are proud to highlight REX American Resources' continued commitment to environmental, social and governance (ESG) priorities. Our goal is to grow a profitable business that improves the lives of our employees and the communities where we live and operate, while continuing to create long-term value for our shareholders. These efforts align with 12 of the 17 United Nations Sustainable Development Goals and focus on our two majority-owned plants: One Earth Energy and NuGen Energy.

**REX remains dedicated to enhancing energy and production efficiencies while reducing CO2 emissions.** In 2024 and 2025, we achieved a 1% reduction in natural gas usage and a 1% decrease in electricity consumption per gallon of undenatured ethanol produced. These improvements contribute to cleaner air in our communities, generate energy cost savings, support employee bonus growth and create additional value for our shareholders.

Projects currently underway for 2026 are expected to further reduce natural gas usage, resulting in lower CO2 emissions and improved Carbon Intensity (CI) scores. We commend our dedicated employees for leading and implementing these innovative initiatives.

**The One Earth Energy carbon capture and sequestration project is prepared to move forward, subject to final permitting and regulatory approvals.** To date, REX has:

- Completed the CO2 capture and compression infrastructure

- Secured long-term easements for CO2 storage in Well 1, supporting at least 15 years of emissions sequestration for our ethanol plant
- Acquired 100% of the land easements required for the six-mile CO2 pipeline to Wells 1 and 2

Pending permit approvals, this project is expected to reduce our ethanol production CI score at One Earth Energy by approximately 30 points, significantly advancing cleaner energy production. For updates, please visit [OneEarthSequestration.com](https://www.oneearthsequestration.com).

**We also anticipate completing the One Earth Energy plant expansion in 2026.** Ethanol production capacity is expected to increase from 150 million gallons to 200 million gallons per year. The implementation of energy-efficient equipment is projected to further reduce our CI score by approximately five additional points.

**Our commitment to social responsibility extends to the well-being of our employees, communities and shareholders:**

- In 2025, employees logged 243,099 work hours with only two reportable incidents and zero fatalities — results that reflect the strength of our safety training programs and third-party audits.
- We sponsored emergency responder training programs covering hazardous materials (HazMat), liquid and CO2 pipeline safety, and industrial fire response to help protect our communities.
- REX sustains 125 permanent jobs, supporting economic development in rural communities.

- We uphold a strict non-discrimination policy and provide training and advancement opportunities, enabling employees to progress from entry-level to senior roles.

- Our Plant Employee Metric Bonus System rewards innovation and excellence in safety, efficiency and production performance. Employees share in increased ethanol production success and net profit bonuses.
- We actively support local organizations through financial contributions, in-kind donations and volunteer efforts, benefiting schools, fire departments, food banks and community programs in Illinois and South Dakota.

**In 2024–2025, REX reaffirmed its commitment to strong corporate governance, emphasizing integrity, accountability and transparency.** We maintain open communication with our board of directors and strictly adhere to our Code of Business Conduct and Ethics.

**At REX, our commitment is clear:** to operate efficiently and ethically while fostering economic development in rural communities. We prioritize the well-being of our people, strengthen our communities, deliver shareholder value and work diligently to safeguard our environment for future generations.

**Zafar A. Rizvi**  
President and CEO



## Products Produced and Shipped Jan. 1, 2024 – Dec. 31, 2025

### Primary product

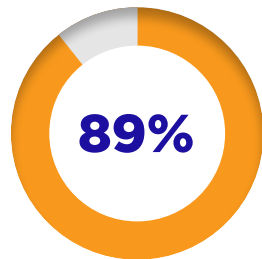
### Ethanol

**290 million gallons**  
shipped per year on average



REX plants are located close to two major railroads.

Ethanol shipped by rail per year on average:



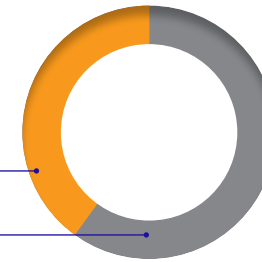
### Co-products

#### Dried distillers grains with solubles (DDGS)

DDGS are a high-quality, lower cost, protein-rich animal feed. DDGS can fully or partially replace corn in the feed rations for cattle. This feed is dried to approximately 12% moisture to allow for long-distance shipping.

**626,000 tons**  
shipped per year on average

40% shipped domestically  
60% exported



**28%**  
shipped by rail

**47%**  
shipped approx. 90 miles by truck to a transload facility

**25%**  
shipped by truck



#### Modified distillers grains with solubles (MDGS)

MDGS, another protein-rich animal feed, are similar to DDGS but require less energy to produce since they are not dried as much as DDGS. Because MDGS are more perishable than DDGS, they must be sold and shipped locally.

**76,000 tons**  
shipped per year on average

Shipped locally per year:

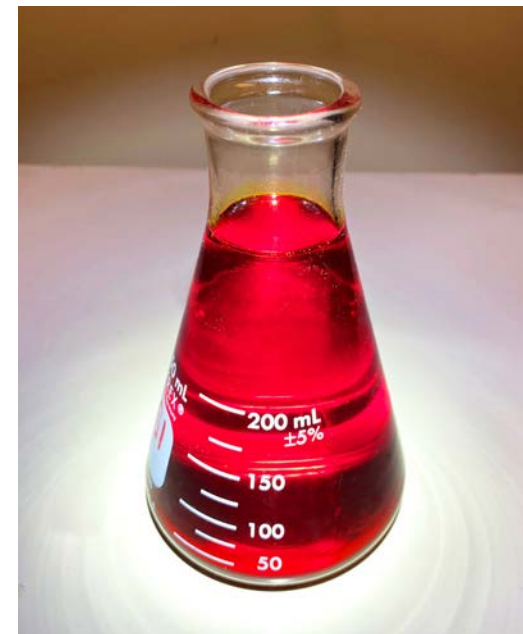
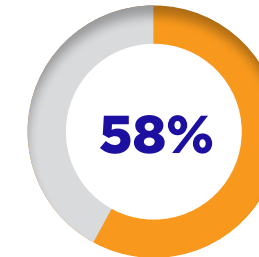


#### Distillers corn oil

Distillers corn oil can be used to produce low-carbon fuels such as renewable diesel and biodiesel. For this reason, distillers corn oil is becoming an even more valuable co-product.

**92 million lbs.**  
shipped per year on average

Shipped by truck:



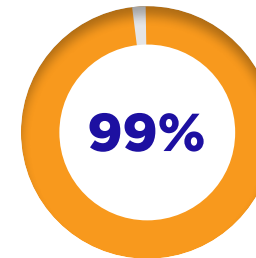


## Raw Material Sourcing and Sustainability

Bushels of corn used as feedstock for ethanol production:

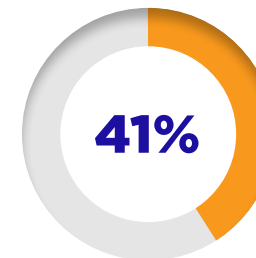
**97.4 million bushels**  
per year on average

Corn sourced within 100 miles of the plants per year on average:



REX plants recognize the environmental benefits of using locally sourced corn as feedstock whenever possible, which reduces the need to transport corn over long distances. This minimizes CO2 emissions.

Corn sourced directly from the producer per year on average:



Direct sourcing of corn from the producer saves energy and fuel. That's because direct sourcing reduces the need for extra handling operations - such as transporting, elevating, drying and conditioning bushels of corn in an elevator - before delivery to the ethanol plants for processing.

Bushels of corn either returned to the animal feed cycle as distillers grains, or returned as distillers corn oil for producing renewable diesel, biodiesel and animal feed:

**29.3 million bushels**  
per year on average





# Environmental



- Climate Change
- Environmental Opportunities
- REX's Carbon Capture and Sequestration Initiative
- Natural Capital
- Pollution and Waste

## Carbon/Greenhouse Gas Emissions

### EPA approves REX plants for the Efficient Producer Pathway

REX plants have demonstrated and annually maintained more than a 20% reduction in total greenhouse gas emissions per gallon of undenatured ethanol produced compared to the program's gasoline baseline established by the Environmental Protection Agency (EPA).

Because we achieved these efficiencies by continuously improving our technologies and equipment, and refining our processes, the EPA approved our plants for the Efficient Producer Pathway, which makes REX's two majority-owned plants eligible to produce ethanol above their grandfathered volumes.

### Projects helped to reduce natural gas usage

REX achieved a 1% reduction in natural gas usage per gallon of undenatured ethanol produced, driven in part by efficiencies, less downtime and weather.

These efforts leveraged advanced technologies, equipment upgrades and improved processes at both REX facilities.

In recent years, several new projects were installed, tested and evaluated within the energy centers at REX plants. These included additions to reuse waste heat; upgrades to improve equipment efficiency, consistency and cleanliness; and enhancements in gas management technologies.

Additional projects are now underway to further reduce natural gas consumption, which supports lowering CO2 emissions and improving our Carbon Intensity (CI) score. For example, NuGen Energy is on track to finish installing an advanced gas management system in mid-2026, which is expected to further reduce natural gas usage and allow for ongoing optimization.

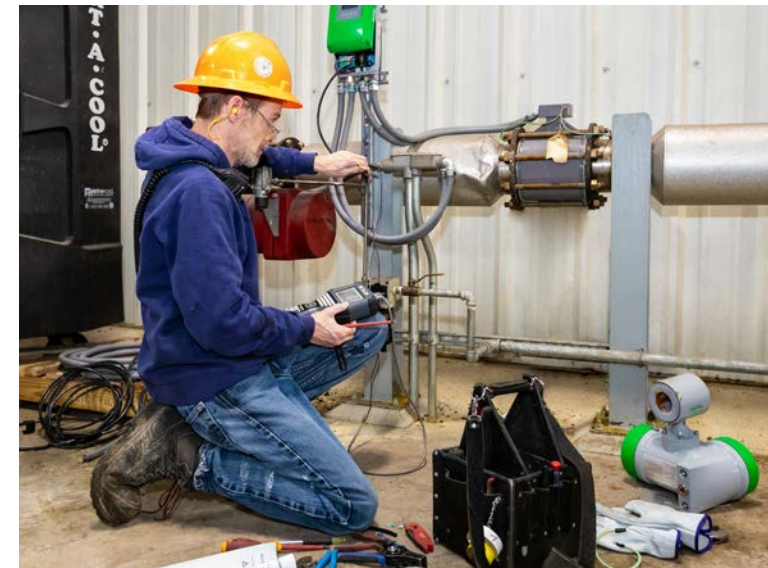
In tandem with these efforts, REX also achieved a 1% reduction in electricity usage per gallon of undenatured ethanol produced.

## Environmental Impact and Risk Management

### Best practices reduced the risk for negative environmental impacts

REX plants continue to apply these and other best practices to minimize risk and potential environmental impacts from our operations:

- We use leak detection and repair programs.
- Thermal oxidizers are equipped with continuous emissions monitoring.
- We conduct daily, monthly and annual inspections and testing of all emissions controls.
- Particulate matter (PM10) levels for baghouse dust are less than the permitted levels since dust control systems are used.
- A scrubber removes 98% of ethanol and organic vapors produced by fermenters.
- Vapors from ethanol loading are collected and controlled by a thermal flare to destroy hazardous air pollutants.
- Organic emissions from exhaust of distillers grains dryers and thermal oxidizers are less than the permitted levels.



## REX's Carbon Capture and Sequestration Initiative

REX is committed to advancing carbon capture and sequestration (CCS) now and in the future, subject to permitting and government regulations. REX's primary goal is to significantly reduce greenhouse gas emissions at the One Earth Energy plant through an ambitious CCS project.

Initially, operations at the One Earth Energy plant are expected to sequester approximately 560,000 tons of CO<sub>2</sub> per year, based on an ethanol production rate of 200 million gallons annually.

In the future, the facility may also accept and sequester carbon emissions from third parties, contributing to a reduction in the region's overall carbon footprint.

### CCS project may deliver several potential benefits

If successful, the One Earth Energy CCS project will reduce CO<sub>2</sub> emissions and provide multiple long-term benefits:

- **Improved CI score:** A reduced CI score could facilitate entry into new low-carbon fuel markets, such as Europe, enabling the export of low-carbon ethanol from a near-net-zero facility.
- **Enhanced sustainability:** Low-carbon fuel production will help maintain the plant's competitiveness and sustainability – especially if electric vehicle adoption grows.



- **Economic growth and job creation:** Several job opportunities will be created during the construction phase and the CCS project itself. Once the One Earth Energy plant is expanded and the CCS project is operational, 20–25 well-paying, full-time jobs could be added. This includes third-party laboratories contracted to perform routine testing and monitoring, which may also generate additional high-quality employment opportunities.

### REX has made progress on its CCS project

**EPA Class VI permit application:** As of April 2026, REX's EPA Class VI permit applications for three injection wells have been submitted. The three wells in total have the capacity to sequester up to 90 million tons of carbon. The applications are currently in technical review, with these key milestones anticipated:

- Projected end of technical review: March 31, 2026
- Draft permit expected: May 30, 2026
- Public comment period: through June 29, 2026
- Final permit decision: September 27, 2026



**Legislative update:** In July 2024, the state of Illinois passed the Safety and Aid for the Environment in Carbon Capture and Sequestration Act, Senate Bill 1289 (SAFE CCS Act). The law imposes a moratorium on new CO<sub>2</sub> pipeline construction certificates until the earlier of either the finalization of federal pipeline safety standards by the Pipeline and Hazardous Materials Safety Administration (PHMSA), or July 1, 2026 (subject to certain conditions).

**Infrastructure update:** Construction of the carbon capture and compression facility has been completed and is awaiting full testing. REX secured subsurface easements for the first injection well, which could allow for more than 15 years of carbon sequestration from the One Earth Energy plant. Easements were also obtained for a 6-mile pipeline serving injection Wells 1 and 2. REX is continuing its efforts to obtain the required approvals and permits, including a special-use zoning permit.

For more information on REX's CCS initiative, see REX's SEC filings at [rexamerican.com](https://www.rexamerican.com).

### Another initiative: REX's NuGen Energy partnership

REX continues to pursue additional methods to reduce net carbon emissions. In 2023, NuGen Energy signed an agreement to participate in Summit Carbon Solutions' CCS pipeline. If Summit obtains the required permits and approvals, NuGen will be in a position to reduce its carbon emissions by selling CO<sub>2</sub> from ethanol production for sequestration.

Currently, this project is delayed due to legislation passed in South Dakota banning the use of eminent domain for carbon pipelines.

# REX'S CARBON CAPTURE AND SEQUESTRATION INITIATIVE





## Water Management

Between 2021 and 2022, REX plants achieved an 8.4% reduction in water usage per gallon of undenatured ethanol produced. This progress continued with an 11% reduction between 2022 and 2023, primarily due to process optimization and the successful implementation of water recovery and reuse initiatives at both facilities.

These improvements have significantly lowered the volume of fresh water required in operations.

From 2023 to 2025, water usage remained steady. The ongoing use of efficient processes and water recovery systems continues to provide measurable benefits to both plants.

**As good stewards of water use and management, REX plants meet or exceed all local and federal laws, guidelines, regulations and requirements for reporting, testing and permitting.**

## Packaging Materials and Waste

REX plants routinely recycle materials, such as wooden pallets used for receiving urea and other raw materials, as part of their operations.

In addition, REX plants and the corporate office routinely recycle paper, plastic bottles, aluminum cans and printer-toner cartridges used by employees.

REX plants and the corporate office also take advantage of community recycling programs to dispose of electronic waste such as computers, office telephones, printers, radios, meters and other electronic devices that have failed or reached the end of their useful life.



**Little to no packaging materials are used for the products produced.**



# Social



- Human Capital
- Stakeholder Relations

## Labor Management

### REX management, plant management and employees share common goals

REX management, plant management and employees are committed to building a successful, sustainable ethanol business.

To that end, REX values what each team member brings to the business:

- Our plant CEOs and a majority of the employees grew up and continue to live in agricultural communities. They bring a solid knowledge of farming, sustainable agriculture and commodity risk management, along with extensive training and experience in ethanol plant operations.
- REX management and staff in the corporate office bring business acumen, a deep knowledge of financing and management, negotiation skills and decades of experience running successful, profitable businesses.

Feelings of mutual respect, trust and accountability have allowed REX to build and maintain excellent working relationships between management and employees.



### REX management and plant management strive to create a positive working environment for employees

REX is an equal opportunity employer, following applicable federal, state and local laws. We are committed to a no-discrimination policy, providing equal employment opportunities in hiring, compensation and promotion.

REX also has strict policies prohibiting unlawful harassment and discrimination against employees under federal, state and local laws.

In addition, REX has created a culture based on personal connections and relationships; people are seen, heard and valued.

We believe personal connections open the lines of communication, help us attract and retain high-quality employees, and build stronger teams. Ultimately, this leads to more speed and greater efficiencies, which are essential to our business.

## Health and Safety

### REX puts safety first

Because we believe in taking care of people – our employees and their families, our communities and our shareholders – we are committed to providing a safe work environment, along with continuous training for employees.

That is why, during meetings involving REX management and plant management, safety is always discussed, and plant management emphasizes safety at every level. To date, REX has not suffered any major losses from a safety incident or issue.

### The Employee Health and Safety Committee at each plant meets monthly to maintain an intentional focus on safety

During monthly meetings, members of the Employee Health and Safety Committee at each plant discuss current safety issues at the plant and the status of any audits underway.

The committee usually includes at least one employee from each department – such as the laboratory, process, rail and maintenance – plus one or two supervisors. Committee members represent a diverse mix of work histories, knowledge and experiences, which allows multiple perspectives to be considered when making decisions on safety issues.

Each committee’s safety manager is responsible for conducting routine safety audits based on daily, weekly and monthly items to be reviewed for any potential deficiencies so they can be

corrected immediately. The safety manager, who reports to the plant manager or plant CEO, also reports monthly to the plant board of directors.

### Safety Performance Data per Year

Jan. 1, 2023 – Dec. 31, 2025

Year	Employee hours worked	Recordable accidents/incidents	Fatalities
2023	210,985	0	0
2024	228,559	3	0
2025	243,099	2	0

*While this Sustainability Report covers two years (2024-2025), the safety performance data covers three years (2023-2025).*



## Health and Safety continued

### REX complies fully with all required safety training

**Plant employees:** REX plants use training modules from an independent contractor to train plant employees on safety and process knowledge.

Employees take all Occupational Safety and Health Administration (OSHA)-required training to help ensure plants are safe and compliant. Supervisors assign designated OSHA training segments monthly.

**Contractors:** To remain compliant, REX contractors must be qualified by a third party, and submit prequalification forms, to ensure they have reviewed and been tested on key programs

such as hazard communication, lockout/tagout and personal protective equipment. There have been no contractor injuries or fatalities in the past three years.



**Rail safety training:** Because locomotives are used at the plant yards to move material, rail-safety training is required.

REX plants use an independent contractor to provide rail-safety training annually, which covers Federal Railroad Administration rules and regulations. This training, which includes classroom and on-site training on the rail, ensures employees know how to operate the locomotive and transfer material correctly and safely.



### REX plants voluntarily participate in a third-party safety audit program

Third-party safety audits, designed and administered by an independent contractor, help to ensure that plants remain current on new and updated OSHA regulations, and identify potential preventive measures and areas of improvement so plant management can act.

As a result of this program, here are examples of improvements made at one or both plants:

- Added a fire-suppression system in the process offices, laboratory and control room for better protection
- Installed area-lighting improvements
- Improved markings to better identify fire extinguisher locations, elevation changes (steps) and exits
- Added safety sensors, temperature sensors and oil-level sensors associated with material handling systems



### Emergency-response drills take place at REX plants

REX plants work with local and regional first responders to occasionally conduct emergency-response drills, a training initiative that exceeds requirements for safety compliance.

During certain trainings, incidents are staged; this gives first responders training on situations such as hazardous materials release and decontamination, high-level rescues and a person trapped.

This high-level training helps first responders get familiar with building locations, plant layouts and access points so they are more prepared in case of an emergency.

These drills, visible in the community, further demonstrate each plant's commitment to keeping employees safe.



## Health and Safety continued

### OES sponsors emergency response trainings

One Earth Sequestration hosted or sponsored three emergency response trainings for first responders serving our communities.

In July and August 2025, OES hosted a 40-hour Illinois Fire Service Institute (IFSI) hazardous materials awareness and operations course in Gibson City. The training, for area firefighters and emergency responders, provided classroom instruction and hands-on training.

In April and November 2025, OES sponsored local firefighters to attend an advanced HazMat liquid and CO2 pipeline and industrial fire emergencies training program in Texas. Conducted by Texas A&M Engineering Extension Service (TEEX), the course featured live pipeline release simulations and hands-on response scenarios.

In 2025, OES also planned a local training at the Gibson City fire station, covering pipeline identification, how to recognize product releases, risk assessments, public safety action implementation and coordinating notifications with pipeline operators and response agencies.

IFSI conducted the training, which was held in January 2026, with firefighters and Ford County Emergency Management Agency representatives attending.

Participants shared positive feedback for all three trainings, saying that it filled a critical gap. The education and experience provided them with real-world and practical skills to manage pipeline and other HazMat emergencies. As a result, OES plans to expand these training opportunities in 2026, to benefit our local emergency responders and ultimately, our communities.



## Human Capital Development

### Specialized operator training helps new employees be more successful on the job

REX plants contract with third parties to provide in-depth, advanced simulation training on plant operations to get new employees up to speed faster and cross train other employees.

These simulations help employees become more knowledgeable, confident and successful on the job because they learn to do tasks properly and efficiently upfront.

### REX provides opportunities for advancement

Employees who work hard and produce results have a chance to advance. For example:

- One of our plant CEOs, who has led operations since the plant opened, started his career working for several farmers cooperatives across the state.
- The CEO of our other plant earned the top spot in 2018 after beginning as a night-rail operator in 2011.
- One of our employees began his career as an operator, moving his way up to roles including cook operator, maintenance tech, supervisor, safety manager, production manager and recently, operations manager.
- An employee hired as a plant operations manager soon became maintenance manager and was promoted a few years later into his current role as vice president of technology and special projects.



- A high school graduate who joined a REX plant as a cook operator, an entry-level position, soon became a distillation and evaporation operator because of her ambition and work ethic. A few months later, she became a board operator at the plant. Then - with encouragement from plant management - she took the initiative to get trained at the plant's Energy Center and learned operations throughout the plant. By the end of her first year, she was promoted to process supervisor, where she has continued to excel.

### Plant Employee Metric Bonus System drives employees to innovate, provides rewards for results

Plant employees not only receive competitive wages with benefits but also have the opportunity to earn a production bonus - each month - if they exceed minimum requirements for defined goals.

REX's Plant Employee Metric Bonus System incentivizes employees to keep innovating by improving technologies and processes.

Employees receive points each month if they exceed defined metrics; one metric, for example, is employee safety. Bonus points are converted to bonus dollars, which are distributed monthly or quarterly above the regular pay.

### REX has two additional programs that compensate employees above their regular pay

Each REX plant offers profit sharing to all employees. Plus, REX gives all plant employees an annual bonus in December.

We believe that if we take good care of our employees, they will continue to innovate, achieve and move the business forward.

**Executives and other management receive part of their compensation in the form of REX stock. As a result, they are committed to and invested in how the company performs.**

### REX plants have built trusted working relationships with local farmers

REX plants value the longtime working relationships established with local farmers in Illinois and South Dakota. Every day we strive to maintain our good reputation, remain competitive with the best possible bid for corn and provide excellent service to meet farmers' needs.

When farmers are ready to sell their corn, we want to continue to be their top choice in the local market. To this end, REX plants offer farmers:

- An easy and fast delivery process to move trucks in and out efficiently
- Convenient payment terms with options for payment frequencies
- Later hours during peak harvest times so farmers can maximize their daily productivity



## Community Relations

### REX has fostered local pride in the plants

REX understands the value that local businesses bring to the local community. That is why REX has taken deliberate steps to maintain a local focus at the plants with:

- A local management team and local employees who have strong roots in the local community
- Local plant names – One Earth Energy and NuGen Energy – which resonate in their respective communities
- A local board of directors at each plant

Each plant’s local board of directors meets monthly to hear updates and safety reports from plant management and staff, review financials and have a voice at the table.

Almost all board members at each local plant are farmers who are leaders in their community. Because they are engaged with the plant, they serve as goodwill ambassadors in the community, sharing news about plant operations and progress, which further strengthens the plant’s relationships with farmers and other stakeholders.

### REX has contributed to economic development in rural communities

REX is proud to have invested in two rural communities – Gibson City, Ill., and Marion, S.D. – creating a total of 125 permanent jobs through year-end 2025.

These jobs pay good, living wages, which give employees opportunities to buy homes, support their families and improve their quality of life. These jobs also encourage young people to remain in their community.

Because our plants provide a market for farmers to sell their corn, farmers have been able to enjoy a higher quality of life and reinvest in their businesses.

Over the years, REX’s investment in these two rural communities – with populations of only 840 and 3,500 – has led to further economic development and growth of local businesses. Real estate and municipal utility taxes paid by the local plants have helped to support the local school districts and other services in the community.



Since the opening of the NuGen Energy plant in 2008 and the One Earth Energy plant in 2009, farmers in the region have seen the value of corn increase. At the same time, farmers have implemented more sustainable agricultural practices that have increased their corn yield per acre while minimizing environmental impacts.

Increase in National Corn Yield Since Crop Year 2007/2008 **↑ 19%**

Bushels/Acre in Crop Year

2007/2008	150.7
2025/2026	186.5

Source: Mid-Co Commodities, Inc.

### REX gives back

REX management and employees strive to be good corporate citizens by giving time, talent and treasure to make their own local communities even stronger.

Here are a few examples of organizations and groups that received cash or in-kind donations from REX or its employees:

#### Schools

- Baseball diamond for local school
- Field trip sponsorships
- Future Farmers of America school scholarships
- Library fundraisers
- Local university foundations and athletic programs
- Lunch bills retired for students in need
- Scoreboard for local school baseball field
- Sports teams’ travel meals
- Sports training camps

#### Families

- Christmas groceries and gift sponsorships for families in need
- Christmas support for homeless shelters and nursing homes

- Community pool-pass sponsorships
- Hope Harbor, which serves and reconciles teens and families

#### Community Groups and Programs

- American Legion
- American Legion Ladies Auxiliary
- Children’s Discovery Museum
- Community celebrations
- County and statewide 4H programs
- Emergency Medical Services/fire departments (training/operational resources/equipment purchases)
- Fall festival sponsorship and activities
- Food pantry programs
- Habitat for pollinators (9 acres)
- Hospital fundraisers
- Lions Club
- Local organizations for social and economic growth
- Midwest Food Bank
- National Child Safety Council
- Veterans Day events
- Veterans of Foreign Wars
- Women in Blue Jeans conferences supporting women in rural America
- Youth activities



# Governance



- Corporate Governance
- Corporate Behavior

## CORPORATE GOVERNANCE

### REX has adopted Corporate Governance Guidelines

These guidelines cover nine topics:

- Director qualification standards
- Director responsibilities
- Reporting concerns to non-management directors
- Director access to management and independent advisers
- Director compensation
- Director orientation and continuing education
- Management evaluation and succession
- Annual performance evaluation of the board
- Amendment, modification and waiver

The [Corporate Governance Guidelines](#) are available on our website.

### Board Composition

#### Five of our nine board members are independent directors

The board has determined that the following directors qualify as independent:

- David S. Harris, lead director
- Charles A. Elcan, director
- Mervyn L. Alphonso, director
- Lee Fisher, director
- Anne MacMillan, director

These directors have no material relationship with REX (either directly or as a partner, shareholder or officer of an organization that has a relationship with REX).

According to REX's Corporate Governance Guidelines, as the Nominating/Corporate Governance Committee identifies, screens and recommends candidates to the board, this committee should ensure that each pool of candidates has diversity.

In identifying director candidates, the Nominating/Corporate Governance Committee considers diversity of professional experience, skills and individual qualities and attributes. A wide range of professional experiences and skills is represented on our current board.

Some examples include:

- Retail management
- Legal
- Investment banking
- Real estate and health care
- Financial management
- Urban planning and public affairs
- Food, agriculture and trade
- Government and politics
- University leadership

The charter for the [Nominating/Corporate Governance Committee](#) is available on our website.

### Board Compensation

#### Board compensation is addressed in our Corporate Governance Guidelines

The Board of Directors, or an authorized board committee, determines and reviews the form and amount of director compensation, including cash, equity-based awards and other compensation.

Periodically, REX uses an independent consultant to review board compensation.

Directors, who receive part of their compensation in the form of REX stock, are committed to and invested in how REX performs.

### Ownership and Oversight

#### REX has adopted an Audit Committee Charter

The Audit Committee assists with board oversight of:

- The integrity of REX's financial statements
- REX's compliance with legal and regulatory requirements
- Independent accountants' qualifications and independence
- Performance of the company's internal audit function and independent accountants
- Cybersecurity matters

The committee is directly responsible for the appointment, compensation, retention and oversight of the work of the company's independent accountants.

The [Audit Committee Charter](#) is available on our website.

## Ownership and Oversight continued

### REX has adopted a Compensation Committee Charter

The Compensation Committee has direct responsibility to:

- Review and approve CEO compensation
- Recommend to the board non-CEO compensation and compensatory plans
- Produce a Compensation Committee report on executive compensation as required by the Securities and Exchange Commission

On Nov. 15, 2023, REX adopted a Compensation Recovery Policy.

The [Compensation Committee Charter](#) is available on our website.

### REX maintains open communication with the board

Board communications have improved with the addition of a lead director: the principal liaison between the executive chairman and the independent directors. The lead director also:

- Presides at board meetings when the executive chairman is not present, including executive sessions of the independent directors
- Approves information sent to the board, board meeting agendas and meeting schedules to ensure there is sufficient time to discuss all agenda items

- Has authority to call meetings of the independent directors
- Is available, when appropriate, for consultation and direct communication with shareholders

Independent directors can approach the lead director and share questions, suggestions and comments, which can then be discussed and vetted before being presented to the executive chairman.

The board meets frequently, which keeps directors up to date on current business conditions and allows directors to ask questions of REX management in an open environment.

- We conduct quarterly board meetings, which coincide with our quarterly Audit Committee meetings.
- We also conduct a board meeting in connection with our annual shareholders meeting.
- Additional board meetings are held as needed to discuss or approve a corporate event or transaction.

## CORPORATE BEHAVIOR

### Business Ethics

#### REX has adopted a Code of Business Conduct and Ethics

This code, which applies to all employees, officers and directors, covers 13 topics:

- Compliance with laws, rules and regulations
- Conflicts of interest
- Corporate opportunity
- Confidentiality
- Fair dealing
- Protection and proper use of company assets
- Accounting complaints
- Reporting illegal or unethical behavior
- No retaliation
- Adherence to code
- Public company reporting
- Amendment, modification and waiver
- No contract of employment

The [Code of Business Conduct and Ethics](#) is available on our website.

#### REX has adopted procedures for submitting complaints related to accounting and auditing matters, and for reporting any concerns related to cybersecurity

These [procedures](#) are available on our website.



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