**Risk Factors Comparison 2024-02-22 to 2023-02-23 Form: 10-K**

**Legend:** **New Text** ~~Removed Text~~ Unchanged Text Moved Text Section

You should carefully consider the following risk factors in addition to the other information included in this report. Each of these ~~risk~~ **risks** ~~factors~~ could adversely affect our business, financial condition, results of operations, and / or liquidity, as well as ~~adversely affect~~ **, in certain cases,** the value of an investment in our securities **. Although the risks are organized by headings and each risk is discussed separately, many are interrelated** . Risks Related to Our Business, Industry, and Operations Our financial results are affected by volatile margins, which are dependent upon factors beyond our control, including the price of feedstocks and the market price at which we can sell our products. Our financial results are affected by the relationship, or margin, between our product prices and the prices for crude oil, corn, and other feedstocks that we purchase, which can vary based on global, regional, and local market conditions, as well as by type and class of product. Historically, product margins have been volatile, and we believe they will continue to be volatile in the future. Our cost to acquire feedstocks and the price at which we can ultimately sell products depend upon several factors beyond our control, including regional and global supplies of and demand for feedstocks (such as crude oil, waste and renewable feedstocks **,** and corn), liquid transportation fuels (such as gasoline, diesel, renewable diesel, and ethanol), and other products. These in turn depend on, among other things, the availability and quantity of feedstocks and liquid transportation fuels imported into the countries in which we operate, the production levels of suppliers, levels of product inventories, productivity and growth (or the lack thereof) of the U. S. and global economies, the U. S. government' s relationships with foreign governments, political affairs, ~~and~~ the extent of government regulation **, and the events described in many of the other risk factors below** . The ability of the members of the Organization of Petroleum Exporting Countries (OPEC) to agree on and to maintain crude oil price and production controls ~~and changes in trade flows from events such as~~ **has** ~~the Russia- Ukraine conflict have~~ also had, and ~~are~~ **is** likely to continue to have, a significant impact on the market prices of crude oil and certain of our products. Additionally, the regulations, policies, and standards discussed under " ITEMS 1. and 2. BUSINESS AND PROPERTIES — OUR COMPREHENSIVE LIQUID FUELS STRATEGY — Regulations, Policies, and Standards Driving Low- Carbon Fuel Demand " have had, and are likely to continue to have, a significant impact on the market prices of the feedstocks for, and products produced by, our low- carbon fuels businesses. Any adverse change in these regulations, policies, and standards (including, for example, changes in the price of carbon or other inputs that affect the value of our low- carbon fuels ~~)~~, **such as** ~~or in our ability to obtain any~~ approved fuel pathways, **credits, or incentives)** could have a material adverse effect on the margins we receive for our low- carbon **fuels** ~~products in certain markets~~ . Some of these factors can vary by region and may change quickly, adding to market volatility, while others may have longer- term effects. The longer- term effects of these and other factors on product margins are uncertain. We do not produce crude oil, waste ~~and~~ **,** renewable feedstocks ~~,~~ **(except inedible distillers** corn **oils), corn,** or other primary feedstocks **,** and must purchase nearly all of the feedstocks we process. We generally purchase our feedstocks long before we process them and sell the resulting products. Price level changes during the period between purchasing feedstocks and selling the resulting products has had, and ~~in the future~~ could continue to have, a significant effect on our financial results. A decline in market prices **for our products and feedstocks** has had **,** and could again have **,** a negative impact to the carrying value of our inventories. **Factors outside of our control, such as** ~~Economic~~ **economic** uncertainty, inflation **(and the potential for increased prices to create demand destruction)** , ~~cybersecurity incidents~~ **persistently high interest rates, public health crises (such as the COVID- 19 pandemic)** , and political unrest or hostilities, **have affected** ~~including the threat of future terrorist attacks~~ , **and** could **continue to** affect ~~the~~ **,** ~~economies~~ **economic activity and growth levels** of the U. S. and other countries. **A decrease in the demand for and consumption of our products due to** ~~Lower~~ **lower** economic activity **and growth levels has caused, and** could **again cause** ~~reduce the demand for and consumption of our products~~ , ~~which~~ **declines in our revenues and margins and** could ~~cause~~ **negatively impact** our ~~revenues and margins to decline, limit our future~~ growth prospects and ~~affect our~~ capital allocation decisions. **Additionally** ~~Inflation could negatively impact our operating costs and increased product prices could result in demand destruction. Refining~~ , **a** ~~renewable diesel, and ethanol margins also can be significantly impacted by changes in the worldwide production capacity of such products, whether due to the expansion, closure, or transition of existing facilities, or construction of new facilities, and those product margins will be adversely affected if the worldwide production capacity for such products exceeds demand. A~~ significant portion of our profitability is derived from the ability to purchase and process crude oil feedstocks that historically have been cheaper than benchmark crude oils. These crude oil feedstock differentials vary significantly depending on **many factors, including** overall economic conditions and trends and conditions within the markets for crude oil and refined petroleum products. Previous declines in such differentials have had, and any future declines will likely again have, a negative impact on our results of operations. **We are subject to risks arising from** ~~Industry~~ **industry** and ~~other~~ **market** developments **that could** ~~, and evolving sentiment, regarding fossil fuels and GHG emissions, may~~ decrease the demand for our products ~~and could adversely affect our performance~~ . A reduction in the demand for our products could result from a transition by consumers to alternative fuel vehicles, such as electric vehicles (EVs) and hybrid vehicles, whether as a result of government mandates or incentives, industry developments, or consumer or investor sentiment towards fossil fuels and GHG emissions. New developments may make alternative fuel vehicles more affordable or desirable, including improvements in battery and storage technology, increases in driving ranges, increased availability of charging stations and other infrastructure, expanded and more reliable supply chains, ~~increased inventory,~~ and improvements in hydrogen fuel cell technology. Any such developments could increase consumer acceptance and result in greater market penetration of alternative fuel vehicles. There may be new entrants into the low- carbon fuels industry that could meet demand for lower- carbon transportation fuels and modes of transportation in a more efficient or less costly manner than our technologies and products. For example, several other companies have made, or announced interest in making, investments in renewable diesel **, SAF, and other low- carbon** projects. As these projects develop, we will face increased competition **, including** for ~~waste and renewable~~ feedstocks and customers, which could reduce our product margins and limit the growth and profitability of our low- carbon fuels businesses. While it is not currently possible to predict the ultimate form, timing, or extent of any such developments, any such event could materially and adversely affect our business, financial condition, results of operations, and liquidity. **We are subject to risks arising from** ~~Sentiment~~ **sentiment** towards climate change, fossil fuels, GHG emissions, environmental justice, and other **environmental, social, and governance (** ESG **)** matters ~~could adversely affect our business and cost of capital~~ . In recent years, a number of advocacy groups, both in the U. S. and internationally, have campaigned for government and private action to promote climate and other ESG- related ~~change~~ **changes** , particularly at public companies, through **activities including** investment **, engagement,** and voting practices ~~of investment advisors, sovereign wealth funds, pension funds, endowments, and other stockholders~~ . These activities have included promoting the divestment of securities of fossil fuel companies **, pressuring fossil fuel companies to commit to future output reductions,** and pressuring lenders, insurers, and other **market participants** ~~financial services companies~~ to limit or curtail activities with fossil fuel companies. As a result, **we believe** some **parties** ~~financial intermediaries, investors, and other capital markets participants~~ have reduced or ceased lending to, investing in, or insuring ~~companies that operate in the~~ fossil fuel ~~industry~~ **companies** . If these or similar efforts are continued, our ability to access capital markets **,** ~~or to otherwise~~ obtain new investment ~~,~~ **or** financing, or to fully insure our operations may be negatively impacted. These activities have also aimed to increase the attention on and demand for action related to various ESG matters, which has contributed to increasing societal, investor, and legislative focus and pressure on ESG practices and disclosures, including those related to climate change, GHG emissions targets, business resilience under the assumptions of demand- constrained scenarios, net- zero ambitions, ~~transition~~ **GHG reduction** plans, actions related to ~~diversity and inclusion~~ **human capital management** , political activities **, environmental justice** , racial equity audits, and governance standards. For example, ESG- focused ~~stockholder~~ activism has **increased** ~~been increasing~~ in the fossil fuel industry and has resulted in more frequent attempts to effect business or governance changes through mechanisms such as stockholder proposals, vote- no campaigns, and exempt proxy solicitations ~~, among others~~ . As a result, we have faced **,** and expect to continue to face **,** increasing pressure regarding our ESG ~~practices~~ and **climate- related** disclosures, **including our GHG emissions targets and ambition (** including our methodologies and timelines with respect thereto **)** , negative publicity **, prescriptive stockholder requests** , and demands for ESG- focused engagement ~~from investors and stakeholders~~ . **ESG has** ~~Investors, stakeholders, and other interested parties are~~ also **become an** increasingly ~~focusing on~~ **politically charged** ~~issues~~ - **issue,** ~~related to environmental justice. This has resulted~~ and ~~is likely to continue to result in~~ **" anti- ESG " sentiment and** increased scrutiny ~~, protests,~~ and **skepticism** ~~negative publicity with respect to our business and operations, and those~~ of ~~our counterparties~~ **ESG policies and practices have resulted in** , ~~which~~ **and** could ~~in turn~~ **continue to** result in ~~the cancellation or delay of projects~~ , **additional demands** ~~the revocation or delay of permits, termination of contracts, lawsuits, regulatory action,~~ and **strains on companies** ~~policy change that may adversely affect our business strategy, increase our costs, and adversely affect our reputation and financial performance~~ . Responding to such ESG- focused activism has been **,** and will likely continue to be **,** costly and time- consuming. Such response efforts **have resulted in, and** could ~~also~~ **continue to** result in **,** the implementation of certain ~~ESG~~ practices ~~or~~ **and** disclosures that may present a heightened level of legal and regulatory risk, or that threaten our credibility with other investors and stakeholders. The methodologies and standards for tracking and reporting on ESG matters are relatively new, have not been standardized, and continue to evolve. As a result, our ESG- related **metrics, targets, ambitions, and other** disclosures, ~~metrics, and targets~~ may not necessarily be calculated **or presented** in the same manner or **be** comparable to similarly titled measures presented by us in other contexts, or by other companies or third- party estimates **or disclosures, and our interpretation of reporting standards may differ from those of others** . While we believe that our ESG disclosures and methodologies reflect our business strategy and are reasonable at the time made or used, as our business or applicable methodologies, standards, or regulations develop and evolve, we may revise or cease reporting or using certain disclosures and methodologies if we determine that they are no longer advisable or appropriate **,** ~~. If our~~ - **or** ~~ESG disclosures and methodologies~~ are **otherwise required** ~~or are perceived by government authorities, investors, or stakeholders~~ to **do so** ~~be inadequate, inaccurate, or non- compliant with applicable standards or regulations, or if we discover material inaccuracies therein, our reputation could be negatively impacted, and we could be exposed to litigation and other regulatory actions. Some capital markets participants are increasingly using ESG as a factor in their assessments, which could impact our cost of capital or access to financing. There has also been an acceleration in investor demand for ESG investing opportunities, and many institutional investors have committed to increasing the percentage of their portfolios that are allocated towards ESG- focused investments. As a result, there has been a proliferation of ESG- focused investment funds and market participants seeking ESG- oriented investment products. There has also been an increase in third- party providers of company ESG ratings, and an increase in ESG- focused voting policies among proxy advisory firms, portfolio managers, and institutional investors. Such ESG ratings and voting policies often differ based on the provider and are continually changing. Recently, backlash from certain governments and investors against ESG funds and investment practices has resulted in increased scrutiny and withdrawals from such funds. Such backlash has also resulted in " anti- ESG " focused activism and investment funds, which may result in additional strains on company resources. If we are unable to meet the ESG standards or investment, lending, ratings, or voting criteria and policies set by these parties, we may lose investors, investors may allocate a portion of their capital away from us, we may face increased ESG- focused activism, our cost of capital may increase, and our reputation may also be negatively affected~~ . Our operations depend on **the reliable supply of** natural gas and ~~reliable~~ electricity, **which exposes us to various risks** ~~and such dependency could materially adversely affect our business, financial condition, results of operations, and liquidity~~ . Our operations depend on the ~~use~~ **reliable supply** of natural gas and

~~reliable~~ electricity. We consume ~~a~~ significant ~~volume~~ **amounts** of natural gas and ~~a significant amount of~~ electricity to operate our refineries and plants, and natural gas and electricity prices have a ~~large~~ **measurable** effect on the **total** cost of our operations. We also purchase other commodities whose ~~price~~ **prices** may vary depending on the prices of natural gas or electricity. **The volatility of** ~~Prices~~ **prices** for both natural gas and electricity ~~can be volatile and therefore~~ represent **an** ongoing ~~challenges~~ - **challenge** to our operating results. Additionally, the availability **and cost** of natural gas and electricity ~~can~~ **have been, and could continue to** be **,** affected by numerous events **,** such as **government regulations,** weather (e. g., hurricanes and periods of considerable heat or cold, ~~like~~ **such as** Winter Storm Uri in 2021), ~~pipeline and other~~ logistics interruptions, electric grid outages, cybersecurity incidents, intermittent electricity generation (particularly from wind and solar), hostilities, sanctions, **human error,** and supply and demand imbalances for ~~electricity and~~ natural gas **and electricity** . For example, the real- time market structure of the primary grid provider in Texas exposes many of our refineries and operations located in Texas to " scarcity pricing " during periods of supply and demand imbalance. As electrification continues to grow, or if there are increased restrictions or costs imposed on the ability of utilities or power suppliers to utilize certain energy sources (such as through restrictions on fossil fuel or nuclear- generated electricity or ESG pressure not to use such sources of electricity generation), there will likely be increased strains on ~~,~~ and risks to the integrity, reliability, and resilience of electrical grids, and increased volatility and tightness in natural gas and electricity supplies across the world **. These** ~~, and such~~ events could negatively affect the cost, reliability, and availability of our natural gas and electricity supplies **and may cause sporadic outages disrupting our operations** . ~~Increased~~ **Growing** electrification **and rapidly developing and increasing technology use (such as artificial intelligence, computer processing, cryptocurrency mining, and cloud storage, and the data centers and power supplies required to support these activities)** will also likely increase the intermittency and **decrease the** ~~variability~~ -- **reliability** of electricity **supplies, particularly for grids highly dependent upon wind** and **solar** power ~~supplies~~ , which would exacerbate the foregoing challenges. Additionally, increased government regulations and public opposition to pipeline construction and electricity generation and transmission projects ~~may~~ **have resulted in, and could continue to** result in **,** the underinvestment in, or unavailability of, the infrastructure and logistics assets needed to obtain natural gas feedstocks and electricity in a reliable and cost- efficient manner. Although we actively manage these ~~costs~~ **risks** through contracting and hedging our exposure to price volatility as appropriate, and by pursuing projects that reduce our reliance on third parties and fortify the resilience of our assets, increases in prices for natural gas and electricity, or disruptions to our supply thereof, **have in the past, and** could **again,** materially and adversely affect our business, financial condition, results of operations, and liquidity. **We are subject to risks arising from the potential** ~~Disruption~~ **disruption** of our ability to obtain ~~crude oil, waste and renewable~~ feedstocks ~~, corn, and other feedstocks could adversely affect our operations~~ . We source our ~~refining~~ **petroleum- based and low- carbon fuels** ~~feedstock~~ **feedstocks** ~~requirements~~ **from suppliers** throughout the world. We are, therefore, subject to the political, geographic, and economic risks attendant to doing business with suppliers located in, and supplies originating from, ~~diverse~~ **different** areas **across the world, including global geopolitical and other conflicts and tensions that may impact trade flows and increase transportation costs** . If one or more of our supply contracts were terminated, or if political or other events were to disrupt our traditional feedstock supply, we believe that adequate alternative supplies would be available, but it is possible that we would be unable to find adequate or optimal alternative sources of supply. Our refineries and plants without access to waterborne deliveries or offtake must rely on rail, pipeline, or ground transportation and thus may be more susceptible to such risks. If we are unable to obtain adequate or optimal volumes or are able to obtain such volumes only at unfavorable prices, our business, financial condition, results of operations, and liquidity could be materially **and** adversely affected, including from reduced sales volumes of products or ~~reduced margins as a result of~~ higher **operating** costs. The U. S. government can also prevent or restrict us from doing business in or with other countries. For example, U. S. sanctions ~~concerning~~ **targeting** Russia, Iran, and Venezuela limit, but **do** not necessarily ban, the ability of most U. S. companies to engage in ~~oil~~ **petroleum- related** transactions involving these countries. U. S. and other government sanctions and actions by governments and private market participants to refrain from purchasing or transporting crude oil and petroleum- based products from particular countries (such as in response to the Russia- Ukraine conflict) have impacted **,** and may continue to impact **,** trade flows, and have limited **,** and may continue to limit **,** our access to business opportunities in various countries. Although Darling, the other joint venture member in DGD, supplies some of DGD' s waste feedstock at competitive pricing, DGD must still secure a significant amount of its waste and renewable feedstock requirements from other sources. ~~Should~~ **If** Darling' s supply ~~be~~ **is** disrupted or ~~should~~ **if** supply from other sources ~~become~~ **becomes** limited or only available on unfavorable terms, DGD could be required to develop alternate sources of supply, and it could be required to increase its utilization of waste and renewable feedstocks that produce lower **-** margin products. As the volume of renewable diesel **and other low- carbon fuels** produced continues to increase, the competition for ~~waste and renewable~~ feedstocks will likely increase, **and** ~~which could place downward pressure on the margins associated with our Renewable Diesel segment' s products.~~ DGD will also likely be required to ~~satisfy~~ **source** a greater amount of its waste and renewable ~~feedstock~~ **feedstocks** ~~supplies~~ from international sources ~~as the competition for these feedstocks continues to increase~~ , which would increase its exposure to the political, geographic, regulatory, and economic risks **associated** ~~attendant to doing business~~ with **international sourcing of** ~~suppliers located in, and~~ supplies ~~originating from, such areas~~ . ~~Should~~ **A disruption to** DGD' s feedstock supply ~~be disrupted, such an event~~ could adversely impact its and our business, financial condition, results of operations, and liquidity. Our Ethanol segment relies on corn sourced from local farmers and commercial elevators in the Mid- Continent region of the U. S. **The** ~~As a result, the~~ corn supply for our Ethanol segment is acutely exposed to the effects that weather and other environmental events occurring in that region can have on the amount or timing of crop production. Crop production ~~can~~ **is** also ~~be~~ affected by government policies (such as farming subsidies) and by market ~~factors~~ **events** (such as changes in fertilizer prices **and rail disruptions** ). ~~Any reduction~~ **Reductions** or ~~delay~~ **delays** in crop production from these or similar events could reduce and disrupt the supply of, or otherwise increase our costs to obtain, corn for our Ethanol segment **, and such events have occurred periodically** . We are subject to risks arising from our operations outside the U. S. and generally to worldwide political and economic developments. We operate and sell some of our products outside of the U. S., particularly in Canada, ~~Europe~~ **the U. K., Ireland** , Mexico, **and** Peru, and **are subject to** ~~the U. K. Our business, financial condition, results of operations, and liquidity could be negatively impacted by~~ disruptions in any of these markets, including due to **actual or alleged violations of law;** expropriation or impoundment of assets ~~,~~ **;** failure of foreign governments and state- owned entities to honor their contracts ~~,~~ **;** property disputes ~~,~~ **;** economic instability ~~,~~ **;** restrictions on the transfer of funds ~~,~~ **;** duties and tariffs ~~,~~ **;** profits, windfall, or other taxes or penalties ~~,~~ **;** transportation delays ~~,~~ **;** import and export controls ~~,~~ **;** labor unrest ~~,~~ **;** security issues involving key personnel ~~and~~ **;** government decisions, orders, mandates, investigations, regulations, **and** issuances or revocations of permits and ~~other~~ authorizations ~~,~~ **;** the effects of military conflicts ~~,~~ **;** and changing regulatory and political environments **, including changes to U. S. and international laws and treaties governing foreign trade and related matters** . The occurrence of any such event could result in the halting, curtailing, or cessation of operations at impacted facilities ~~,~~ **;** commercial restrictions ~~,~~ **;** delay **, denial,** or cancellation of projects, **permits, and authorizations; and** increased costs, fines, penalties, ~~or otherwise reduce our profitability~~ and **burdens; any of which could** result in a material adverse effect on our business, financial condition, results of operations, and liquidity. ~~We~~ **Although we actively seek to manage these risks, we** have experienced ~~certain~~ **some** of these events in the past and **could** ~~expect to~~ experience additional events in the future ~~. We are also required to comply with U. S. and international laws and regulations. Actual or alleged violations of these laws could disrupt our business, cause us to incur significant legal expenses, and result in a material adverse effect on our business, financial condition, results of operations, and liquidity~~ . We are subject to interruptions and increased costs as a result of logistical disruptions and our reliance on third- party transportation of **our** ~~crude oil and other~~ feedstocks and ~~the~~ products ~~that we manufacture~~ . In addition to our own ~~logistic~~ **logistics** assets, we use the services of third parties to transport feedstocks to our refineries and plants and to transport our products to market. If we experience prolonged interruptions of supply or increases in costs to deliver our products to market, or if the ability of the logistics assets used to transport our feedstocks or products is disrupted because of **labor issues,** weather events **, dock availability** , water levels of key waterways for trade, rail disruptions, cybersecurity incidents, accidents, derailments, collisions, fires, explosions, spills, public health crises, hostilities, or other government or third- party actions (including protests), it could have a material adverse effect on our business, financial condition, results of operations, and liquidity **. Although we actively seek to manage these risks, we have experienced some of these events in the past and could experience additional events in the future** . Competitors that produce their own supply of feedstocks, own their own retail sites, or have greater financial resources may have a competitive advantage. The refining and marketing industry is highly competitive with respect to both feedstock supply and refined petroleum product markets. We compete with many companies for available supplies of crude oil and other feedstocks, and for third- party retail outlets for our ~~refined~~ petroleum **- based** products. We do not produce any of our primary feedstocks **(except inedible distillers corn oils)** and we do not have a company- owned retail network. Some of our competitors, however, obtain a significant portion of their feedstocks from company- owned production and some have extensive networks of retail sites. Such competitors are at times able to offset losses from liquid transportation fuels production operations with such other operations, and may be better positioned to withstand periods of depressed product margins or feedstock disruptions. Some of our competitors also have materially greater financial and other resources than we have and may have a greater ability to bear the economic risks inherent in all phases of our industry. ~~An~~ **We are subject to risks arising from an** interruption in **any** ~~one or more~~ of our refineries or plants ~~could adversely affect our business~~ . Our refineries, **DGD** ~~renewable diesel~~ plants, and ethanol plants are our principal operating assets and are subject to planned and unplanned downtime and interruptions. Our operations could also be subject to significant interruption if one or more of our refineries or plants were to experience a major accident or mechanical failure, be damaged by severe weather or natural disasters (such as hurricanes) or man- made disasters (such as cybersecurity incidents or acts of terrorism), or otherwise be forced to shut down or curtail operations. If any refinery or plant, or related **logistics assets** ~~pipeline or terminal~~ , were to experience an interruption in operations, our earnings could be materially and adversely affected (to the extent not recoverable through insurance) because of lost productivity and repair and other costs. Significant interruptions in our operations could also lead to increased volatility in the price of our feedstocks and many of our products. We have experienced ~~certain~~ **some** of these events in the past, and although we focus on maintaining safe, stable, and reliable operations, we may experience additional events in the future. Large capital **and other strategic** projects can take many years to complete, and the political and regulatory environments or other market conditions may change or deteriorate over time ~~, negatively impacting project returns~~ . We ~~may~~ engage in capital **and other strategic** projects based on **many factors, including** the forecasted project economics, political and regulatory environments, and the expected return on the capital to be employed. Large- scale projects take many years to complete, during which time the political and regulatory environment or other market conditions may change from our forecast. Supply chain disruptions may also delay projects or increase the costs associated therewith. As a result, **such projects may not be completed on schedule or budget, or at all, and** we may not fully realize our expected returns, which could negatively impact our business, financial condition, results of operations, and liquidity. **In addition, challenges to or opposition of fossil fuel infrastructure projects continue to make the approval and completion of such projects more difficult and costly. Despite government support for and acknowledgement of the importance of certain low- carbon fuels and technologies, such as carbon capture and sequestration, there has also been growing regional political and environmental opposition among various groups in certain geographies to many such projects. Such opposition may be taken into account by government or judicial officials in granting the relevant permits or authorizations, and has previously resulted in, and could again result in, permits and authorizations being challenged, delayed, denied, revoked, appealed, or conditionally granted. In certain instances, this has resulted in, and could again result in, the cancellation or restructuring of projects.** Our investments in joint ventures and other entities decrease our ability to manage risk. We conduct some of our operations through joint ventures in which we ~~may~~ share control over certain economic, legal, and business interests with other joint venture members. We also conduct some of our operations through entities in which we have a minority or no equity ownership interest, such as the variable interest entities (VIEs) described in Note ~~11~~ **12** of Notes to Consolidated Financial Statements. The other joint venture members and the third- party equity holders of the VIEs ~~may~~ have **certain** economic, business, or legal interests, opportunities, or goals that are inconsistent with or different from our **interests,** opportunities, **and** goals, ~~and interests, or may~~ have different liquidity needs or financial condition characteristics than our own, ~~be~~ **are** subject to different legal or contractual obligations than we are, ~~or~~ **and may** be unable to meet their obligations. For example, while we operate the DGD Plants and perform certain day- to- day operating and management functions for DGD ~~as an independent contractor~~, we do not have full control of every aspect of DGD' s business and certain significant decisions concerning DGD, including **acquiring** ~~, among others, the acquisition~~ or ~~disposition~~ --- **disposing** of assets above a certain value threshold, making certain changes to **its** ~~DGD' s~~ business plan, raising debt or equity capital, **altering its** ~~DGD' s~~ distribution policy, and ~~entering into particular~~ **making certain other** transactions, ~~which also~~ require ~~certain approvals~~ - **approval** from Darling. **While** ~~Additionally, although~~ we consolidate certain VIEs, we do not have full control of every aspect of these VIEs, or the actions taken by their third- party equity holders, some of which ~~may~~ **have affected, and could continue to** affect **,** our business, legal position, financial condition, results of operations, and liquidity. Failure by us, an entity in which we have a joint venture interest, or the VIEs to adequately manage the risks associated with such entities, and any differences in views among us and other joint venture members or the third- party equity holders in the VIEs, could prevent or delay actions that are in the best interest of us, the joint venture, or the VIE, and could have a material adverse effect on our **business,** financial condition, results of operations, and liquidity. We may incur losses and additional costs as a result of our hedging transactions. We currently use ~~commodity~~ derivative instruments **as described in Note 19 of Notes to Consolidated Financial Statements** , and we expect to continue their use in the future. If the instruments we use to hedge our exposure to various types of risk are not effective or increase our exposure to unexpected events or risks, we may incur losses **, and have experienced certain losses in the past** . In addition, we may be required to incur additional costs in connection with any future regulation of derivative instruments applicable to us. ~~Public health crises such as the COVID- 19 pandemic have had and may continue to have, adverse impacts on our business, financial condition, results of operations, and liquidity. The economic effects from the COVID- 19 pandemic on our business were and may again be significant. Although our business has recovered since the onset of the pandemic in March 2020, there continues to be uncertainty and unpredictability about the lingering impacts to the worldwide economy that could negatively affect our business, financial condition, results of operations, and liquidity in future periods. The extent to which the pandemic and its effects may adversely impact our future business, financial condition, and results of operations, and for what duration and magnitude, depends on factors that are continuing to evolve, are difficult to predict and, in many instances, are beyond our control. The ultimate outcome of these and other factors may result in many adverse consequences including, but not limited to, reduced availability of critical staff, disruption or delays to supply chains for critical equipment or feedstock, reduced economic activity that negatively impacts demand for our products, and increased administrative, compliance, and operational costs. In addition, future public health crises could also result in significant economic disruption and other effects that adversely impact our business, financial condition, results of operations, and liquidity in future periods in ways similar to the COVID- 19 pandemic and its effects. The adverse impacts of the COVID- 19 pandemic had, and may continue to have, the effect of precipitating or heightening many of the other risks described in this section.~~ Legal, Government, and Regulatory Risks **We are subject to risks arising from** ~~Legal~~ **legal** , political, and regulatory developments regarding climate, GHG emissions, ~~or~~ **and** the environment ~~could adversely affect our business, financial condition, results of operations, and liquidity~~ . Many government authorities across the world have imposed, and may impose in the future, policies or regulations designed to facilitate less petroleum- dependent modes of transportation (e. g., increases in fuel economy **or efficiency** standards, low- carbon fuel standards, restrictions and bans on vehicles using liquid fuels, tariffs, tax incentives, and **EV** subsidies), which could reduce demand for our petroleum- based products and / or all liquid transportation fuels. For example, CARB has approved a series of regulations designed to phase out sales of internal combustion engine vehicles in California. ~~As of December 2022,~~ CARB ~~updated its~~ **' s current** Scoping Plan ~~to identify~~ **identifies** strategies to ~~achieve statewide carbon neutrality by 2045, including measures to~~ reduce ~~fossil fuel~~ **liquid petroleum** consumption in California by 94 percent ~~by mandating alternative fuel~~ **, and CARB is actively engaged in a series of rulemaking efforts intended to fulfill these objectives. The European Union (EU), U. K., Canada, and Quebec have each adopted what they refer to as " zero- emissions** ~~vehicles~~ - **vehicle** ~~.~~ **" mandates and** ~~Other~~ **other** government authorities across the world, such as **Mexico** ~~the U. K., Canada~~ , and other U. S. states have also announced **, or are considering,** plans and / or restrictions regarding the sale of new internal combustion engine vehicles **, stricter tailpipe emissions standards,** and ~~/ or~~ limitations on or penalties for the use of petroleum **- based** products and ~~GHG emissions~~ **certain biofuel feedstocks** . The U. S. federal government under the current presidential administration has also been aggressive in the scope, magnitude, and number of actions it has taken to address GHG emissions **and other environmental matters** , including efforts to limit **or eliminate** petroleum- dependent modes of transportation. For example, ~~in January 2021,~~ the current administration **utilizes** ~~issued an executive order calling for~~ a " whole of government " approach to climate change and environmental justice that seeks to organize and deploy the full capacity of the U. S. federal government in novel and coordinated ways ~~that attempt~~ to **limit or eliminate** ~~reduce GHG emissions and~~ the use of most petroleum- based products. The current administration has also issued a number of ~~other~~ related executive orders, including orders requiring agencies to review environmental actions taken by the previous administration and directing the U. S. federal government to use its scale and procurement power to achieve a number of aspirational net- zero emissions goals, including ~~, among others,~~ **seeking to limit or eliminate petroleum- based fuels by imposing mandates of so- called** 100 percent zero- emission vehicle acquisitions **, such as EVs and other alternative fuel vehicles,** by 2035 and 100 percent zero- emission light- duty vehicle acquisitions by 2027. These actions have contributed to **, and may continue to spur,** a number of U. S. federal rulemakings ~~aimed at regulating~~ **and other actions that disfavor petroleum- dependent modes of** transportation ~~GHG emissions~~ , many of which ignore or downplay the full life cycle carbon footprint of EVs, and thereby seek to inappropriately advantage them over internal combustion engine vehicles. For example, ~~in December 2021,~~ the EPA ~~finalized~~ **issued** its " Revised 2023 and Later Model Year Light- Duty Vehicle Greenhouse Gas Emission Standards, " revising the GHG emissions standards for light- duty vehicles for 2023 and later model years at a level that cannot be achieved by internal combustion engine vehicles through improvements in combustion efficiency. The National Highway Traffic Safety Administration **(NHTSA)** also ~~finalized a rule in May~~ **similarly issued its " CAFE Standards for MY** ~~2022~~ **2024 - 26 Passenger Cars and Light Trucks, "** increasing the corporate average fuel economy and carbon dioxide standards for certain passenger cars and light- duty trucks such that automakers cannot demonstrate compliance without increasing the ~~use~~ **sales** of EVs. Together, these federal regulations seek to increase the market penetration of EVs and other alternative fuel vehicles, such that these vehicles would be expected to comprise 17 percent of model year 2026 passenger vehicle sales. The EPA states that its ~~final~~ rule is projected to reduce gasoline consumption by more than 360 billion gallons by 2050, reaching a 15 percent reduction in annual U. S. gasoline consumption in 2050. Moreover, **in April 2023,** the EPA **announced new,** ~~has indicated that it intends in the near future to pursue~~ more **ambitious proposed** ~~stringent GHG emissions~~ standards for model ~~year~~ **years** 2027 ~~and later passenger vehicles and~~ to ~~seek GHG emissions reductions for~~ **2032 that the agency expects will drive 67 percent of new light- and** medium ~~and heavy~~ - duty vehicles ~~pursuant to its " Clean Truck Plan~~ **, 50 percent of heavy- duty vocational vehicles, 35 percent of short- haul tractors, and 25 percent of long- haul tractors sold in the U** . ~~"~~ **S. to be EVs or other alternative fuel vehicles by 2032. In July 2023, NHTSA also proposed increasing both the fuel economy standard for passenger cars and light trucks for model years 2027 to 2032 and the fuel efficiency standards for heavy- duty pickup trucks and vans for model years 2030 to 2035.** Additionally, in ~~July~~ **November** ~~2022~~ **2023** , the Federal Highway Administration ~~proposed~~ **finalized** rules that ~~would~~ require certain U. S. state departments of transportation and metropolitan planning organizations to establish declining **tailpipe** carbon dioxide emissions targets for motor ~~vehicle~~ **vehicles** ~~tailpipe~~ **. Most recently, in December 2023, the EPA announced final rules intended to sharply reduce emissions of methane and other air pollution from oil and gas operations. Within such rules, the EPA nearly quadrupled its estimate of the " social cost " of** carbon dioxide ~~emissions~~ **, a measure** that ~~align with~~ **is often used by certain U. S. federal agencies as part of** ~~the~~ **their** ~~current administration' s net- zero targets~~ **analyses of the costs and benefits of more stringent climate regulation, which could result in stricter climate rules and regulations that disfavor internal combustion engine vehicles and liquid transportation fuels** . The IRA, which was passed in August 2022, also includes substantial subsidies to promote EVs and other alternative fuel vehicles. In addition to these U. S. federal measures, in March 2022, the EPA reinstated a waiver of preemption ~~(which is currently subject to legal challenge)~~ under federal law authorizing California to implement its " Advanced Clean Cars I " rule requiring sales of increasing percentages of alternative fuel vehicles, thereby also reviving other U. S. states' ability to adopt standards identical to California' s. In November 2022, California approved its " Advanced Clean Cars II " rulemaking, which similarly requires an increasing percentage of **"** zero- emission **"** light- duty vehicle sales through 2035, at which time 100 percent of light- duty vehicle sales in California must be zero- emission vehicles. ~~This rulemaking will be subject to a~~ **In May 2023, CARB requested the EPA** grant ~~of~~ a waiver of preemption ~~by the EPA, as was recently reinstated~~ for ~~the~~ Advanced Clean Cars ~~I program~~ **II, and the EPA opened CARB' s request for public hearing and comment in December 2023** . Several other states have already adopted **,** or are expected to adopt **, similar regulations or** ~~these zero- emission vehicle~~ mandates. California ~~has~~ **is** also **pursuing** ~~indicated that it intends to pursue~~ similar zero- emission vehicle mandates for medium- and heavy- duty vehicles via its " Advanced Clean **Trucks " rulemaking, which received a preemption waiver from the EPA in March 2023, and its " Advanced Clean** Fleets " rulemaking ~~that is currently under development~~ **, for which CARB applied to the EPA for a preemption waiver in November 2023** , and it is foreseeable that the EPA may waive preemption to allow ~~these rules~~ **Advanced Clean Fleets** to take effect in California and in those states that elect to follow the California program. **Additionally, in July 2023, CARB announced a " Clean Truck Partnership " with various U. S. truck and engine manufacturers and the Truck and Engine Manufacturers Association that is aimed at advancing the development of EVs or other alternative fuel vehicles for the commercial trucking industry regardless of whether the regulatory mandate survives legal challenge. While these measures are being litigated, we face a risk that automakers will move forward with changing their manufacturing and marketing based on their expectations that they will be forced to transition to electrification in the transportation sector.** Moreover, ~~in 2005~~ **there have been various international climate accords and multilateral agreements aimed at reducing GHG emissions** , **including** the Kyoto Protocol ~~to~~ **in 2005,** the ~~1992~~ **Paris Agreement in 2015, and the** United Nations **Climate Summit in Dubai, United Arab Emirates** ( **COP 28** ~~U. N.~~ ) **in 2023** ~~Framework Convention on Climate Change~~ , which ~~establishes a~~ **, although not legally** binding ~~set of GHG emissions targets~~ , **have** ~~became binding on all countries that had ratified it. In 2015, the U. N. Climate Change Conference~~ in ~~Paris~~ **certain instances** resulted in ~~the creation of the Paris Agreement~~ , ~~which requires countries to review~~ and ~~" represent a progression " in their nationally determined contributions, which set emissions reduction goals every five years beginning in 2020. The terms of the Paris Agreement and the other executive orders and regulations discussed above~~ are expected to **continue to** result in **,** additional **government,** regulatory **, and private industry** actions **that are** ~~, which could have a material~~ adverse **to** ~~effect on~~ our ~~business~~ **industry** . Incentives to conserve energy or use ~~alternative~~ **renewable** energy sources in many locations where we currently operate, or may operate in the future, could **also** negatively impact our ~~business~~ **industry** . Government authorities across the world **have also announced, or** are ~~also~~ considering ~~, or have announced~~ , profits or windfall taxes or penalties on fossil fuel companies, or have announced or imposed GHG emissions fees ~~or changes~~ **and other regulations** that are adverse to refinery operations **, could increase costs, and limit profitability** . For example, in September 2022, the EU passed legislation imposing a profits tax and penalty on certain fossil fuel companies **.** ~~, and similar~~ **Similar** taxes and penalties have been proposed **or adopted** in California **, such as Senate Bill No** . ~~These and~~ **2 (such statute,** ~~other~~ **together with any** ~~legal, political, regulatory~~ **regulations contemplated or issued thereunder** , **SBx 1- 2)** ~~and international accord matters and developments regarding climate change~~ , ~~GHG~~ **which**

**authorizes California to set a maximum gross gasoline refining margin and a penalty** ~~or~~ **for refiners** ~~other air emissions, fuel efficiency, or the environment, including executive orders~~ that **exceed it** ~~mandate or encourage the use of electric, hybrid, and other alternative fuel vehicles or discourage or ban the use of internal combustion engine vehicles, may increase consumer preferences for, and adoption of, alternative fuel vehicles and decrease demand for our liquid fuels~~ . These legal, political, and regulatory developments, as well as other similarly focused laws and regulations, such as, among others, the California and Quebec cap- and- trade programs, the U. K. Emissions Trading Scheme, the U. K. Renewable Transport Fuel Obligation, the South Coast Air Quality Management District' s Rule 1109. 1 – Emissions of Oxides of Nitrogen from Petroleum Refineries and Related Operations, CARB' s Control Measure for Ocean- Going Vessels At Berth Rule, reductions in the National Ambient Air Quality Standards, bans or restrictions on certain chemicals **, feedstocks, products,** or processes, and other laws related to climate, GHG emissions, **or** environmental, health, or safety matters ~~could~~ **, have resulted in, and are expected to continue to** result in **,** increased costs and capital expenditures, among other impacts, to (i) operate and maintain our facilities **(including restrictions on certain refinery operations and requirements to modify our operations)** , (ii) install new emission controls **or other equipment** at our facilities, and (iii) administer and manage any emissions or blending programs, including obtaining emission credits, allowances, or allotments. Such risks are particularly acute in California due to the pace and scope of anti-fossil fuel developments there. Many of these legal, political, regulatory, and international accord matters and developments are subject to considerable uncertainty due to a number of factors, including technological and economic feasibility, **pending or anticipated** legal challenges, and potential changes in law, regulation, or policy, and it is not currently possible to predict the ultimate effects of **many of** these matters and developments on us. However, **such** ~~a reduction in the demand for our products or an increase in costs or capital expenditures as a result of any of the foregoing~~ events could ~~materially and~~ adversely **restrict or** affect our **refinery** ~~business, financial condition, results of~~ operations ~~,~~ and **limit our profitability;** ~~liquidity. Such events could~~ cause us to make changes with respect to our business plan, strategy, operations, and assets, ~~that may impact our business and financial performance,~~ including our current financial and accounting estimates and assumptions ~~,~~ **; cause a reduction in demand for our products;** and ~~could~~ result in negative publicity and litigation ~~,~~ **; each of** which could materially and adversely affect our business, financial condition, results of operations, and liquidity. ~~The~~ **We are subject to risks arising from the** Renewable and Low- Carbon Fuel Programs, and other regulations, policies, **international certifications,** and standards impacting the demand for **and traceability of** low- carbon fuels ~~could adversely affect our performance~~ . As described under " ITEMS 1. and 2. BUSINESS AND PROPERTIES — OUR COMPREHENSIVE LIQUID FUELS STRATEGY — Regulations, Policies, and Standards Driving Low- Carbon Fuel Demand, " government authorities across the world have issued, or are considering issuing, low- carbon fuel regulations, policies, and standards to help reduce GHG emissions and increase the percentage of low- carbon fuels in the transportation fuel mix. We strategically market our low- carbon fuels based on regional policies, **regulations,** feedstock preferences, CI scores, and our ability to obtain fuel pathways **, credits, certifications, and incentives** . A significant portion of our low- carbon fuels are sold in California, Canada, and ~~Europe~~ **the U. K** . Regarding the RFS, in ~~December~~ **June** ~~2022~~ **2023** , the EPA ~~proposed a~~ **announced final** ~~rule~~ **rules** that ~~would~~ increase RVOs for 2023, 2024, and 2025. **While** ~~In a significant departure from~~ the **final** ~~historical operation and intent of the RFS, the proposed rule~~ **rules did not adopt the " eRIN " provisions included in its December 2022 proposal, which** would ~~also~~ **have** ~~allocate~~ **allocated** ~~new~~ RINs from renewable electricity used to power EVs and other alternative fuel vehicles ~~(known as " eRINs ")~~ to the vehicle manufacturer **, the EPA noted that it will continue to work on potential paths forward for an eRIN program** . We are exposed to the volatility in the market price of RINs, LCFS credits, and other credits, as described in Note ~~19~~ **20** of Notes to Consolidated Financial Statements. We cannot predict the future prices of RINs, LCFS credits, or other credits. Prices for RINs, LCFS credits, and other credits are dependent upon a variety of factors, including, as applicable, EPA and state regulations, regulations of other countries and jurisdictions, the availability of RINs, LCFS credits, and other credits for purchase, transportation fuel production levels (which can vary significantly each quarter), approved CI pathways, and CI scores. **Future** ~~The ultimate outcome of the recently proposed~~ RVOs, RFS changes, and small refinery exemption ~~(SRE)~~ petition denials may also affect RIN prices. For example, **if** ~~the EPA' s proposal to allow EV manufacturers to generate cellulosic biofuel (D3) eRINs based on contracts for renewable electricity and to establish aggressive volume obligations based on anticipated levels of eRIN generation may result in pricing volatility, based on the small number of entities that will have control over eRIN generation coupled with the absence of a robust D3 RIN bank due to previously low production volumes of cellulosic biofuel. If~~ the RVOs for cellulosic biofuel are high relative to D3 RIN generation, RIN prices may rise, and the EPA may or may not issue cellulosic waiver credits in time to moderate ~~prices~~ **price** spikes ~~or~~ **, if** at all. If an insufficient number of RINs, LCFS credits, or other credits ~~is~~ **are** available for purchase (or available only at increased prices), or if we are otherwise unable to meet the EPA' s RFS mandates or our other obligations under the Renewable and Low- Carbon Fuel Programs (for example, if there were to be demand destruction for gasoline, diesel, and renewable fuels resulting from displacement of internal combustion engine vehicles with EVs that results in production falling short of established RVOs, an acceleration of the blendwall, or other significant deviations from projected volumes), our business, financial condition, results of operations, and liquidity could be adversely affected. **The adoption of an eRIN program could also increase RIN price volatility and result in other adverse impacts that cannot be fully predicted at this time.** In addition to the RFS and LCFS, we operate in multiple jurisdictions that have issued, or are considering issuing, similar low- carbon fuel regulations, policies, and standards, such as the CFR. The RFS, LCFS, and similar U. S. state and international low- carbon fuel regulations, policies, and standards are extremely complex, often have different or conflicting requirements or methodologies, and are frequently evolving, requiring us to periodically update our systems and controls to maintain compliance and monitoring, which ~~could require significant expenditures~~ **impose substantial administrative burdens. In addition to regulation** , **demand is growing for renewable fuels certified through voluntary certification bodies such as the International Sustainability** and **Carbon Certification system, which** presents ~~an increased risk of~~ **business opportunities, but also entails additional** administrative ~~error~~ **burdens** . Our low- carbon fuels businesses could be materially and adversely affected if (i) these regulations, policies, and standards are adversely changed, not enforced, or discontinued, (ii) the benefits therefrom (such as Section 45Q ~~and~~ **,** Section 45Z ~~tax credits~~ , **and** the blender' s tax ~~credit~~ **credits** ~~, and other incentives~~ ) are reduced **or discontinued** , (iii) any of the products we produce are deemed not to qualify for compliance therewith **or are not in sufficient demand** , or (iv) we are unable to satisfy or maintain **the conditions of** any approved pathways **or certifications** . Such changes could also negatively impact the ~~economic~~ **plans, expectations,** assumptions **,** and projections with respect to ~~many of~~ our low- carbon projects **and our GHG emissions targets and ambition,** and could have a material adverse impact on the timing of completion, project returns, and other outcomes with respect to such projects. Applicable environmental, health, and safety laws ~~could adversely affect our performance~~ **expose us to various risks** . Our operations are subject to extensive environmental, health, and safety laws and regulations, including those relating to the discharge of materials into the environment, waste management, pollution prevention measures, GHG emissions, and characteristics and composition of fuels. Certain of these laws and regulations **have in the past imposed, and** could **again** impose **,** obligations **on us** to conduct assessment or remediation efforts at our refineries and plants, as well as at formerly owned properties or third- party sites where we have taken wastes for disposal or where our wastes may have migrated. The principal environmental risks associated with our operations are emissions into the air, handling of waste, and releases into the soil, surface water, or groundwater. ~~Environmental~~ **Such** laws ~~also~~ **have imposed, and** may **again** impose **,** liability on us for the conduct of third parties or for actions that complied with applicable requirements when taken, regardless of negligence or fault. Because environmental, health, and safety laws and regulations are becoming more stringent and new environmental, health, and safety laws and regulations are continuously being enacted or proposed, **and are being interpreted and applied in new and controversial ways,** the level of ~~expenditures~~ **costs** required for environmental matters ~~could~~ **has increased and is expected to continue to** increase in the future. ~~Current~~ **Additionally, U. S.** and **state** ~~future legislative action and~~ regulatory **agencies have become increasingly aggressive in the scope and frequency of, and the magnitude and type of the relief sought by, the enforcement and** ~~initiatives~~ - **investigative** ~~could~~ **actions they have pursued under applicable environmental, health, and safety laws and regulations, particularly with respect to fossil fuel companies. This has been particularly acute in California. Such enforcement and investigative actions have resulted in, and are expected to continue to** result in ~~increased difficulty in obtaining permits, changes to permits, material changes in operations, increased capital expenditures and operating costs~~ , increased costs ~~of our products~~ , **expenses** ~~and decreased demand for our products~~ , ~~that cannot be assessed with~~ **and negative publicity. Despite our efforts to maintain safe and environmentally responsible operations, in** ~~certainty~~ -- **certain** ~~at this time. We~~ **instances we have faced, and** may ~~be required to make expenditures to modify operations, discontinue~~ --- **continue to** ~~the use of certain assets, feedstocks, chemicals, or products, or install or modify pollution control or other equipment that could materially and adversely affect our business, financial condition, results of operations, and liquidity. We may also~~ face **, changing regulatory interpretations, regulatory fines or penalties, and** liability for personal injury, property, and natural resource damage, environmental justice impacts, ~~or clean- up~~ **and assessment and remediation** costs due to actual or alleged emissions, pollution, **and / or** contamination ~~, and / or~~ **. We are also** ~~exposure~~ -- **exposed** to ~~, or regulation of,~~ **potential liability and costs related to regulated** chemicals ~~or~~ **and** other regulated materials, such as various perfluorinated compounds, per- and polyfluoroalkyl substances, benzene, MTBE, and petroleum hydrocarbons, at or from our current and formerly owned facilities **(and new or additional regulations with respect to such materials may arise in the near future)** . Such ~~liability~~ **liabilities** ~~or expenditures~~ **and costs** could materially and adversely affect our business, financial condition, results of operations, and liquidity. **We are subject to risks arising from** ~~Litigation~~ **litigation** , regulatory proceedings, and mandatory disclosure requirements related to climate change and other ESG matters, or aimed at the fossil fuel industry ~~, could adversely affect our performance~~ . We could face increased climate - related litigation with respect to our operations, disclosures, or products. Governments and private parties across the world have filed lawsuits or initiated regulatory action against fossil fuel companies. Such lawsuits and actions often allege non- compliance with applicable laws or regulations, or damages as a result of climate change, and seek damages and / or abatement under various tort and other theories **, including under human rights or constitutional provisions. We have been named as a co- defendant in a lawsuit in state court by a county in Oregon seeking significant damages and abatement under various tort theories (including deceptive disclosures). We intend to vigorously defend against the allegations. However, the ultimate outcome and impact to us of such litigation cannot be predicted with certainty at this time, and we could incur substantial legal costs and reputational damage associated with defending such matter, and an adverse ruling could require us to pay significant damages** . Similar lawsuits ~~and regulatory actions~~ may be ~~brought~~ **filed** in ~~these and~~ other jurisdictions. Governments and private parties are also increasingly filing lawsuits or initiating regulatory action based on allegations that certain public statements and disclosures by companies regarding climate change and other ESG matters are false ~~and~~ **or** misleading " greenwashing " that violate deceptive trade practices, consumer protection statutes, or other similar laws and regulations, or are fraudulent or misleading under applicable corporate, securities, stock exchange, or other similar laws and regulations. Similar issues can also arise relating to aspirational statements **,** such as net- zero or carbon neutrality targets **, or alignment with certain third- party frameworks or standards** that are made without an adequate basis to support such statements. **Governments,** ~~Such~~ **such as the states of New York and Vermont, have also sought to establish various climate change adaptation cost recovery programs, under which " responsible parties " could bear the costs of climate mitigation investments. These** ~~suits~~ **lawsuits** ~~or~~ **and** actions present a high degree of uncertainty regarding the extent to which fossil fuel companies face an increased risk of liability **and reputational damage** stemming from climate change or other ESG matters. In addition to voluntary disclosures in response to investor and stakeholder requests, many governments have also proposed or adopted regulations that impose disclosure obligations with respect to various climate change and other ESG matters. For example, in March 2022, the SEC proposed sweeping and novel disclosure obligations with respect to climate change and GHG emissions reporting for U. S. publicly- traded companies. Also, in November 2022, various U. S. federal agencies jointly proposed an amendment to the Federal Acquisition Regulation that would require government contractors to publicly disclose their GHG emissions, respond to a climate disclosure questionnaire, and set and disclose GHG emissions reduction goals, in each case based on or utilizing specified private third- party frameworks or standards that have not been widely adopted. **In addition, in October 2023, California adopted the (i) Climate Corporate Data Accountability Act (SB 253), (ii) Climate- Related Financial Risk Act (SB 261), and (iii) voluntary Carbon Market Disclosures Business Regulation Act (AB 1305), which impose a host of different broad and far- reaching climate disclosure obligations, including with respect to GHG emissions, climate financial- risk reporting, and statements regarding GHG emissions reductions. Other U. S. states have announced or proposed similar regulations.** Other countries where we operate or do business, such as the U. K., have also ~~recently~~ passed laws requiring, or announced their intention to mandate, various climate disclosures and targets by companies. Some governments have also adopted regulations, or are launching investigations and requesting information, based on pricing practices in the fossil fuel industry. For example, in September 2022, California adopted the Oil Refinery Cost Disclosure Act (SB 1322), which ~~will require~~ **requires** refineries in California to report monthly on the volume and cost of the crude oil they buy, the quantity and price of the wholesale gasoline they sell, and the gross gasoline margin per barrel, among other information, some or all of which data could become publicly available. **Some customers and third parties we do business with have begun requesting product- specific GHG emissions disclosures from us in connection with their own GHG emissions reporting.** Our efforts to comply with these and other requests and regulations **expose** ~~could subject~~ us to risk by requiring disclosure of information that (i) ~~is~~ **may be** protected trade secrets and / or competitively sensitive information, (ii) exposes us to litigation and government **regulatory actions and** investigations ~~related to anti- trust laws or other applicable pricing or non- disclosure laws or obligations~~, (iii) is inconsistent with other government regulations or our current disclosures that may utilize different methodologies or standards, ~~and~~ (iv) **is subject** ~~can be used~~ to **many assumptions and inherent calculation difficulties** ~~advance agendas that disfavor the fossil fuel industry. Actions by the U. S. government to enter into~~, ~~withdraw from~~ **such as accuracy and completeness** , **and (v) may impact** ~~or~~ **our** ~~modify current~~ **business relationships, credibility, and reputation. As described in Note 2 of Notes to Consolidated Financial Statements, in March 2023, California adopted SBx 1- 2, which imposes increased and substantial reporting requirements on** ~~or~~ **our** ~~future trade agreements~~ **business, including daily, weekly, monthly, and annual reporting of detailed operational and financial data on all aspects of our operations in California, much of it at the transaction level. In October 2023, in response to Governor Newsom' s direction, the California Energy Commission (CEC) voted to start both a proceeding to evaluate whether to establish a maximum margin and associated penalty and a rulemaking process focused on rules relating to the timing of refinery turnarounds and maintenance, among other things. While the CEC has not yet established a maximum margin, imposed a financial penalty for profits above a maximum margin, or imposed restrictions on turnaround and maintenance activities, the potential implementation of a financial penalty, maximum margin, or any restrictions or delays on our ability to undertake turnaround or maintenance activities,** could adversely **restrict or affect our refinery operations and limit our profitability, cause us to make changes with respect to our business plan, strategy, operations, and assets (including our current financial and accounting estimates and assumptions), and adversely** affect our business, financial condition, results of operations, and liquidity. **We are subject to risks arising** ~~The previous U. S. presidential administration questioned certain existing and proposed trade agreements. For example, that administration withdrew the U. S.~~ from ~~the Trans- Pacific Partnership. In addition, that administration implemented and proposed various trade tariffs, which resulted in foreign governments responding with tariffs on U. S. goods. Changes in U. S. social, political, regulatory, and economic conditions or in laws and policies governing foreign trade, manufacturing, development, and investment could adversely affect our business. For example, the imposition of tariffs, export bans, or other international trade barriers could affect our ability to obtain feedstocks from international sources, increase our costs, and reduce the competitiveness of our products. Although there is currently uncertainty around the likelihood, timing, and details of many such actions, if the current U. S. administration takes action to enter into, withdraw from, or modify current or future international trade agreements, our business, financial condition, results of operations, and liquidity could be adversely affected. Compliance~~ **compliance** with and changes in tax laws ~~could adversely affect our performance~~. We are subject to extensive tax liabilities imposed by multiple jurisdictions, including income taxes ~~,~~ **;** indirect taxes (excise / duty, sales / use, gross receipts, and value- added taxes) ~~,~~ **; and** payroll ~~taxes~~, franchise ~~taxes~~, withholding ~~taxes~~, and ad valorem taxes. New tax laws and regulations and changes in existing tax laws and regulations are continuously being enacted or proposed that could result in increased expenditures for tax liabilities in the future. For example, the IRA contains significant changes to U. S. tax law including, but not limited to, a corporate minimum tax and a one percent excise tax on the purchase by companies of their own stock ~~, which are generally effective in 2023 or later~~. Many of these tax liabilities are subject to periodic audits by the respective taxing authorities. Although we believe we have used reasonable interpretations and assumptions in calculating our tax liabilities, the final determination of these tax audits and any related proceedings cannot be predicted with certainty. Any adverse outcome of any of such tax audits or related proceedings could result in unforeseen tax- related liabilities that may, individually or in the aggregate, materially affect our cash tax liabilities **, or create issues with respect to certain of our business permits, authorizations, and registrations** , and, as a result, our business, financial condition, results of operations, and liquidity. Tax rates in the various jurisdictions in which we operate may change significantly as a result of political or economic factors beyond our control. It is also possible that future changes to tax laws or tax treaties, or interpretations thereof, could impact our ability to realize the tax savings recorded to date and adversely affect our future effective tax rates. **Cybersecurity** ~~Cyber Security~~ and Privacy Related Risks ~~A~~ **We are subject to risks arising from a** significant breach of our information ~~technology~~ systems ~~could adversely affect our business~~. Our information ~~technology~~ systems and network infrastructure may be subject to unauthorized access or attack (and we are frequently subject to such attempts), including ransom- related incidents that could result in increased costs to prevent, and be prepared to respond to or mitigate such events, such as deploying additional personnel and protection technologies, training employees, and engaging third- party experts and consultants. Such **unauthorized** events could also result in (i) a loss of intellectual property, proprietary information, or employee, customer, supplier, or vendor data, (ii) public disclosure of sensitive information, (iii) systems interruption, (iv) disruption of our business operations, (v) remediation costs and repairs of system damage, (vi) reputational damage that adversely affects customer, supplier, or investor confidence, and (vii) damage to our **business and** competitiveness ~~, the price of our securities, and long- term stockholder value~~ . A breach could also originate from or compromise our customers', vendors', suppliers', or other third- party networks outside of our control that could impact our business and operations, as occurred with the Colonial Pipeline cybersecurity incident in May 2021. Although we implement ~~stringent~~ **internal** controls on **the connectivity of** third **parties to our systems that attempt to prevent or mitigate the impact from incidents affecting third** - party ~~connectivity to our~~ systems, we have limited control over ensuring **that** ~~their~~ - **third** ~~systems~~ **parties themselves are** consistently ~~enforce~~ **enforcing** strong cybersecurity controls **over their systems** . Increased risks of such attacks and disruptions also exist because of **global geopolitical and** ~~the~~ **other** ~~continuing Russia- Ukraine conflict~~ **conflicts and tensions** . A breach may also result in legal claims or proceedings against us by our stockholders, employees, customers, vendors, and government authorities. There can be no assurance that our current or future infrastructure protection technologies and disaster recovery plans can prevent **or mitigate** such breaches, cyber, and ransom- related incidents, or systems failures, any of which could have a material adverse effect on our business, financial condition, results of operations, and liquidity. The continuing and evolving threat of cybersecurity incidents has also resulted in increased regulatory focus on prevention and disclosure, such as the directive issued by the U. S. Transportation Security Administration following the Colonial Pipeline cybersecurity incident, the obligations imposed by the U. S. Cyber Incident Reporting for Critical Infrastructure Act adopted in March 2022, and the SEC' s ~~proposed~~ cybersecurity **and governance** disclosure ~~rule~~ **rules issued in 2023** . We may be required to expend significant additional resources to comply with such laws and regulations, incur fines for noncompliance, and otherwise be exposed to litigation and regulatory action as a result thereof. Increasing legal and regulatory focus on data privacy and security issues could expose us to increased liability and operational changes and costs ~~that could materially and adversely affect our business~~ . Along with our own data and information in the normal course of our business, we collect and retain certain data that is subject to specific laws and regulations. The **compliant** processing of this data domestically and transferring of this data across international borders ~~is becoming increasingly~~ **continues to increase in** ~~complex~~ **complexity** . This data is subject to regulation at various levels of government in many areas of our business and in jurisdictions across the world, including data privacy and security laws such as the California Consumer Privacy Act ~~(CCPA)~~ , the California Privacy Rights Act ~~(CPRA)~~ , the EU General Data Protection Regulation (GDPR), the U. K. and General Data Protection Regulation (U. K. GDPR), the standard contractual clauses ~~(SCC) recently~~ adopted by the European Commission and the U. K. Parliament for the processing and transfer of personal data in compliance with the GDPR and / or the U. K. GDPR, and Quebec' s Bill 64 **. We also operate in other jurisdictions** ( ~~Bill 64~~ **such as Mexico and Peru** ) ~~. In addition to the CCPA, CPRA, the GDPR, the U. K. GDPR, and related SCCs, as well as Bill 64, we operate in multiple jurisdictions~~ that have issued, or are considering issuing, ~~similar~~ data privacy laws **and regulations. The U. S. Federal Trade Commission recently adopted rules requiring the reporting of certain data breaches** . As the number and ~~stringency~~ **complexities** of **such** ~~data privacy~~ laws **and regulations** ~~applicable to us continues~~ - **continue** to increase, we will face increasingly complex compliance ~~challenges~~ , ~~as well as~~ monitoring **,** and control obligations ~~, that have raised and could continue to raise our costs, and place increased demand on company resources~~ . As the implementation, interpretation, and enforcement of such laws continues to progress and evolve, there may also be **developments** ~~a range of new compliance challenges~~ that amplify such risks. Any failure by us ~~(or any company we acquire)~~ to comply with these laws and regulations, including as a result of a security or privacy breach, or otherwise, could **expose us to litigation and enforcement, and** result in significant penalties **, fines,** and **other** liabilities ~~and expose us to litigation~~ . General Risk Factors Uncertainty and illiquidity in financial markets, or changes in our credit profile or ratings, can adversely affect our ability to obtain credit and capital, increase our costs, and limit our flexibility. Our ability to obtain credit and capital depends in large measure on capital markets and liquidity factors that we do not control. Our ability to access credit and capital markets may be restricted at a time when we would like, or need, to access those markets, which could have an impact on our flexibility to react to changing economic and business conditions. In addition, the cost and availability of debt and equity financing may be adversely impacted by ~~rising~~ **persistently high** interest rates, inflation, unstable or illiquid market conditions, or adverse changes in our credit profile or to our credit ratings. ~~This~~ **These factors** could adversely impact and limit our ability to obtain favorable credit and debt financing, raise our cost of capital, or require us to provide collateral ~~,~~ or other forms of security, which would increase our costs and restrict operational and financial flexibility. Unstable or illiquid market conditions could also negatively impact our pension plans' assets and funding requirements ~~, and uncertainties associated with the transition away from the London Interbank Offered Rate could adversely affect financial markets and the interest rates we pay~~ . From time to time, we may need to supplement our cash generated from operations with proceeds from financing activities or ~~provide~~ **obtain** letters of credit in certain commercial transactions ~~. We have existing revolving credit facilities, uncommitted letter of credit facilities, and an accounts receivable sales facility intended to provide us with available financing to meet our ongoing cash needs and commercial requirements~~ . In addition, we rely on the counterparties to our commodity hedging and derivative instruments to fund their obligations under such arrangements. Uncertainty and illiquidity in financial markets could have an adverse impact on **the costs** ~~our~~ - **or** ~~lenders,~~ **availability of the** financial ~~institutions~~ , **commercial** ~~commodity hedging and derivative counterparties~~ , and ~~customers, causing them to fail to meet their~~ - **other** ~~obligations to us~~ **services provided by such parties** , which could have a material adverse effect on our business, financial condition, results of operations, and liquidity. **We are subject to risks arising from** ~~Severe~~ **severe** weather events ~~may have an adverse effect on our assets and operations~~ . Severe weather events, such as storms, hurricanes, droughts, or floods, could have an adverse effect on our operations and could increase our costs. For example, severe weather events can have an impact on crop production and reduce the supply of, or increase our costs to obtain, feedstocks for our Ethanol and

Renewable Diesel segments. We have incurred **,** and expect to continue to incur ~~additional~~ **,** costs and expenses **associated with severe weather, such as** to keep our facilities performing and to mitigate and reduce the risk of severe weather to our operations. If more intense or frequent severe weather events occur, the physical and disruptive effects could have a material adverse impact on our operations and assets. Our business may be negatively affected by work stoppages, slowdowns, or strikes, as well as by new legislation or an inability to attract and retain sufficient labor, and increased costs related thereto. Certain employees at five of our U. S. refineries, as well as at each of our Canada and U. K. refineries ~~, and one of our terminals~~ , are covered by collective bargaining or similar agreements, which generally have unique and independent expiration dates. To the extent we are in negotiations for labor agreements expiring in the future, there is no assurance an agreement will be reached without a strike, work stoppage, or other labor action. Any prolonged strike, work stoppage, or other labor action at our facilities or at facilities owned or operated by third parties that support our operations could have an adverse effect on our business, financial condition, results of operations, and liquidity. Future U. S. federal, state, or international labor legislation could result in labor shortages and higher costs. ~~There also continues to be a tight labor market despite the COVID- 19 pandemic having largely subsided. Increases in remote work opportunities have also amplified the competition for employees and contractors.~~ An inability to recruit, train, and retain adequate personnel, or the loss or departure of personnel with key skills or deep institutional knowledge ~~for whom we are unable to find adequate replacements~~ , may negatively impact our business. Inflation has also caused **,** and may in the future cause **,** increases in employee- related costs ~~, both due to higher wages and changes in our pension valuations, and such pension valuations changes have incentivized and may in the future incentivize early retirement~~ . Our ability to fully insure losses arising from our operating hazards **exposes us to various risks** ~~could materially and adversely affect our business, financial condition, results of operations, and liquidity~~ . Our operations are subject to various hazards common to the industry, including explosions, fires, toxic emissions, maritime hazards, and natural catastrophes. As protection against these hazards, we maintain insurance coverage against some, but not all, potential losses and liabilities. We may not be able to maintain or obtain insurance of the type and amount we need, or at acceptable rates. ~~As a result of market conditions, premiums~~ **Premiums** and deductibles for certain insurance policies could increase substantially **based on market conditions** . In some instances, certain insurance could become unavailable or available only for reduced amounts of coverage. For example, coverage for hurricane damage is ~~very~~ limited, and coverage for terrorism and cyber risks have broad exclusions. If we incur a significant loss or liability for which we are not ~~fully~~ **adequately** insured, it could have a material adverse effect on our business, financial condition, results of operations, and liquidity. ~~As a result, we can provide no assurance that we will be able to obtain the full insurance coverage for insured events.~~