



**Rexford  
Industrial**

# Rexford Industrial Realty Risk Management Framework

## Introduction

Rexford Industrial Realty, Inc. (“Rexford”) through its building repositioning and redevelopment strategy transforms inefficient buildings into high-functioning, resource-efficient and higher-value properties, reducing its carbon footprint and driving sustainable growth. To maximize resilience, success and stakeholder satisfaction, Rexford embeds risk management throughout our differentiated business model.

Rexford’s risk management framework provides the structure to identify, analyze and address risks. It also aims to improve organizational performance and is a critical component of our commitment to corporate governance.

This document complements Rexford’s suite of environmental, societal and governance (ESG) policies and associated materials which underpin our activities to continuously improve our ESG and program and performance.

## Risk Governance at Rexford

The Board of Directors has oversight of Rexford’s implementation of this risk management framework. A key Board responsibility with respect to risk management is reviewing the results of Rexford’s annual Enterprise Risk Management (ERM) process, ensuring appropriate controls are in place to manage the key risks and seize the key opportunities identified.

Rexford’s leadership team assists the risk management team with the implementation of the risk management framework and ensures engagement and participation in the annual ERM process; confirming key risks and opportunities have been identified and are adequately addressed including through deployment of three lines of responsibility.

Implementing a three lines of responsibility model aims to ensure risk ownership is functionally independent from oversight and assurance. The first line of responsibility lies with the business that has responsibility for day-to-day risk management. The second line is oversight which is the responsibility of the risk management team, cross-functional committees, or independent review functions depending on the risk. Audit and assurance providers comprise the independent third line of responsibility for some of Rexford’s operational and compliance risks including financial and regulatory risks<sup>1</sup>.

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<sup>1</sup> Non-financial data and risks may also be independently assured or audited from time to time.

## **Risk Management Framework**

The risk management framework is the entirety of systems, structures, policies, procedures and people at Rexford that identify, measure, evaluate, monitor, report and control or mitigate all internal and external sources of risk.

The risk framework has two levels:

- Key Risks; and
- Routine Operational and Compliance Risks.

### Key Risks

In determining those risks that are key, we assess the potential for a risk to affect our financial resilience, ability to meet regulatory obligations, stakeholders and reputation. Rexford's key risks include, but are not limited to, financial, strategic, market, and operational risks. The annual ERM process ensures key risks are identified and analyzed; and that controls and mitigants are documented. When required under the ERM process, the risk management team may work with the business between ERM cycles to ensure appropriate oversight.

### Routine Operational and Compliance Risks

Routine operational and compliance risks are those that occur in the conduct of day-to-day business and may be a component of a key risk. They include, but are not limited to, risks associated with:

- Technology;
- Acquisitions;
- Regulatory reporting and oversight;
- Environmental; and
- Property Operations.

Business units have customized processes in place to manage operational and compliance risks, ensuring that the three lines of responsibility foundation of this framework is applied.

## **Communication and Consultation**

Ensuring stakeholders are appropriately involved and informed about Rexford's risks and risk management processes is important to ensure that:

- The context in which Rexford is operating is fully understood;
- The interests of stakeholders are understood and considered;
- All risks are identified;
- Different areas of expertise are drawn on when analyzing and evaluating risks and different views are considered; and
- Endorsement and support for risk treatment plans is secured as appropriate.

Different stakeholders have different information needs and risk tolerances, which influences the level and content of reporting in relation to risks. Stakeholder engagement is guided by this, and Rexford's Stakeholder Engagement Policy.

## **Implementation, Monitoring and Review**

Rexford employees are responsible for implementing this framework and the three lines of responsibility risk management model. Risks are monitored in accordance with the relevant mitigation strategy, and the management processes are reviewed by Rexford's leadership team. This framework is reviewed on an annual basis.

This framework was approved and made effective by the Nominating and Corporate Governance Committee of the Rexford Board of Directors on December 26, 2024.