



2026 Stewardship Report



CONTENTS

- 3 NACCO AT A GLANCE
- 4 MESSAGE FROM OUR CEO
- 5 SAFETY
- 9 PEOPLE
- 13 COMMUNITY
- 19 ENVIRONMENTAL
- 26 GOVERNANCE

ABOUT THE REPORT

This Stewardship Report covers the period from January 1, 2025, to December 31, 2025, unless otherwise noted.



NACCO AT A GLANCE

NACCO Industries, Inc.® brings natural resources to life by delivering aggregates, minerals, reliable fuels and environmental solutions through our robust portfolio of NACCO Natural Resources® businesses.



Manages surface coal mines that are exclusive, long-term fuel providers for power generation companies.



Provides a broad range of specialized long-term contract mining services.



Provides natural resource restoration and reclamation services that include stream and wetland mitigation solutions.



Acquires and promotes the development of mineral interests and other related investments.



Pursues opportunities to develop new power generation resources.



MESSAGE

from Our CEO

Stewardship has a special meaning at NACCO. To us, it means always doing what's right, taking a long-term view and exercising disciplined oversight of the resources entrusted to us. We are building competitive businesses and creating lasting value through integrity, transparency and disciplined execution, while advancing priorities that will shape our future. During 2025, we meaningfully advanced our growth strategies while maintaining a strong focus on our people, safety, communities and the environment. We continue to operate with high standards of corporate governance, recognizing that disciplined oversight underpins everything we do.

This report describes how the results of our work are driven by the dedication of our employees, who show up every day committed to bringing natural resources to life for themselves and their communities. We empower people across the organization to lead with integrity and responsibility, regardless of their position. We hold one another to high standards.

People are our greatest asset, and with that comes great responsibility. We consider the safety and well-being of our employees to be our highest priority. Despite this focus, a tragic incident at one of our operations resulted in the loss of two employees during 2025. This loss deeply affected us, and we extend our heartfelt condolences to the families, friends and colleagues of these individuals. This incident is a solemn reminder of the importance we place on protecting our people every day. In the aftermath of this tragedy, we are reinforcing our

safety culture and expectations as well as the importance of vigilance at every level of our organization.

Our environmental stewardship continued to advance in meaningful ways during 2025. Mitigation Resources of North America® received the Alabama Mining Association's Exceptional Reclamation Award for its work at the Burton Bend site in Walker County, Alabama. This project restored the land to a natural state through highwall elimination, soil replacement and revegetation. Mitigation Resources also secured a restoration project in Kentucky, expanding our reclamation work into a new state. Companywide, we have received more than 100 federal and state awards for successful and innovative reclamation projects over the last 30 years. We remain committed to building on that record. Our expertise in mining, reclamation and natural resources is not just a business model, it is the foundation of our strategy.

As we look ahead, we remain focused on purposeful growth, maintaining strong partnerships and continued service to our customers, employees and the communities in which we operate. Our commitment to stewardship is as broad and enduring as our legacy of operational excellence. Simply put, our promise is clear: we strive to leave things better than we found them because our commitment demands nothing less.

SAFETY

Safety is
Foundational
to How we
Operate

▲ Employees across our operations work daily to reinforce a culture of safety through training, accountability and disciplined execution across all operations.

Protecting the health and well-being of our employees is integral to our role as a steward of the resources we manage and the communities we serve. While our operations span diverse geographies and work environments, our expectations for safe behavior, disciplined execution and accountability are consistent across the organization.

Over the years, our safety performance has been recognized by national and state organizations, including the National Mining Association, with more than 100 safety awards. While these recognitions reflect the strength of our culture, our focus remains unchanged – that work is performed safely, every day, at every location.

Training forms the foundation of our safety culture. From task-specific training to ongoing programs designed to reinforce safe work practices, we work to build and maintain a culture that engages every employee in the shared pursuit of a safe working environment. Safety professionals regularly meet to collaboratively identify and mitigate potential

hazards across all facets of our operations. This encourages proactive discussions on safety topics and sharing best practices throughout the Company. By fostering a culture focused on safety, we strive to not only meet regulatory requirements, but to support worker safety, health and well-being.

We investigate all work-related injuries to determine root causes and identify corrective and preventative actions. We are committed to continuously improving our safety practices through employee engagement, incident analysis, cross-team collaboration, knowledge sharing and ongoing training and education. Every employee is responsible and accountable for safety performance.

Our mining operations are regulated by the U.S. Mine Safety and Health Administration (MSHA) and non-mining operations are regulated by the Occupational Safety and Health Administration (OSHA). We continue to strive toward our goal of zero workplace injuries.



Consistent safety expectations guide work practices across all NACCO operations.

Our Principles of Safety

The following principles guide our commitment to safety:

- ▶ **The safety and health of our employees are critical priorities.** We commit to providing a safe working environment, and in return, we ask every employee to commit to working in a manner that allows everyone to go home safe at the end of each day.
- ▶ **We provide ongoing safety training, education and communication** to ensure employees understand and comply with applicable safety laws and regulations, and everyone is committed to the well-being of themselves and their co-workers.
- ▶ **Well-established safety programs are in place** at each operating location, and all employees share responsibility for maintaining the highest safety standards for themselves and their colleagues.
- ▶ **Every employee is expected to comply** with established safety rules, laws and regulations.
- ▶ **We provide personal protective equipment** to protect employees and provide technical training on the use, maintenance and repair of equipment to ensure all employees can perform their jobs in a safe and healthy manner.
- ▶ **We believe open communication related to safety incidents, near misses and protocols is essential** to continuously developing and maintaining safety best practices and enables us to identify and correct operational practices that might impair the safety or health of employees at each of our locations.
- ▶ **Key personnel participate in companywide safety summits** to discuss successes and opportunities for improvement including best practices and the latest developments related to safety rules, laws and regulations.
- ▶ **We regularly review our safety and health practices** to identify and address operational conditions or practices that could compromise safety or health and to ensure compliance with applicable laws and regulations.
- ▶ **We routinely conduct safety audits** through our cross-functional, cross-geographical Safe Work Area Task Force.
- ▶ **We contribute to industry-wide efforts to share best practices** through our participation in, and support of, safety and health organizations and conferences.

Safety Training

Across the Company, training is our first line of action to build a strong safety culture. During 2025, employees participated in a wide range of safety and emergency response training, including fire safety, CPR and first-aid refreshers. Several operations also expanded their emergency response capabilities

by adding newly trained emergency medical technicians to onsite rescue teams. These efforts reflect our belief that preparation, knowledge and shared responsibility are essential to maintaining a safe working environment.

▼ Employees participate in hands-on safety and emergency response training to strengthen preparedness.



Safety Spotlight

Taking Safety to the Community

The North Dakota State Fair

Our three North Dakota operations, Coteau's Freedom Mine, the Falkirk Mine and the Coyote Creek Mine, brought their mining heritage, workforce expertise and safety culture to the 60th Annual North Dakota State Fair. This participation provided an opportunity to engage directly with the public, highlight our operations and demonstrate the importance of safety in every day mining work.

The Freedom Mine and Falkirk Mine rescue teams demonstrated safely lifting a patient up and down a tower. The demonstration highlighted the Company's safety protocols and the hands-on training employees undergo to maintain safe operations.

Volunteers from all three North Dakota mine sites engaged directly with visitors to answer questions about mining processes, the Company's long-standing presence in the region and its commitment to workforce safety. These interactions offered a personal perspective of life at the mines and the dedication of the employees who keep our operations running smoothly.



PEOPLE

Our Approach to People Reflects a Broad Commitment to Stewardship and Accountability

Our employees are central to our ability to operate responsibly, deliver results and build for the long term. We seek to attract and retain a skilled and engaged workforce that enables strong performance across our operations. As of December 31, 2025, we had approximately 1,800 employees.

Our culture is grounded in respect, accountability and engagement. We align employees with roles that leverage their skills and experience while providing opportunities for development and growth. We believe a strong culture supports both individual success and overall Company performance.

We are committed to treating all employees fairly and with dignity and respect. This commitment is reflected in our Code of Corporate Conduct,

onboarding, training and regular employee communications. We promote a work environment that fosters open dialogue and encourages employees to raise questions and share perspectives. Supporting employees' physical, financial and professional well-being remains an important focus.

Our "one team" approach strengthens collaboration across our businesses, enabling us to share knowledge, address challenges and continuously improve performance. This approach aligns our workforce with our operating priorities and supports consistent, disciplined execution across our businesses. We continue to evaluate and enhance our programs and practices to support our workforce and evolving business needs.



A Culture of Accountability

We expect employees at all levels to operate with integrity and take responsibility for their work. Our culture and “one team” approach emphasize open communication, shared accountability and a commitment to continuous improvement across our operations.



Compensation and Benefits

We invest in our employees through a competitive total compensation program that includes salaries, wages and a comprehensive benefits package designed to support employee well-being. Compensation is structured to reflect roles, experience, skills and geographic factors.

Our health and welfare offerings include medical plans with competitive premiums, with one premium-free option. All employees are eligible for medical benefits, and certain plans include Company contributions to health savings or reimbursement accounts.

Additional programs aim to support overall health, including preventive care, virtual musculoskeletal therapy, injury recovery services and health coaching for employees managing chronic conditions or risk factors.

Benefits at a Glance

- ▶ Medical plans (including premium-free option)
- ▶ Company HSA/HRA contributions
- ▶ Dental, vision, disability and life insurance
- ▶ Employee Assistance Program
- ▶ Voluntary benefits (accident, critical illness and pet insurance)

Retirement and Financial Well-Being

- ▶ 100% Company match up to 5%
- ▶ Immediate vesting
- ▶ Automatic enrollment
- ▶ Profit-sharing contributions



▲ Supporting employee well-being and development through health, training and engagement programs.

In addition to medical coverage, eligible employees receive dental and vision benefits, disability coverage and employer-paid life and accidental death and dismemberment insurance. Voluntary benefits are available to full-time and part-time employees, including accident, critical illness and pet insurance. Our Employee Assistance Program provides confidential support for a range of personal and professional needs.

We encourage long-term financial planning through our 401(k) retirement program. Participation remains strong, with 99% of employees enrolled and an average deferral rate of 10.1% in 2025. The Company provides a 100% match on contributions up to 5% of compensation, with immediate vesting. New employees are automatically enrolled, and profit-sharing contributions are available to eligible employees.

Health and Wellness

Our wellness program is designed to encourage healthy behaviors and support employee well-being. Through a voluntary, points-based system, employees can earn incentives for participating in

health assessments, screenings, education and activity-based challenges. A mobile app supports tracking and employee engagement.

In 2025, 68% of employees participated, and preventive care utilization continued to increase, reflecting strong engagement with the program. The program places particular emphasis on annual physicals, which are important for early detection and overall health management.

Participation is open to all full-time and part-time employees, regardless of enrollment in the Company's medical plan.



Talent Development

We support employee development through a range of training and education programs, including role-specific technical training, safety and operational instruction, leadership development, ethics training and other professional development opportunities.



Employees are encouraged to continue building their skills through formal education and training. Eligible employees may participate in tuition reimbursement programs. Internship opportunities support workforce development and introduce the next generation to careers in our industry. These efforts support workforce development across our operations.

2025 Workforce Snapshot

- ▶ Approximately 1,800 employees
- ▶ 99% participation in 401(k) plan
- ▶ 10.1% average deferral rate
- ▶ 68% participation in wellness program

Our Approach to People

- ▶ Align talent with operational priorities
- ▶ Invest in development and training
- ▶ Support health, safety and financial well-being
- ▶ Foster a culture of accountability and respect

Human Rights and Workplace Practices

We are committed to maintaining a workplace grounded in respect, inclusion and open communication. We expect all employees to be treated fairly and with dignity, and we promote a culture that supports teamwork and mutual respect.

Our human rights policies, supported by our Code of Corporate Conduct, are informed by the principles of the United Nations Universal Declaration of Human Rights and apply across our operations. We are committed to providing equal employment opportunities and to hiring, developing and promoting individuals based on their ability to meet the requirements of each role, without regard to protected characteristics.



COMMUNITY



We Believe in Partnering with Local Communities

NACCO has a long-standing commitment to strengthening the communities where we operate. Our approach to engagement is rooted in cultivating and maintaining strong relationships, investing in initiatives that support long-term well-being and following a philosophy of doing the right thing for our local communities. We fulfill this commitment through local employment, volunteerism, and charitable giving that directly benefits the communities where our employees live and work.

Community Economic Interests

Our operations provide stable, well-paying jobs, and many of our employees have been with the Company for decades. These long-term employment relationships reflect NACCO's emphasis on competitive compensation and opportunities for professional development, which help sustain local economies and create a foundation for community stability. By maintaining strong relationships with customers and regional stakeholders, we help ensure

our operations continue to generate economic value for the communities our employees call home.

NACCO's financial support for the Theodore Roosevelt Medora Foundation is a strong example of the meaningful way we invest in the vitality of a region where we have deep operational roots. By contributing to an organization that preserves and enhances the cultural and economic landscape of North Dakota, NACCO demonstrates a commitment that extends beyond business operations to community stewardship. This alignment strengthens our local partnership and reinforces our long-term presence in a state central to our success.

Community Partnerships

We are proud of the commitment our employees show to the communities we serve. In 2025, we supported employee participation in a wide range of events, from the American Heart Walk in Dallas, Texas, to high-profile events sponsored by our customers, as well as parades in Mercer County,

▲ Our Employees show their support for local organizations in the communities where we operate.



▲ Employees packed snack boxes for children at a local food bank.

North Dakota, and Ackerman, Mississippi. Our North Dakota coal operations also continued their long-standing involvement in the North Dakota State Fair by hosting an exposition booth and even offering coal themed ice cream, a crowd favorite.

Our Catapult Mineral Partners team provided significant support for the Carry The Load Memorial Day event in Dallas, Texas, while the Five Forks Mine in Louisiana welcomed groups such as the Natchitoches Chamber of Commerce for educational tours. In Cleveland, Ohio, employees volunteered at the Cleveland Food Bank, and in North Dakota, the Falkirk Mine granted a wish through the Make-A-Wish Foundation. Mitigation Resources of North America® continued its community engagement by supporting the Longview World of Wonders event and contributing to the Buckner Christmas toy and bicycle drive. In keeping with tradition, the Red Hills Mine hosted fourth-grade students at its 16th annual Arbor Day event, giving students the opportunity to learn more about the mine and its award-winning reclamation work. Across North Dakota, our employees sponsored several community events, including the Coyote

Creek and Coteau Properties joint 5K run and the popular Falkirk fishing tournament.

Our employees strengthen the communities where they live and work through personal contributions and volunteer service. Through our matching gift program, we amplify their generosity by matching eligible donations up to \$5,000 per employee or director. In 2025, our employees and directors supported a wide range of charitable efforts, including educational, arts and community organizations, and we matched more than \$120,000 of employee and director contributions. Since 2020, matching gifts have increased more than 30%.

At our semi-annual management meetings, a special community initiative raised more than \$60,000 to help fund two organizations: the Louisville Volunteer Fire and Rescue in Nebraska, and the Backpack for Kids program with the Community Action Program in Bismarck, North Dakota. These contributions reflect a combination of a corporate gift, employee donations and matching funds.

All of these efforts reinforce how we strive to contribute meaningfully to the long-term prosperity of the communities where we operate.

Community Spotlight

Sawtooth Mining: Taking Root in a New Community

Developing a new mine requires significant operational, financial and logistical effort. It also provides an opportunity to plant roots in a new community through supporting organizations that contribute to the long-term prosperity of the surrounding area.

As Sawtooth Mining continues to support the development of Lithium Americas' Thacker Pass project in Nevada, we have prioritized building strong local partnerships. From the onset, we have been focused on understanding community priorities and establishing a foundation for long-term engagement. Sawtooth President Guy Guidinger brings a deep appreciation for fostering local relationships. He previously served as a manager at the Coteau Properties' Freedom Mine in North Dakota, where community engagement is embedded in the culture.

"I've seen firsthand how important it is to partner with local organizations," Guidinger said. "Our employees live in these communities, and what matters to them matters to us."

In 2025, Sawtooth donated \$7,500 to Great Basin College in Winnemucca, Nevada, to support the

college's Diesel Technology program. This contribution helped fund specialized diagnostic equipment for the program's expanded training facilities, enabling students to gain hands-on experience with the same tools used in the field.

This partnership reflects Sawtooth's commitment to developing a strong local workforce.

"As Thacker Pass progresses, Sawtooth will be hiring additional employees," Guidinger said. "We're looking for skilled, committed individuals, and programs like this play an important role in preparing that workforce for both Sawtooth and Lithium Americas."

Collaborations like this are especially important for rural colleges serving northern Nevada, creating pathways for local students and expanding access to careers in mining and other technical fields.



▼ Supporting Nevada workforce development through partnerships with local training programs.



Community Spotlight



Engaging the Next Generation

NACCO recognizes that strong communities depend on a strong workforce pipeline. Engaging the next generation—students, educators and early career professionals—is an essential part of our long-term approach to community stewardship. By introducing young people to careers in mining, engineering, environmental science and skilled trades, we help build awareness, opportunity and capability in the communities where we operate.

Across our operations, NACCO teams actively participate in events that allow us to connect with students and job seekers at every stage of their educational journey. During 2025, in addition to participating in hiring and career fairs, leaders from several operations attended local high school career days to share insights

into modern mining and career pathways. These engagements provide students with firsthand exposure to the breadth of opportunities available within the industry and help demystify mining for those who may not have considered it as a career option.

Hands-on learning is a key part of our outreach efforts. Throughout the year, several of our operations welcomed students from high schools, technical programs and universities for tours that helped them better understand mining. Falkirk Mine hosted students from Bismarck State College as part of the college's new mining-related program, giving them a first-hand look at operations, reclamation and environmental stewardship. At Coteau's Freedom Mine, engineering students from South Dakota State University gained insight into large scale surface mining and how their coursework applies in practice. These experiences help students understand how classroom learning translates into real world application and problem solving.

We also support education directly through scholarship and financial assistance programs that





▲ We participate in local job fairs to introduce applicants to the benefits of a career at NACCO.

help students pursue postsecondary education. In 2025, Coteau and Falkirk continued their longstanding scholarship and sponsorship programs, recognizing students who demonstrated academic achievement and a strong commitment to their communities. These programs not only support individual students but also reflect our belief that education is essential to community resilience and economic vitality.

Early education and youth development are equally important. At the Red Hills Mine, more than a decade of Arbor Day celebrations has introduced thousands of local fourth-grade students to environmental responsibility, reclamation and natural resource stewardship. In 2025, the mine further expanded its youth outreach by supporting

4-H through an innovative program designed to build leadership skills and provide hands-on learning opportunities for its participants. These initiatives help foster curiosity, environmental awareness and a lasting connection to the land at an early age.

By engaging students across age groups and educational pathways, from elementary classrooms to technical colleges and universities, we help cultivate a pipeline of future talent while strengthening trust and understanding within the communities we serve. These efforts reflect our belief that responsible resource development and community investment go hand in hand, and supporting the next generation is essential to the long-term success of both NACCO and the communities where we operate.

Making a Positive Impact, One Community at a Time

The following list includes the organizations that received contributions from NACCO and our employees through the matching gift program.

CIVIC CONTRIBUTIONS

- ▶ Akron Zoo
- ▶ Ally's Wish
- ▶ American Diabetes Association
- ▶ American Heart Association
- ▶ Cancer Research Institute
- ▶ Carry The Load
- ▶ Central Dakota Children's Choir
- ▶ Christian Youth Theater Dallas
- ▶ Cleveland Kosher Food Pantry
- ▶ Community Action Program, Region VII, Inc.
- ▶ Community of Hope
- ▶ Cook Children's Health Foundation
- ▶ Greater Cleveland Food Bank
- ▶ Highline Canal Conservancy
- ▶ Hope Ignites
- ▶ Hope Manor Foundation
- ▶ Hopewell Therapeutic Farm Community
- ▶ Hudson Community First
- ▶ KERA Public Media Organization
- ▶ Kerr County Flood Relief Fund
- ▶ Lifeline Puppy Rescue
- ▶ Marine Toys for Tots
- ▶ Mercer County Ambulance Service Inc.
- ▶ Mercer County Historical Society
- ▶ Midlands Community Foundation
- ▶ Multiple Breed Rescue
- ▶ Musical Arts Association
- ▶ Neighborhood Alliance
- ▶ North Dakota Community Foundation
- ▶ Our Community Hunger Center
- ▶ Ronald McDonald House
- ▶ Royal Family Kids Camp
- ▶ Sakakawea Medical Center Foundation
- ▶ St. Jude Children's Research Hospital
- ▶ Summit Counseling Services
- ▶ The Children's Heart Foundation (Dakota Warriors)
- ▶ The Music Settlement
- ▶ UH Rainbow Babies & Children's Pediatric ICU
- ▶ Yellowstone County 4-H Council

EDUCATIONAL and CULTURAL CONTRIBUTIONS

- ▶ Baylor University
- ▶ Christ School
- ▶ Cleveland Museum of Art
- ▶ Dallas Opera
- ▶ Hathaway Brown School
- ▶ Hendrick Scholarship Foundation
- ▶ Museum of the American Revolution
- ▶ North Dakota Cowboy Hall of Fame
- ▶ Rockwall High School
- ▶ St. Francis de Sales Parish School
- ▶ St. Joan of Arc Catholic School
- ▶ St. Martin de Porres Catholic School
- ▶ St. Rita Athletic Boosters
- ▶ St. Rita Catholic School
- ▶ Theodore Roosevelt Medora Foundation
- ▶ University of Virginia Law School Foundation
- ▶ Virginia Military Institute Foundation
- ▶ Virginia Tech Foundation, Inc.
- ▶ Wesleyan Christian Academy
- ▶ West Point Association of Graduates



ENVIRONMENTAL

Environmental Stewardship is Part of Our Legacy

We demonstrate our commitment to the environment through excellence in reclamation, biodiversity, historic preservation, waste management and compliance. Our approach reflects our commitment to protect and nurture the environment. We require that all aspects of our operations be conducted in an environmentally responsible manner. Our environmental professionals monitor trends to address stakeholder priorities and apply environmental best practices across our organization.

In 2025, Mitigation Resources received an award from the Alabama Mining Association for reclaiming a former surface mine. In addition, the Falkirk Mine was recognized with an Excellence in Surface Coal Mining & Reclamation Award from the North Dakota Public Service Commission for its extraordinary efforts to maintain public access and utilities to the historic Birka Church and cemetery in McLean County, North Dakota, while mining operations were conducted around them.



**Restoring land to productive use
through disciplined reclamation
and environmental stewardship.**

We strive to minimize the impacts of surface disturbance and practice contemporaneous reclamation at our coal mining operations. We are committed to restoring areas disturbed by mining to ensure beneficial use for future generations. Reclamation efforts are designed to return the land to productive use and promote biodiversity. Prior to the start of mining activities, we conduct comprehensive biological studies to assess local ecosystems. These studies establish an important baseline, enabling our reclamation experts to return the land to an equal or better condition than before mining, which is a key part of our commitment to meet or exceed the applicable environmental laws and regulations. Doing what's right is embedded in our culture and our dedication to environmental responsibility helps build trust with our stakeholders. In recognition of this

commitment, NACCO-affiliated mines have received over 100 reclamation awards from federal, state and regional entities since 1978. In addition, we have planted thousands of acres of native grasses and contributed to reclamation research efforts.

Surface coal mining operations in the United States are required to post a reclamation performance bond to ensure funds are available to reclaim the land. Once reclaimed mined land has demonstrated compliance with productivity standards over a specified period, it can be released from bonding requirements. In 2025, more than 1,000 acres of former mine land became eligible for final bond release, bringing the total acreage of bond-released mine land to over 21,000 acres, demonstrating NACCO's continued commitment to successful reclamation.



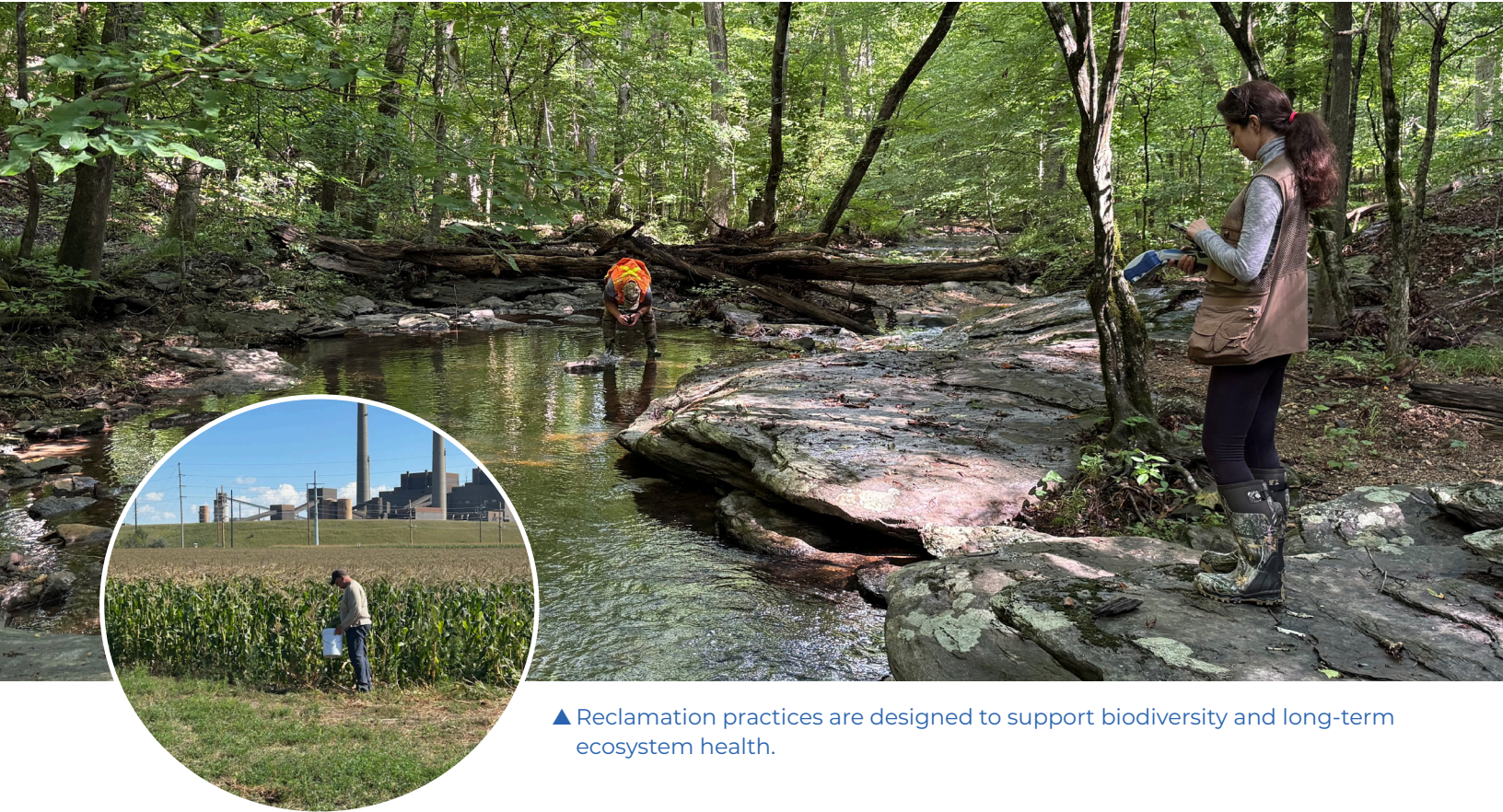
Environmental Spotlight

NORTH DAKOTA PSC HONORS THE FALKIRK MINE FOR EFFORTS MINING AROUND HISTORIC CHURCH

The Falkirk Mining Company was honored by the North Dakota Public Service Commission with the Excellence in Surface Coal Mining and Reclamation Award for its thoughtful approach to protecting the historic Birka Church and cemetery in McLean County, North Dakota, founded in 1906. From 2010 to 2015, Falkirk worked closely with the local congregation to maintain uninterrupted access, utilities and safe conditions while mining operations

took place nearby. By adjusting mining schedules, maintaining access roads and coordinating closely with church members, Falkirk helped ensure that the church remained an active gathering place for the community, never missing a single service. This recognition highlights how collaboration, respect for local heritage and responsible mining practices can support both community life and resource development.





▲ Reclamation practices are designed to support biodiversity and long-term ecosystem health.

Biodiversity

At NACCO, we are committed to providing the essential natural resources necessary for supporting modern society while simultaneously prioritizing environmental protection. Because our operations are located where mineral resources exist, we recognize the crucial role we play in ensuring that our mine plans minimize the impact to the surrounding ecosystems and communities.

At the outset of each project, our team conducts comprehensive ecological and geological assessments to understand the unique characteristics of the local environment. We consider various factors such as regional biodiversity, weather patterns, wind direction, flora and fauna, critical habitats, native species, existence of threatened and endangered species, surface water dynamics, archaeology, soil composition and groundwater resources. We continue to monitor these factors throughout active mining and reclamation. Our in-depth evaluations help us gain a holistic understanding of the complex, interconnected elements within each ecosystem, allowing us to effectively restore the area to its original condition or better once our operations conclude.

We believe that forging strong relationships with agencies and organizations focused on protecting our environment is crucial to our mission of preserving biodiversity while providing essential natural resources. We work closely with the U.S. Fish and Wildlife Service, the U.S. Army Corps of Engineers, the Natural Resources Conservation Service and the U.S. Department of the Interior, as well as state regulatory agencies, state parks and wildlife departments. These collaborations help us better understand and mitigate environmental impacts, while demonstrating our commitment to responsible and sustainable resource development.

To support this work, we employ a team of highly educated and trained environmental professionals dedicated to maintaining our expectations and standards for biodiversity management. Our team includes wildlife specialists, geologists, range management experts, wetland identification and reconstruction specialists, stream design engineers, water quality hydrologists, soil scientists, ecologists and watershed management specialists. Their collective expertise ensures our operations consistently meet or exceed industry practices for environmental stewardship.

Protecting the Past

We conduct cultural resource surveys to identify archeological and historic properties and artifacts prior to permit issuance. Our work helps preserve archeological, historical and cultural sites and information. This process has led to discoveries that create value through expanded knowledge about cultural and historic activities. Our findings are made available to relevant stakeholders. Employees receive training on how to respond to incidental discoveries, such as finding archeological artifacts at several mitigation bank projects.



Environmental Highlights as of December 31, 2025

Since 1978, NACCO operations (excluding Mitigation Resources) have:

- ▶ Reclaimed over **66,000 acres** of previously mined land which includes over:
 - **6,300 acres** of prime farmland
 - **23,000 acres** of cropland
 - Planted over **23,000 acres** in native grass
 - Planted over **11 million trees**
- ▶ Reconstructed over **68 miles of streams** and **1,500 acres of wetlands**

- ▶ Released over **21,000 fully reclaimed acres** from bonding requirements

Since 2019, Mitigation Resources has:

- ▶ Preserved, restored or enhanced over **2,500 acres of wetlands**
- ▶ Preserved, restored or enhanced over **59 miles of streams**
- ▶ Planted over **454,000 trees**

Waste Management Program

Our operations employ waste management practices that minimize overall waste production and maximize recycling and reuse opportunities before proper disposal. We are committed to identifying opportunities to reuse and recycle waste.

We monitor materials, packaging and waste to identify hazardous materials and conduct periodic audits of the vendors involved in removing waste from our mine sites. We seek to minimize

hazardous wastes whenever possible. Each of our mining operations is classified as a Very Small Quantity Generator of hazardous waste, as defined by the Environmental Protection Agency. In 2025, NACCO operations reused or recycled approximately 68% of the waste generated companywide.

Our Environmental Policy, which is available on our website, emphasizes our strong legacy of environmental stewardship as part of our long-held commitment to being a good corporate citizen.

Our waste management program includes:



Proper labeling, storage, handling and transporting of waste



Identifying recycling opportunities



Maintaining regulatory requirements



Collecting and reporting waste management data

Managing Land Reclamation

Our operations are committed to protecting the environment throughout the mining life cycle. For example, the Sabine Mine in Marshall, Texas, constructed sedimentation control ponds and interconnecting diversions that allow terrestrial, aquatic and semi-aquatic species to move across the reclaimed land. These structures also provide important habitat for migratory birds. Furthermore, planting bottomland hardwoods for riparian buffers and flooded timbers provide habitat and rookery sites for waterfowl and birds. Shallow areas for emergent vegetation provide forage for waterfowl, while wood duck boxes enable nesting activity in areas lacking hollowed trees or embankment burrows. Native grass filter strips provide cover from predators and weather, while also improving surface water quality. Together, these types of reclamation practices go beyond regulatory requirements and demonstrate our ongoing commitment to ecosystem health.

Since mining commenced in 2000, the Red Hills Mine has planted native grass on over 430 acres of reclaimed land and preserved hedge rows and other habitat whenever possible to support grassland bird conservation efforts. The Arbor Day Grove at the Red Hills Mine features a variety of trees planted by local elementary students as part of annual Arbor Day celebrations held at the mine since 2009. Placement of bee hives around both the Coteau and Falkirk Mines demonstrates our support of pollinator habitats. At the Sabine Mine, more than 9 million trees have been planted throughout the mine's life. Across NACCO operations, over 247,000 trees were planted in 2025.



Mitigation Resources of North America

Burton Bend Project Honored by Alabama Mining Association



▲ Mitigation Resources transformed a previously mined site into a stable, environmentally sound landscape through reclamation expertise.

Mitigation Resources of North America® provides natural resource restoration and reclamation services, as well as stream and wetland mitigation solutions, for states, municipalities and other third parties. Established as a natural extension of our legacy mining reclamation skills and award-winning environmental management expertise, this business leverages our proven capabilities in land reclamation, ecological restoration and regulatory coordination.

Mitigation Resources of North America received the Exceptional Reclamation Award from the Alabama Mining Association in recognition for outstanding reclamation work at the Burton Bend project in Alabama.

The six-month Burton Bend reclamation project focused on transforming a previously mined site into an environmentally sound landscape. The project eliminated more than 3,800 linear feet of highwall and carefully graded disturbed areas to a 3:1 slope or gentler, in accordance with plans approved by the Alabama Surface Mining Commission. To support long-term vegetation and site stability, the project also replaced more than 17 acres of topsoil to a minimum depth of six inches.

The project included installing significant erosion and stormwater control infrastructure across the site, including diversion terrace bench ditches, riprap down drains and a concrete-lined primary spillway to safely manage runoff. Mitigation Resources rebuilt access roads impacted by grading and fully remediated the former coal yard.

In the final phase of the project, all disturbed areas were seeded, fertilized and mulched using approved seasonal seed mixes. A six-month erosion control period followed, during which crews monitored site performance and completed repairs and reseeded as needed to achieve the required 80 percent ground cover.

“We are honored that the association chose to recognize the stellar work done at this reclaimed mine site,” said Eric Anderson, President of Mitigation Resources of North America. “This project is a strong example of how thoughtful, well-executed reclamation can create lasting environmental value.”

Recognition from the Alabama Mining Association underscores Mitigation Resources’ technical expertise and long-standing commitment to responsible reclamation, environmental stewardship and the well-being of the communities it serves.

GOVERNANCE



▲ Our Board of Directors visited one of our stream and wetland mitigation banks in Tennessee. Strong governance and independent oversight supports long-term value creation.

Doing the Right Thing is in Our Corporate DNA

Strong corporate governance, grounded in a long-term perspective, is an integral part of our value system. Our Company was founded in 1913, and descendants of Frank Taplin, our founder, continue to have a substantial ownership stake in our company. Five generations of stock ownership demonstrate long-term dedication and commitment to NACCO's success. We believe this ownership structure

provides a strategic advantage by helping to mitigate certain short-term pressures faced by companies with broader shareholder bases, instead allowing management and the Board of Directors to focus on long-term objectives that benefit all stockholders.

Effective corporate governance and long-term success are inextricably linked. A clear, well-designed governance framework allows our management

Dual Listing on NYSE Texas

In addition to NACCO's primary listing on the New York Stock Exchange, effective December 11, 2025, we dual listed and began trading our Class A Common Stock on NYSE Texas, the newly launched fully electronic equities exchange, under the same "NC" ticker symbol.

"We are pleased to reinforce our long-standing relationship with the NYSE and deepen our commitment to the Lone Star State, a key region for natural resources and an area where we proudly operate, invest and maintain deep community ties," said J.C. Butler, President and Chief Executive Officer of NACCO. "We chose to become dual listed in a show of support for Texas' business-friendly growing capital market infrastructure environment and to increase our market visibility while we continue to create long-term value for our stockholders."



team to focus on operating the Company responsibly with a long-term perspective. Our Board has long maintained strong governance practices designed to ensure accountability, fiscal responsibility and the highest levels of ethical conduct. Independence is an important component of our Board's oversight, and each chair and member of our key Board committees—Audit Review, Compensation and Human Capital and Nominating and Corporate Governance—is independent. We currently have 11 directors on our Board, including 9 independent directors in accordance with the New York Stock Exchange (NYSE) listing standards. The Board sets the tone by upholding strong governance practices and provides long-term strategic guidance and oversight in fulfillment of its responsibilities to stockholders.

Our Board members have a broad range of skills, expertise, industry knowledge, perspectives and backgrounds. The Board maintains a balance between longer-tenured directors with deep institutional knowledge of the Company and newer directors who contribute a fresh perspective. The Board seeks to ensure that it is composed of members whose particular expertise, qualifications, attributes and skills, when taken together, allow the Board to satisfy its oversight responsibilities effectively.

Corporate governance is an important part of our business strategy, as it provides us with a strong

foundation. The Board oversees risk management by regularly reviewing information provided by management regarding risk identification, risk management and risk mitigation strategies. In addition, the full Board engages in ongoing succession planning and talent development discussions.

Our Board committees assist the full Board's oversight of our material risks by focusing on risks related to the particular area of concentration of the relevant committee. The Nominating and Corporate Governance Committee is responsible for overseeing all governance matters related to the Company, including reviewing and identifying new candidates to the Board, evaluating incumbent directors, reviewing and making recommendations regarding the member composition of each Board committee as well as considering director succession planning. In addition, the committee carefully considers the importance of complementary skills, backgrounds and experiences when selecting director nominees. Further, our Nominating and Corporate Governance Committee oversees our corporate stewardship program. Our Compensation and Human Capital Committee oversees risks related to our compensation policies and the development of human capital strategies. Particularly, this committee oversees our single incentive plan that unites our

companywide leadership team around common goals, with a focus on creating long-term value. Our Audit Review Committee oversees financial reporting and control risks, and is responsible for reviewing and discussing with management our risk exposure relating to cybersecurity, artificial intelligence and data privacy. This includes reviewing the state of our cybersecurity program and emerging cybersecurity developments and threats, as well as the steps management has taken to monitor and mitigate such exposure.

Our Board maintains open and constructive dialogue with management and plays a key role in providing oversight into the Company's operations and strategic initiatives. We are grateful for our Board of Directors' thoughtful oversight and the continued support of NACCO's stockholders. Our shared commitment to excellence and value creation forms the bedrock of our Company. We're particularly proud of what we call our "one team" philosophy, which means whether someone serves on our Board or works inside one of our businesses or at the corporate level, we're all pulling in the same direction to grow and strengthen our Company.

COMPLIANCE

NACCO files income tax returns in the U.S. federal jurisdiction and various state and local jurisdictions. We engage with tax authorities in a cooperative and compliant manner as reflected by our participation in the IRS Compliance Assurance Program (CAP). We have participated in CAP since 2021 having continued to meet the stringent requirements for participation. CAP is a real-time resolution process to review items before filing tax returns in order to comply with federal tax laws, ensure accurate tax returns and shorten the IRS audit process. The collaborative approach provides certainty about our tax liability for a given year within months, rather than years, of filing our annual tax return and confirms our compliance with the U.S. federal tax law. We have open communication to identify and resolve any differences by providing all required and requested information and engaging in constructive discussion.

DOING THE RIGHT THING

Doing the right thing is fundamental to how we do business. We believe strong corporate governance underpins our value system, which guides everything we do. It supports well-informed decision making, drives continuous improvement and fosters a culture of partnership and trust. We operate with honesty, accountability and transparency, building and nurturing relationships with our employees, customers, suppliers and communities where we operate.

Strong corporate governance also supports NACCO's long-term performance. Our Board and management team are focused on delivering long-term value for our stockholders. We demonstrate this commitment through disciplined capital allocation, including a long history of paying dividends and, when appropriate, repurchasing shares.

During 2025, NACCO paid dividends totaling \$7.3 million. In May 2026, we increased our dividend by 4%. The new dividend is equal to an annual rate of \$1.05 per share, up 4 cents from the prior annual rate of \$1.01 per share. This dividend increase reflects our confidence in the Company's trajectory, disciplined capital allocation and ongoing commitment to returning cash to stockholders while investing in the long-term growth of our business. We have increased our dividend each year since 1956, with the exception of resets in 2012 and 2017 in connection with strategic business spinoffs. This increase extends our long-standing record of delivering reliable, steadily increasing returns to stockholders.

ETHICS

NACCO is committed to maintaining the highest standards of professionalism and ethical conduct. We maintain several policies that underpin our commitment to ethical business practices.

THESE POLICIES COVER:

- ▶ Code of Conduct
- ▶ Insider Trading
- ▶ Anti-Corruption

Please visit www.nacco.com for the full text of many of our policies.

Our Code of Corporate Conduct applies to all of our directors and employees. It is designed to provide guidance on how to act legally and ethically while at any NACCO location. In 2025, 100% of our active employees and directors completed their assigned code of conduct

training. This training includes content on how to address potential ethical or compliance risks they may face. We have also adopted Corporate Governance Guidelines that the Company believes represent sound practices and provide a framework for the conduct of our Board and employees.

All NACCO personnel are required to report without delay any conduct which they believe to be illegal or a violation of the Company's Human Rights Policy or Corporate Code of Conduct. The identity of any NACCO personnel making such a report is kept in strict confidence except as required by law, and we utilize a third-party hotline so reports can be generated anonymously. Retaliation in any form against an individual who exercises his or her right to make a complaint in good faith is strictly prohibited.

CYBERSECURITY

Cybersecurity remains a key governance priority for NACCO. We maintain a cybersecurity program that is aligned with our business and has established policies and processes for assessing, identifying and managing material risk from cybersecurity threats. The cybersecurity program is led by our Chief Information Security Officer who is responsible for the management of cybersecurity risks. A cross-functional Cybersecurity Task Force meets regularly to further advance the Company's cybersecurity strategy.

We have implemented and invested in controls, technologies and resources (both internal and external) that are designed to identify, protect against, detect, respond to and mitigate cybersecurity risks, in alignment with frameworks established by the National Institute of Standards and Technology. Our commitment to cybersecurity cultivates a security-minded

culture through education and training that reflect best practices and improve our employees' cybersecurity awareness. We continue to focus on strengthening risk mitigation in this area through several measures, including retention of third-party cybersecurity partners for attack and penetration testing and assessments.

The Audit Review Committee and the full Board each receive briefings on our cybersecurity program throughout the year. This process includes reviewing the state of our cybersecurity program, discussing emerging cybersecurity developments, including AI, and monitoring the steps that management has taken to mitigate such exposure.

We recognize the constantly evolving nature of cyber threats and are committed to cultivating a strong security culture, maintaining vigilance and continuously enhancing our cybersecurity systems and controls.



Bringing Natural Resources to Life

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