

Risk Factors Comparison 2025-02-26 to 2024-02-22 Form: 10-K

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You should carefully consider the following risk factors in addition to the other information included in this report. Each of these risks could adversely affect our business, financial condition, results of operations, and / or liquidity, as well as, 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, ~~and~~ regional, ~~and~~ local market conditions, as well as by type and class of product ~~or feedstock~~. 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 **global and** regional ~~and global~~ supplies, **inventory levels, and availability** of and demand for feedstocks (such as crude oil, waste and renewable feedstocks, and corn), liquid transportation fuels (such as gasoline, diesel, renewable diesel, **SAF**, and ethanol), and other products. These in turn depend on, among other things, **global** the availability and **regional** quantity of feedstocks and liquid transportation fuels imported into the countries in which we operate, the production levels ~~or capacities~~ of suppliers **and competitors**, **natural gas and electricity availability and costs, economic activity and growth** 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 **relations**, political affairs, ~~the extent of government regulation~~ **regulations**, 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) **and other petroleum-producing nations that collectively make up OPEC** to agree on and to maintain crude oil price and production controls has also had, and is likely to continue to have, a significant impact on the market prices of crude oil and certain of our products. ~~Additionally~~ **Although several refinery closures have recently been announced and others are expected in the future**, ~~the there~~ **regulations have also been recent additions to global refining capacity**, ~~policies, which create risks and standards discussed under uncertainties related to product margins, volatility, and market perceptions of the refining industry. Regarding low- carbon fuels margins, see also, among other risk factors set forth below,~~ **ITEMS 1. We are subject to risks arising from the Renewable and 2. BUSINESS AND PROPERTIES — OUR COMPREHENSIVE LIQUID FUELS STRATEGY — Regulations, Policies, and Standards Driving Low- Carbon Fuel Programs Demand** ~~” have had~~, and **other regulations** are likely to continue to have, a significant **policies, international certifications, and standards** impact **impacting** 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 approved fuel pathways, credits, or incentives) could have a material adverse effect on the margins we receive for our low- carbon fuels. Some of these factors can vary by globally or region regionally 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, or renewable feedstocks (except inedible **DCOs 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 have~~ had, and could continue to have, a significant effect on our financial results. A decline in market prices for our products and feedstocks has **also** had, and could again have, a negative impact on the carrying value of our inventories. Factors outside of our control, such as economic, **legal, regulatory, and political** uncertainty ~~uncertainties~~, **global geopolitical and other conflicts and tensions**, inflation (and the potential for increased prices to ~~create reduce~~ demand ~~destruction~~), ~~persistently~~ **prolonged periods of** high interest rates, **and** public health crises (such as the COVID- 19 pandemic), ~~and political unrest or hostilities~~, have **negatively** affected, and **many such factors** could continue to **negatively** affect, economic activity and growth levels of the U. S. and other countries. ~~A decrease in~~ **In turn**, the demand for and consumption of our products ~~due to lower economic activity and growth levels has caused~~, and **also** could again cause, declines in our revenues and, margins, and could negatively impact our growth prospects, and capital allocation decisions **have been and could again be negatively impacted**. ~~A~~ ~~Additionally~~, 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~~ **global and regional** economic conditions **and**, trends and conditions within ~~the markets for~~ crude oil and refined petroleum products **markets, and the events described above and in many of the other risk factors below**. 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, market, **and other** developments that could decrease the demand for our products. A reduction in the demand for our products could result from **events and trends such as increases in fuel efficiency, decreases in travel or fuel consumption levels, and** a transition by consumers to alternative fuel vehicles, such as electric vehicles (EVs) and hybrid vehicles, **in each case**, whether as a result of government mandates or incentives, industry developments, **societal changes**, or ~~consumer or investor sentiment towards~~ **or perception with respect to our products, or** fossil fuels and GHG emissions **generally**. New developments may **alter consumer fuel or energy preferences or** 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, and improvements in hydrogen fuel cell technology, **and other technological changes**. Any such developments could increase consumer acceptance and result in greater market penetration of alternative fuel vehicles **or otherwise decrease the demand for our products**. There may **also** 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** **Other** companies have made, or announced interest in making, investments in renewable diesel, SAF, and other low- carbon projects. **As a result** these projects develop, we will face increased competition, including for feedstocks and customers, which could reduce our product margins and limit the growth and profitability of our low- carbon fuels businesses **have faced, and will likely continue to face, increased competition for feedstocks and customers**. While **we cannot** it is not currently possible to predict the ultimate form, timing, or extent of **these any such** developments, any such event could materially and adversely affect **our margins and sales volumes, and in turn** our business, financial condition, results of operations, and liquidity. We are subject to risks arising from sentiment towards climate **change- related matters**, fossil fuels, GHG emissions, **environmental justice**, and other **sustainability- related** environmental, social, and governance (ESG) matters. 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 **- related** and other ESG **sustainability - related initiatives** changes, particularly at public companies, through activities including **public pressure**, investment, engagement, and voting practices. These activities have included promoting the divestment of securities of fossil fuel companies, pressuring **such fossil fuel** companies to commit to future output reductions, **to align with net- zero commitments, or to implement costly practices or technology to reduce GHG emissions**, and pressuring lenders, insurers, **investors**, and other market participants to **otherwise** limit or curtail activities with **or involving** fossil fuel companies. As a result, we believe some parties have reduced or ceased lending to, investing in, or insuring fossil fuel companies. If these or similar efforts are continued **or increased**, it could negatively **impact our operating costs and capital allocation decisions, as well as** our ability to access capital markets, obtain new investment or financing, or to **fully adequately** insure our **business and** 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 additional actions and disclosures, including those related to, among others, climate change- related matters, GHG emissions and reduction targets, business resilience under the assumptions of demand- constrained scenarios, net- zero ambitions, GHG reduction plans alignment with third- party frameworks, actions related to human capital management, political activities, environmental justice, and racial equity audits, and governance standards. This** For example, ESG- focused activism has **included increased 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, **and other public pressure**. As a result, we have faced, and expect to continue to face, increasing pressure regarding our **ESG efforts and climate- related disclosures, including our with respect to** GHG emissions **targets and ambition reductions / displacements** (including our methodologies and timelines with respect thereto) **and other sustainability- related matters, including** negative publicity, prescriptive stockholder requests, and demands for **engagement thereon. Sentiment towards many environmental, social, and governance (ESG)- related practices** focused engagement. ESG has also become an increasingly politically charged issue, **and scrutiny and skepticism thereof** and “ anti- ESG ” sentiment **has caused and increased scrutiny and skepticism of** ESG policies and practices have resulted in, and could continue to **cause result in**, additional demands and strains on companies. Responding to such **ESG- focused -- focus activism and pressure** has been, and will likely continue to be, costly and time- consuming. Such response efforts have resulted in, and could continue to result in, the implementation of certain practices 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, and requirements** for tracking and reporting on **ESG GHG emissions and other sustainability- related** matters are relatively new, have not been standardized **or harmonized**, and many continue to evolve. **Our interpretations of various voluntary or required reporting standards may also differ from those of others**. As a result, our **ESG- related** metrics, targets, **ambitions**, and other disclosures, **with respect to such matters** 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 **to disclosures** by other companies or third- party estimates or disclosures, and our interpretation of reporting standards may differ from those of others. **We** While we believe that our ESG disclosures and methodologies **related to such matters** reflect our business strategy and are reasonable at the time made or used. **However**, as our business, **strategy, low- carbon projects, market and financial conditions, and / or applicable methodologies, standards, or regulations requirements continue to** develop and evolve, we may **significantly** revise or cease reporting or using certain **such** disclosures and methodologies if we determine that they are no longer advisable or appropriate, or **we** are otherwise required to do so. Our operations depend on **Any actual or perceived failure by us to achieve our publicly disclosed targets or long- term ambition with respect to GHG emissions reductions / displacements within the timelines we have announced, or at all, or a revision thereof or to our the other reliable supply sustainability- related disclosures, could cause reputational harm, and expose us to litigation or regulatory enforcement, among other negative impacts. We are subject to risks arising from the cost and availability** of natural gas and electricity, which exposes us to various risks. Our operations depend on the reliable supply of natural gas and electricity. We consume significant amounts of natural gas and electricity to operate our refineries and plants, and natural gas and electricity prices have a measurable effect on the total cost of our operations. We also purchase other commodities whose prices may vary depending on the prices of natural gas or electricity. The volatility of prices for both natural gas and electricity represent an ongoing challenge to our operating results. Additionally, the availability and cost of natural gas and electricity have been, and could continue to be, affected by numerous events, such as government regulations, **rate increases**, weather (e. g., hurricanes and periods of **considerable extreme** heat or cold, such as Winter Storm Uri in 2021),

logistics interruptions, electric grid outages, cybersecurity incidents, intermittent electricity generation (particularly from wind and solar), hostilities, **terrorism, protests,** sanctions, human error, and supply and demand imbalances for natural gas and electricity. For example, the real-time market structure of the **primary largest grid provider operator** 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 **, or other pressure not to use,** 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 events could negatively affect the cost, reliability, and availability of our natural gas and electricity supplies and may cause sporadic outages disrupting our operations. Growing electrification and rapidly developing and increasing technology use (such as artificial intelligence **(AI)**, 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 reliability of electricity supplies, particularly for grids highly dependent upon wind and solar power, which would exacerbate the foregoing challenges. **Additionally, including increasing costs, increased Increased** government regulations and **public** opposition to pipeline construction and electricity generation and transmission projects have **also** 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 While** we actively manage these 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 supplies** thereof, have **had in the past**, and could again **have, a materially-- material and adversely-- adverse affect effect on** our business, financial condition, results of operations, and liquidity. We are subject to risks **related arising from the potential disruption of our ability to obtain the costs and availability of our feedstocks and other critical supplies**. We source our petroleum-based and low-carbon **fuels-- fuel feedstocks, as well as many other critical supplies, such as catalyst, chemicals, treating materials, and metal-based consumables** 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, different areas across the world, including global geopolitical and other conflicts and tensions **(such as the Russia- Ukraine conflict and turmoil in the Middle East and other producing regions)** that **have impacted, and may continue to 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 and other critical supplies**, 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 have been, and will likely continue to 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 increased** prices **or costs**, our business, financial condition, results of operations, and liquidity could be materially and adversely affected, including from reduced **product** sales volumes **of products** or 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 targeting Russia, Iran, and Venezuela limit **or, but do not necessarily ban,** the ability of most U. S. companies to engage in 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. **The U. S. federal government under the current presidential administration has also implemented and indicated the potential for new or revised tariffs, duties, sanctions, and other actions with respect to U. S. and foreign trade, manufacturing, and investment, and some foreign governments have in turn implemented or indicated the potential for similar responses impacting U. S. goods and / or foreign operations and businesses dealings of U. S. companies. While there is currently a lack of certainty around the likelihood, timing, and details of many such actions, similar events have in the past had, and could again have, an adverse effect on our ability to obtain optimal or adequate volumes of feedstocks and other critical supplies at favorable prices and costs.** 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. If **Darling DGD’s** supply is **traditional feedstock supplies are** disrupted, or if supply from other sources becomes **become** limited or only available on unfavorable terms, **or if U. S. policies (such as recent IRS guidance regarding the 45Z tax credit under the IRA) disfavor foreign feedstock supplies making their use economically impracticable,** DGD could be required to develop alternate sources of supply, and it could be required to increase its utilization **use** of **certain waste and renewable** feedstocks that **produce result in** lower-margin products **or curtail production**. As the **volume production** of renewable diesel and other low-carbon fuels **has produced continues to increase increased, as well as** the competition for feedstocks **will likely increase, and DGD has increasingly been** will also likely be required to source a greater amount of its **waste and renewable** feedstocks from international sources, which **intensifies** would increase its exposure to the political, geographic, regulatory, **tax,** and economic risks associated with international sourcing of supplies. **A Any such** disruption to DGD’s feedstock supply 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 corn, and such** 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 is also affected by government policies (such as farming subsidies **and low- carbon fuels incentives**) and by market events (such as changes in fertilizer prices and rail disruptions).

Reductions or delays in crop production from these or ~~similar~~ **other** 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 **refining and marketing** operations outside of the U. S. and generally to worldwide political and economic developments. We ~~operate and sell some of our products~~ **have operations, including marketing activities,** outside of the U. S., particularly in Canada, the U. K., Ireland, Mexico, and Peru, and are subject to disruptions **and developments** 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 ; **differential treatment of state- owned entities** ; property disputes; economic instability; **currency exchange rates, including the value of the Canadian dollar, the pound sterling, the euro, the Mexican peso, and the Peruvian sol relative to the U. S. dollar;** restrictions on the transfer of funds; duties and tariffs; ~~fees; profits, windfall, or other~~ taxes or penalties; transportation delays; import and export controls; labor unrest; security issues ~~involving key personnel~~; government decisions, orders, mandates, investigations, regulations, and issuances or revocations of permits and authorizations; the effects of military conflicts; and changing regulatory , **judicial,** and political environments, including changes **impacting** 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, and burdens; any of which could result in 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. **As noted above, various governments across the world have implemented or indicated the potential for new or revised tariffs, duties, sanctions and other actions with respect to U. S. and foreign trade, manufacturing, and investment. While there is currently a lack of certainty around the likelihood, timing, and details of many such actions, similar events have in the past had, and could again have, an adverse effect on our foreign operations and investments, and the competitiveness of our products globally.** We are subject to **interruptions risks arising from transportation** and increased costs as a result of logistical **logistics** disruptions and **availability** ~~our reliance on third- party transportation of our feedstocks and products~~. In addition to our own 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 , **or there are increased prices or costs with respect thereto, whether** because of labor issues, weather events, dock availability, water levels of key waterways for trade, **pipeline, rail , trucking, or maritime** disruptions, cybersecurity incidents, accidents, derailments, collisions, fires, explosions , **natural catastrophes** , spills, public health crises, **terrorism,** hostilities , **rate increases** , or other government or third- party actions (including protests **and human error**), 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 , **operate in different regions** , 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 petroleum- based products. We do not produce any of our primary feedstocks (except inedible **DCOs 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 , **have different revenue streams (such as from chemicals or integrated operations), and operate in different regions** . Such competitors are at times able to offset **or avoid losses or decreased profitability** from **downstream liquid transportation fuels production** operations **generally, or in challenging regions,** 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 **to in all phases of** our industry. We are subject to risks arising from an interruption in any of our refineries or plants. Our refineries, DGD **plants 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 ~~any 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~~ **disruptions** (such as cybersecurity incidents , ~~or acts of terrorism~~ , **protests, or human error**), or otherwise be forced to shut down or curtail operations. **Any such** ~~If any refinery or plant, or related logistics assets, were to experience an interruption in operations,~~ **could materially and adversely affect** 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 **operational** interruptions ~~in our operations~~ could also lead to increased volatility in the price of our feedstocks and many of our products. We have experienced 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 **legal regulatory, and** political ~~and regulatory~~ environments or other market conditions may change or deteriorate over time. We engage in capital and other strategic projects based on many factors, including the forecasted project economics, **legal, regulatory, and** political ~~and regulatory~~ environments, and the expected return on the capital to be ~~employed~~ **deployed** . **Such** ~~Large- scale projects can~~ take many years to complete, during which time ~~such the political and regulatory environment~~ **environments** or other market conditions may change from our forecast , **particularly with respect to low- carbon projects such as those related to SAF and carbon capture and sequestration** . 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 **achieve their** ~~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 **various** government **and third- party** 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 **, and other** opposition **among various groups in certain geographies** to many such projects. Such opposition may **be taken into account** **affect grants of the relevant permits or authorizations** by government or judicial officials **, in granting the relevant permits or authorizations grants of easements or rights- of- way by land owners**, and has previously resulted in, and could again result in, permits and **other** authorizations being challenged, delayed, denied, revoked, appealed, or **conditionally** granted **subject to onerous conditions**. In certain instances, this has resulted in, and could again result in, the cancellation or restructuring of projects **and costs and charges related thereto**. 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 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 12 of Notes to Consolidated Financial Statements. The other joint venture members and the third- party equity holders of the VIEs have certain economic, business, or legal interests, opportunities, or goals that are inconsistent with or different from our **own interests, opportunities, and goals**, have different liquidity needs or financial condition characteristics than our own, are subject to different legal or contractual obligations than we are, and may be unable to meet their obligations **, each of which exposes us to risks**. For example, while we operate the DGD Plants and perform certain day- to- day operating and management functions for DGD, we do not have full control of every aspect of DGD’ s business and certain significant decisions concerning DGD **require approval from the other joint venture member**, including acquiring or disposing of assets above a certain **value- dollar** threshold, making certain changes to its business plan, raising debt or equity capital, altering its distribution policy, and **making** certain other transactions **; require approval from Darling**. While we consolidate certain VIEs, we do not have full control of every aspect of these VIEs **, their debt or financing decisions that are reflected in our consolidated financial statements**, or the actions taken by their third- party equity holders, some of which 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 **such other joint venture members or the third parties** - party equity holders in the VIEs, could prevent or delay actions **we prefer to take, expose** that are in the best interest of us **to legal, regulatory** the joint venture, or the VIE, and could **reputational risks, and** 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 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 risks** are not effective or **increase our exposure-- expose us** to **other** unexpected events or risks, we may incur losses **or charges**, and **we** have experienced **certain losses such events** in the past. **In addition We also have incurred, we and** may **again** be required to incur **, additional costs or charges related to changes** in **applicable** connection with any future regulation **regulations** of derivative **on such** instruments **applicable to us**. Legal, Government, and Regulatory Risks We are subject to risks arising from legal, **regulatory, and** political **, and regulatory** developments regarding climate **, related matters**, GHG emissions, and the environment **, or that are adverse to or restrict refining and marketing operations**. Many government authorities across the world have imposed, and may impose in the future, **laws, regulations, and** 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- internal combustion engines**, tariffs **, duties**, 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**. CARB’ s current Scoping Plan identifies strategies to reduce liquid petroleum consumption in California by 94 percent **by 2045**, and CARB **has approved** is actively engaged in a series of **related rulemaking rulemakings discussed below** efforts intended to fulfill these objectives. The European Union (EU), **the** U. K., Canada, and Quebec have each adopted what they refer to as “ zero- emissions vehicle ” mandates and other government authorities across the world, such as Mexico, **Quebec**, and other U. S. states have also announced, **adopted**, or are considering, **plans and / or** restrictions **regarding on** the sale of new internal combustion engine vehicles, stricter tailpipe emissions standards, and **/ or** limitations on or penalties **for on** the use of **certain** petroleum- based products and **certain** biofuel feedstocks. The U. S. federal government under the **current previous** presidential administration **has was** also **been** aggressive in the scope, magnitude, and number of actions it **has taken to took for the stated purpose of address addressing** GHG emissions and other environmental matters, including efforts to limit or eliminate petroleum- dependent modes of transportation. For example, the **current previous** administration **utilizes utilized** a “ whole of government ” approach to climate **- related initiatives** change and environmental justice that **seeks sought** to organize and deploy the full capacity of the U. S. federal government in novel and coordinated ways to limit or eliminate the use of most petroleum- based products. The **current previous** administration **has also** issued a number of 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 seeking to limit or eliminate petroleum- based fuels by imposing mandates of so- called 100 percent zero- emission vehicle acquisitions , such as EVs and setting ambitious decarbonization goals 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 and other actions **, as well as similar actions by U. S. state and local governments**, that disfavor petroleum- dependent modes of transportation **, and in many cases of which** ignore or downplay the full life cycle carbon footprint of EVs, and thereby seek to inappropriately advantage **them EVs**

over internal combustion engine vehicles. For example, the EPA 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 similarly issued its “ CAFE Standards for MY 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 sales of EVs. Together, these federal regulations seek to **significantly** increase the market penetration of EVs and other alternative fuel vehicles **and**, such that these vehicles would be expected to comprise 17 percent of model year 2026 passenger vehicle sales. The EPA states that its rule is projected to reduce **U. S.** gasoline consumption by more than 360 billion gallons by 2050, reaching a 15 percent reduction in annual **U. S.** gasoline consumption in 2050. **The IRA also includes substantial subsidies** **S.** gasoline consumption in 2050. Moreover, in April 2023, the EPA announced new, more ambitious proposed standards for model years 2027 to **promote** 2032 that the agency expects will drive 67 percent of new light- and medium- duty vehicles, 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 **and** 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 November 2023, the Federal Highway Administration finalized rules that require certain U. S. state departments of transportation and metropolitan planning organizations to establish declining tailpipe carbon dioxide emissions targets for motor vehicles. **Moreover** **Most recently**, in **December** **March 2023 2024**, the EPA announced **new, more ambitious emissions standards for light-, medium-, and heavy- duty vehicles for model years 2027 to 2032 that the agency expects will drive a significant increase in the percentage of new vehicles sold in the U. S. to be EVs or other alternative fuel vehicles. In May 2024, the EPA published** final rules intended to sharply reduce emissions of methane and other air pollution from oil and gas operations **-**, **and** **Within- within** such rules, the EPA nearly quadrupled its estimate of the “ social cost ” of carbon dioxide, a measure that is often used by certain U. S. federal agencies as part of their analyses of the costs and benefits of more stringent **regulations on GHG emissions. In June 2024, NHTSA also issued final rules increasing both the fuel economy standard for passenger cars and light trucks for model years 2027 to 2031 and the fuel efficiency standards for heavy- duty pickup trucks and vans for model years 2030 to 2035. The current U. S. presidential administration has expressed a different approach with respect to U. S. climate**, environmental, and energy policies **and has revoked many of the previous administration’ s executive orders and directives, and has indicated an intention to modify or eliminate many of the aforementioned laws and regulation- regulations**, several of which could result in stricter **are also currently being litigated, or may be subject to future legal challenges. However, the climate- ultimate rules- timing and outcome with respect to any modifications or eliminations of such laws and regulations that disfavor internal combustion engine vehicles and liquid transportation fuels. The IRA**, which **would likely require action by the U. S. Congress or a federal agency or department, was** **-** as passed in August 2022 **well as pending or future litigation**, **are currently unknown and are subject to considerable uncertainty. It is also currently uncertain whether** includes substantial subsidies to promote EVs **and to what extent any U. S. state and local governments will still pursue other** **-** **the alternative fuel vehicles** **prior administration’ s agenda on such matters**. In addition to these U. S. federal measures, in March 2022, the EPA reinstated a waiver of preemption 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 **new** light- duty vehicle sales in California must be zero- emission vehicles. **In May 2023, The EPA recently granted CARB’ s requested** **-** **request for the EPA grant** a waiver of preemption for Advanced Clean Cars II **-**, **and the other preemption waiver** EPA opened CARB’ s request **requests** for public hearing and comment in December 2023. Several other **U. S.** states have already adopted, or are expected to adopt, similar **laws, regulations**, or mandates. California is also pursuing 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 **;** 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 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- mandates survives- survive** legal challenge. While **many of** these measures are **currently** being litigated **,** **or may in the future be subject to legal challenges**, we face a risk that automakers will **nevertheless** move forward with changing their manufacturing and marketing **practices** based on their expectations that they will be forced to transition to electrification in the transportation sector. Moreover, there have been various international climate accords and multilateral agreements aimed at reducing GHG emissions **-**, including **.** While the Kyoto Protocol in **current U. S. presidential administration has ordered the U. S. withdrawal from the 2005 2015**, the Paris Agreement in 2015, and **many international accords and multilateral agreements are the United Nations Climate Summit in Dubai, United Arab Emirates (COP 28) in 2023, which, although not legally binding, they** have in certain instances resulted in, and are expected to continue to result in, additional government **;** **and** regulatory **;** **and** private industry actions **across the world** that are adverse to our industry. Incentives to conserve energy or use renewable energy sources in many locations where we currently operate, or may operate in the future, could also negatively impact our industry. Government authorities across the world have also announced, **imposed**, or are considering, **profits or windfall** taxes or penalties on fossil fuel companies **;** or **for profits** have announced or imposed GHG emissions **windfalls, or margins above a**

certain level, carbon border adjustments, fees, and other regulations that are adverse to refinery or restrict refining and marketing 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. Similar taxes and penalties have been proposed or adopted in California's, such as Senate Bill No. 2 (such statute, together with any regulations contemplated or issued thereunder, SBx 1-2), which authorizes California to set a maximum gross gasoline refining margin and a penalty Assembly Bill No. 1 (ABx 2-1), as described in Note 2 of Notes to Consolidated Financial Statements, present considerable uncertainty and risks for us refiners that exceed it. These legal, regulatory, and political, and regulatory developments, as well as other similarly focused laws and regulations, such as, among others, the California and, Quebec and other cap- and- trade programs, the U. K. Emissions Trading Scheme, the U. K. Renewable Transport and Low- Carbon Fuel Obligation Programs, 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 and its Airborne Toxic Control Measure for Commercial Harbor Craft, reductions in the National Ambient Air Quality Standards, bans or restrictions on certain chemicals, feedstocks, products, or processes (such as hydrofluoric acid alkylation), and other laws related to climate, GHG emissions, or environmental, health, or safety matters, have in certain instances resulted in, and are expected to continue to result in, increased costs and capital expenditures that, among other impacts, impact our ability to effectively and profitably operate and maintain our facilities. These include things such as (i) operate and maintain our facilities (including restrictions on certain refinery operations and requirements to modify our operations), (ii) and requirements to modify our operations or install new emission emissions controls or other equipment at our facilities, and (iii) costs to administer and manage any emissions or our blending obligations under the Renewable and Low- Carbon Fuel Programs 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 (including SBx 1-2 and ABx 2-1) are subject to considerable uncertainty due to a number of factors, including technological and economic feasibility, pending or anticipated future legal challenges, and potential or future changes in law, regulation, or policy, as noted above, and it is not currently possible to predict the ultimate effects thereof of many of these matters and developments on us. However, such events could adversely restrict or affect our refinery refining and marketing 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; cause a reduction in demand for our products; and result in negative publicity and, litigation, and regulatory enforcement; each of which could materially and adversely affect our business, financial condition, results of operations, and liquidity. 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. 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, and / or are altering existing low- carbon fuel regulations, policies, and standards to address 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 the U. K. Regarding the RFS, in June 2023, the EPA announced final rules that increase RVOs for 2023, 2024, and 2025. While, and in December 2024, the EPA proposed partially waiving final rules did not adopt the compliance year 2024 RVO for cellulosic biofuel, extending the reporting deadline for 2024, and revising certain biogas provisions. Regarding the LCFS, in November 2024, CARB approved updates thereto that set targets to reduce the CI of California's transportation fuel pool by 30 percent by 2030 and by 90 percent by 2045, increase support for so called "eRIN-zero- emissions" infrastructure provisions included in its December 2022 proposal, which would have allocated RINs from renewable electricity used to power EVs and other alternative fuel vehicles to the vehicle manufacturer, the EPA noted that it will continue to work on potential paths forward for an and eRIN program make more transit agencies eligible to generate credits, although such amendments were recently paused. We are exposed to the volatility in the market price of RINs, LCFS credits, and other credits, as described in Note 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 U. S. 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 RVOs, RFS changes, the ability to sell "E15" fuel year- round, and actions related to small refinery exemption exemptions petition denials may also affect RIN prices, and certain such actions have recently been proposed or are currently being challenged. For example, 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 price spikes, if at all. If an insufficient number of RINs, LCFS credits, or other credits 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 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 any "eRIN" program could also increase RIN price volatility and result in other adverse impacts that cannot be fully predicted at this time. The Renewable In addition to the RFS and Low- Carbon Fuel Programs and the U. S. federal tax incentives related to LCFS, we operate in multiple jurisdictions that have issued, or are considering issuing, similar low- carbon fuel fuels (regulations, policies, and standards,

such as the **IRA**) CFR. The RFS, LCFS, and similar U. S. state and international low-carbon fuel regulations, policies, and standards are extremely complex, **can be subject to interpretative uncertainty**, often have different or conflicting requirements or methodologies, and are frequently evolving, requiring us to periodically update our systems and controls **for to maintain compliance and monitoring**, which impose substantial administrative burdens **and imposing strains on company resources**. In addition to regulation, demand is growing for **renewable low-carbon** fuels certified through **various** voluntary certification bodies such as the International Sustainability and Carbon Certification system, which presents business opportunities, but also entails additional **administrative burdens strains on company resources**. **These regulations, policies, and standards have a significant impact on the market prices of low-carbon fuel feedstocks and products, and in turn the margins on our low-carbon fuels**. Our low-carbon fuels businesses could be materially and adversely affected if (i) **these such** regulations, policies, and standards are adversely changed **or interpreted**, **unavailable not enforced**, or discontinued, **including due to adverse changes in the perception of low-carbon fuels**, (ii) **any of our low-carbon fuels products, or the feedstocks used in the their production, do not comply therewith, or would result in reduced** benefits therefrom (such as Section 45Q, Section 45Z, and the blender's tax credits) are reduced or discontinued **incentives thereunder**, or (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 **thereunder, or under voluntary certifications**. Such changes **or developments** could also negatively impact **the plans, expectations, assumptions, and projections with respect to 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 **Other** outcomes with respect to such projects. Applicable **applicable** environmental, health, and safety laws **and regulations** expose us to various risks. Our operations are **also** subject to **other** extensive environmental, health, and safety laws and regulations **by various levels of government authorities where we operate or have operated**, including those relating to the **release or** discharge of materials into the environment, waste management, pollution prevention **measures**, GHG **air** 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 **current or** refineries and plants, as well as at formerly owned **properties facilities** 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 **air** emissions **into the air**, **waste** handling of **waste**, and releases into the soil, surface water, or groundwater. Such laws **and regulations** have **also** imposed, and may again impose, liability on us **for the conduct of third parties or our acts for- or omissions** actions that complied with applicable requirements when taken, **or those of others, without** regard **of to noncompliance, causation, contribution, negligence**, or fault. Because environmental, health, and safety laws and regulations **are becoming have become** more **complex and** stringent and new **or revised** 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 costs required for **environmental such** matters has increased and **may is expected to** continue to increase **in the future**. Additionally, U. S. **federal** and **many** state 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 investigative 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, **as well as threats thereof**, have resulted in, and are expected to continue to result in, increased costs, expenses, and negative publicity. **Even if the current U. S. presidential administration pursues a less aggressive approach with respect to environmental regulation and enforcement, there may continue to be citizen suits seeking to enforce such laws and regulations**. Despite our efforts to maintain safe and environmentally responsible operations, in certain instances we have faced, and may continue to face, changing regulatory interpretations, **regulatory** fines or penalties, and liability for personal injury, property, and natural resource damage, environmental justice impacts, and assessment and remediation costs due to actual or alleged emissions, pollution, **discharges**, and / or contamination. We are also exposed to potential liability and costs related to regulated chemicals 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 certain such materials have recently been adopted by the EPA and certain U. S. states, and other regulations may arise in the near future)**. Such liabilities and costs could materially and adversely affect our business, financial condition, results of operations, and liquidity. We are subject to risks arising from litigation, **regulatory proceedings government action**, and mandatory disclosure **requirements rules** related to climate **change-related** and other **ESG sustainability-related** matters, or aimed at the fossil fuel industry. 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 noncompliance** with applicable laws or regulations, or damages **as a result of they attribute to perceived** climate **change-related matters**, and seek damages and / or abatement under various tort and other theories, including under **consumer protection**, 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 may be filed in 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-related matters** and other **ESG sustainability-related** matters are false 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, **or** 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. **The Governments, such as the states of New York and Vermont, have also sought to enact legislation establishing various climate change adaptation-cost recovery programs designed to upgrade infrastructure and fund community initiatives they designate as purported climate mitigation investments, under which “responsible parties,” could which the programs have deemed to include refiners and other fossil fuel companies, bear the costs of on a strict liability basis, and other U. S. states have proposed or are considering similar legislation. Certain governmental authorities have also sought to attribute blame for certain perceived climate mitigation investments-related matters primarily to fossil fuel companies, and some are considering legislation that would create private causes of action making them strictly liable for damages incurred in certain natural catastrophes and weather events.** These matters lawsuits 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 **alleged climate change or-related and other ESG-sustainability-related matters. Various U. S. state and local governments have also proposed or are considering imposing taxes (including a recent ballot measure in California), fees, assessments, or tax abatement limitations on fossil fuel companies. See also Note 2 of Notes to Consolidated Financial Statements.** 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-related matters and other ESG-sustainability-related matters. For example, in March 2022-2024, the SEC proposed adopted sweeping and novel disclosure obligations with respect to climate change and GHG emissions reporting for U. S. publicly-traded companies. Also, **which are currently stayed pending litigation** 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-related disclosure obligations, including with respect to GHG emissions, climate-related financial-risk reporting, and statements regarding GHG emissions reductions. Other U. S. states have announced or proposed similar regulations. **The Other countries where we operate or do business, such as the U. K., Canada, and the EU have also passed laws requiring, or announced their intention to mandate, various burdensome disclosures related to various environmental, climate, social, supply chain, human rights, and other sustainability-related matters. These include, among others, the EU’s Corporate Sustainability Reporting Directive and its Corporate Sustainability Due Diligence Directive, which also provides a private cause of action. Other jurisdictions are considering sustainability-related disclosures-disclosure laws 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 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 (including governments) we do business with have begun requesting product-specific GHG emissions disclosures from us in connection with their own GHG emissions reporting or goals. Our efforts to comply with these and other requests and regulations impose a strain on company resources and expose us to risk by requiring disclosure of information that (i) may be protected trade secrets and / or competitively sensitive information, (ii) exposes us to litigation and government regulatory actions and investigations, (iii) is inconsistent with other government regulations or our current disclosures practices that may utilize different methodologies or standards, (iv) is subject to many assumptions and inherent calculation difficulties, such as accuracy and completeness, and dependence on third parties, and (v) may be perceived in ways that adversely impact our 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 our 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 from compliance with and changes in tax laws. We are subject to extensive tax liabilities imposed by multiple jurisdictions, including income taxes; indirect taxes (e. g., excise tax, duty, sales tax, use, gross receipts, and value-added taxes); and payroll, franchise, withholding, and ad valorem taxes. New tax laws and revised 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 alternative minimum tax and a one percent excise tax on the purchase by companies of their own stock. 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 **(including the global minimum tax)**, or interpretations thereof, could impact our ability to realize the tax savings recorded to date and adversely affect our future effective tax rates.

Cybersecurity and Privacy Related Risks We are subject to risks arising from a significant breach of our information systems. Our information systems and network infrastructure ~~may have been and continue to~~ be subject to **frequent** unauthorized access ~~or attack (and we are frequently subject to such attempts)~~ **and other cyber attacks**, including ransom- related incidents ~~that, which~~ could result in increased costs to **detect, prevent, and be prepared to respond to or, and** mitigate ~~such~~ **Such events efforts include**, ~~such as among other measures,~~ deploying additional personnel and protection technologies, training employees, and engaging third- party experts and consultants. **These attacks** ~~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. 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 internal controls on the connectivity of third parties to our systems that attempt to prevent or mitigate the impact from incidents affecting third- party systems, we have limited control over ensuring that third parties themselves are consistently enforcing strong ~~cybersecurity~~ controls over their systems. Increased risks of such attacks and disruptions also exist because of global geopolitical and other 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 **(including through AI)** 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 cybersecurity and governance disclosure rules issued in 2023. We **have been, and may continue to 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 **enforcement related** ~~action as a result thereof~~ **thereto . See " ITEM 1C. CYBERSECURITY " for additional information on such matters**. Increasing legal and regulatory focus on data privacy and security issues could expose us to increased liability and operational changes and costs. 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 continues to increase in complexity **, which has, and will likely continue, to impose increased strains on company resources for compliance functions related thereto**. 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, the California Privacy Rights Act, the EU General Data Protection Regulation (GDPR), the U. K. and General Data Protection Act 2018 Regulation (U. K. GDPR), the standard contractual clauses 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 , the California Consumer Privacy Act, as amended by the California Privacy Rights Act, and various other comprehensive privacy laws passed by other U. S. states~~. We also operate in other jurisdictions (such as Mexico and Peru) that have issued, or are considering issuing, data privacy laws and regulations. ~~The~~ **Additionally, the** U. S. Federal Trade Commission ~~recently has~~ adopted rules requiring the reporting of certain data breaches ~~. As the number and complexities of such laws and regulations continue to increase, we will face increasingly complex compliance, monitoring, and control obligations~~. As the implementation, interpretation, and enforcement of such laws continues to progress and evolve, there may also be developments that amplify such risks. Any failure by us 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 **regulatory** enforcement ~~, and result in significant penalties, fines, and other liabilities~~. 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 **or commercial arrangements** may be adversely impacted by **persistently prolonged periods of** high interest rates, inflation, unstable or illiquid market conditions, or adverse changes in our credit profile or to our credit ratings. 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 **and periods of prolonged high interest rates** could also negatively impact our pension plans' assets and funding requirements. From time to time, we may **also** need to supplement our cash generated from operations with proceeds from financing activities or obtain letters of credit in certain commercial transactions. In addition, we rely on the counterparties to our **commercial agreements and** commodity hedging and

derivative instruments to ~~fund fulfill~~ their obligations ~~thereunder~~ under such arrangements. Uncertainty and illiquidity in financial markets ~~and periods of prolonged high interest rates~~ could have an adverse impact on the costs or availability of the financial, ~~and~~ commercial ~~arrangements~~, and other 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 weather events. Severe weather events, such as storms, hurricanes, droughts, ~~or wildfires, and~~ floods, ~~could have an can~~ adverse effect on ~~impact the supply of, or increase our costs to obtain, feedstocks and other critical supplies (including water), and disrupt~~ 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, costs and expenses ~~expenditures~~ associated with severe weather, such as to keep our facilities performing and to mitigate ~~and reduce the risk risks of severe weather~~ to our operations. If more intense or frequent severe weather events occur, ~~or if our mitigation efforts are unsuccessful~~, the physical and disruptive effects ~~impacts~~ could have a material adverse ~~impact effect~~ 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 terminal in Montreal~~, are covered by collective bargaining or similar agreements, which generally have unique and independent expiration dates, ~~and workers at any of our facilities that are not currently represented by a union could vote for such representation in the future~~. To the extent we are in negotiations for labor agreements ~~at any time expiring in the future~~, there is no assurance an agreement will be reached without a strike, work stoppage, or other labor action, ~~and such actions have occurred for certain periods in the past~~. Any prolonged strike, work stoppage, or other labor action at our facilities or ~~otherwise impacting~~ 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 ~~also~~ could result in labor shortages and higher costs. An inability to recruit, train, and retain adequate personnel, or the loss or departure of personnel with key skills or deep institutional knowledge, may negatively impact our business. Inflation has also caused, and may in the future cause, increases in employee-related costs. Our ability to ~~fully~~ adequately insure losses ~~or liabilities~~ arising from ~~various~~ our operating hazards exposes us to ~~various~~ risks. Our ~~business and~~ operations are subject to various hazards common to the industry, including explosions, fires, toxic emissions, ~~maritime transportation~~ hazards, ~~severe weather events~~, and natural catastrophes ~~(including earthquakes), among others~~. As protection against these hazards, we maintain insurance coverage against some, but not all, potential losses and liabilities. ~~We arising from such hazards, and we have experienced, and~~ may not be able to maintain ~~again experience, certain uninsured~~ or ~~obtain self- insurance---~~ ~~insured events related thereto~~ of the type and amount we need, or at acceptable rates. Premiums and deductibles for certain insurance policies could increase substantially based on market conditions ~~and~~. ~~In some instances, certain insurance could become unavailable or available only for reduced-limited amounts or types of coverage. For example, coverage for hurricane damage is limited, and coverage for terrorism and cyber risks have broad exclusions.~~ If we incur a significant loss or liability for which we are not adequately insured, it could have a material adverse effect on our business, financial condition, results of operations, and liquidity.