W0. Introduction

W0.1

(W0.1) Give a general description of and introduction to your organization.

At Darling Ingredients, we create sustainable food, feed and fuel ingredient solutions. We take the meat by-products from our animal-based diets and process them to reclaim valuable and essential bio-nutrients, fats, oils, proteins, meals and more that are used daily in personal, commercial, and industrial products. Our natural and sustainable ingredients are marketed internationally to the pharmaceutical, food, animal feed, pet food, biofuel, fertilizer, sports nutrition and cosmetic industries.

Our Feed and Pet Food solutions, by re-purposing organic bio-nutrient residuals, have grown into one of the world’s leading suppliers of natural, sustainable feed ingredients. Additionally, the safe processing of organic meat co-products and animal mortalities has proven to be the most secure and efficient way of handling these materials, as compared to other methods which can harm the environment through the release of methane gases and pathogens.

What we do and how we do it helps protect the world’s food chain from farm to table. Through our bio-security standards at our processing facilities, our customers can be assured that our food ingredients are fully traceable, and our products and processes are fully compliant with food safety regulations. Our industry is often referred to as “the gatekeeper,” keeping our food chain safe from harmful materials. By processing unconsumed meat co-products into usable ingredients rather than disposing of them in landfills or compost piles, our facilities prevent more greenhouse gases from being released into the air rather than what they add to it during operations. By re-purposing this material, we also help protect our land and groundwater from pathogens that occur during nature’s decomposition process. And, by ensuring our feed ingredients are traceable and safe, we protect the livestock that start this food cycle in motion. Through our secure operations, we are able to provide the world’s food manufacturers and supply chains with a range of safe and tested food ingredients and products that are sustainable and natural, and economically and ecologically viable. We’re the world’s leading supplier of gelatin and collagen peptides. We provide global food and meat manufacturers with safe, fully traceable sausage casings and meat co-products. We contribute to innovative, healthy food concepts through our natural proteins and other natural dietary supplements.

Darling Ingredients has taken the lead in developing new opportunities in renewable energy. Whether from re-purposed animal fats, organic residuals or the oil and grease we collect from restaurants, our energy solutions are one more contribution towards a paradigm shift in the world’s long-term energy balance. Our many years of experience in acquiring organic co-products and residuals and converting them into innovative, high-value products have positioned us as a global leader in renewable energy development. We were the first in the USA to pioneer the commercial production of biodiesel utilizing animal fats and used cooking oils. In 2005, we became Canada’s first producer of biodiesel from animal fats and cooking oils. In 2013, together with Valero Energy Corporation, we constructed North America’s largest facility to convert animal fats, used cooking oils and distiller oils into renewable diesel. In Europe, we are leading the way with innovative biofuel and renewable energy solutions.

At Darling Ingredients, we have over a century of experience in making the world a greener place. As an innovative developer of organic fertilizers, we take ‘going green’ quite literally, re-purposing industrial residuals and meat co-products into nutritional, life-sustaining solutions for horticultural gardens, organic farming, healthy sports turf and more. Using our fertilizer and soil enrichment solutions result in higher yields on conventional and organic farms, as well as greener golf courses, sports turf and lawns. We can also help to improve phosphate balances in agriculture. Developing these resources from residuals also means we make operations cleaner, smoother and more sustainable for a variety of industries. Our methods for storing, collecting and re-purposing these residuals demonstrate how our company serves as a leading steward of our planet’s natural resources.

Commercial bakeries and snack manufacturers throughout North America rely on us for the full-service management of their residuals. Bakery Feeds we re-purpose them into a sustainable, quality ingredient for feed rations. Our services unburden the bakery and snack industry, add value to the feed industry, and improve the sustainability performance of both.

Darling is unique in that we recover water from our raw materials and introduce this water back into the environment. Often this water contribution is more than our withdrawal, thus making us a net water positive contributor within our rendering operations.

W-FB0.1a

(W-FB0.1a) Which activities in the food, beverage, and tobacco sector does your organization engage in?
- Agriculture
- Processing/Manufacturing
- Distribution

W0.2

(W0.2) State the start and end date of the year for which you are reporting data.

<table>
<thead>
<tr>
<th>Start date</th>
<th>End date</th>
</tr>
</thead>
<tbody>
<tr>
<td>January 1 2020</td>
<td>December 31 2020</td>
</tr>
</tbody>
</table>

W0.3
(W0.3) Select the countries/areas for which you will be supplying data.
- Australia
- Belgium
- Brazil
- Canada
- China
- France
- Germany
- Italy
- Netherlands
- Poland
- Portugal
- Spain
- United Kingdom of Great Britain and Northern Ireland
- United States of America

(W0.4)

(W0.4) Select the currency used for all financial information disclosed throughout your response.
- USD

(W0.5)

(W0.5) Select the option that best describes the reporting boundary for companies, entities, or groups for which water impacts on your business are being reported.
- Companies, entities or groups over which operational control is exercised

(W0.6)

(W0.6) Within this boundary, are there any geographies, facilities, water aspects, or other exclusions from your disclosure?
- No

W1. Current state

W1.1

(W1.1) Rate the importance (current and future) of water quality and water quantity to the success of your business.

<table>
<thead>
<tr>
<th>Direct use</th>
<th>Indirect use</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Importance</td>
<td>importance</td>
<td>rating</td>
</tr>
</tbody>
</table>

Sufficient amounts of good quality freshwater available for use
- Important
- Have not evaluated
- Good quality water is essential for our direct processing operations to ensure food safety and quality. Despite the fact that we remove large amounts of water from our raw materials and discharge that water back into the environment, good quality fresh water is critical in our direct operations for example in steam production and plant sanitation. We chose an importance rating of “important” for direct use because Darling places a very high priority on providing downstream customers with the highest quality food and feed ingredients. We anticipate the importance of good quality freshwater for direct operations to increase as our business grows. We have not rated the importance of our indirect use at this point in time. We anticipate rating this indirect usage as our sustainability program matures.

Sufficient amounts of recycled, brackish and/or produced water available for use
- Neutral
- Have not evaluated
- In many instances, we are currently able to recycle both produced water and water that has gone through a wastewater treatment process back into our manufacturing systems. This recycled water is not used for our direct operations but does play a very important role within our operational systems to help minimize our demand for fresh water. We chose an importance rating of “neutral” for this direct use because we are able to use fresh water if needed, especially if it helps ensure our downstream customers are being supplied the highest quality food and feed ingredient products. Food and feed quality regulations are making use of this recycled water nearly impossible in our direct operations thus our future water dependency on this recycled water may be limited. We anticipate the future importance of recycled/brackish water for direct operations to remain about the same. We have not rated the importance of our indirect use at this point in time. We anticipate rating this indirect usage as our sustainability program matures.
(W-FBL.1a) Which water-intensive agricultural commodities that your organization produces and/or sources are the most significant to your business by revenue? Select up to five.

<table>
<thead>
<tr>
<th>Agricultural commodities</th>
<th>% of revenue dependent on these agricultural commodities</th>
<th>Produced and/or sourced</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other, please specify (Animal Fats and Proteins)</td>
<td>61-80</td>
<td>Produced</td>
<td>Darling produces animal fats and proteins from food processing industry by-products and converts them into sustainable food, feed and fuel ingredients.</td>
</tr>
<tr>
<td>Other, please specify (Used Cooking Oils)</td>
<td>Less than 10%</td>
<td>Sourced</td>
<td>Darling sources used cooking oils from the food processing industry and converts them into sustainable feed and fuel ingredients.</td>
</tr>
<tr>
<td>Other, please specify (Collagen and Gelatin)</td>
<td>21-40</td>
<td>Produced</td>
<td>Darling produces animal fats and proteins from food processing industry by-products and converts them into sustainable food, feed and fuel ingredients and health products.</td>
</tr>
</tbody>
</table>

W1.2

(W1.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?

<table>
<thead>
<tr>
<th>Water withdrawals – total volumes</th>
<th>% of sites/facilities/operations</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>76-99</td>
<td>The majority of water withdrawals are monitored and measured (either through utility bills or company-read meters); however, there are some facilities where withdrawals are estimated. Calculations are derived from company’s own estimates. One method of estimation is using withdrawal volume from similar like operations as proxy for sites where water usage can’t be determined. Frequency of monitoring is monthly. We use this data to internally benchmark our facilities and for reporting on our progress towards our environmental goals to the different stakeholders in the company.</td>
<td></td>
</tr>
</tbody>
</table>

| Water discharges – total volumes by source | Not monitored | All of our water discharges are done under various regulatory frameworks which can include measuring the volume of discharge. We measure discharges to POTWs with flow meters for billing purposes. Discharges directly to water bodies are all measured with flow meters. Discharges used for irrigation are a mix with some direct measurement by meter and some estimation. The only aspect of consumption that is not typically directly measured is evaporation. We use this data to internally benchmark our facilities and for reporting on our progress towards our environmental goals to the different stakeholders in the company. |

| Water discharges – volumes by destination | Not monitored | All of our water discharges are done under various regulatory frameworks. We continue to focus on improving our baseline data so that we can be confident in our data collection processes across our global sites, and the quality of that data. We anticipate reporting water discharge volumes by destination in the next year or two. |

| Water discharges – volumes by treatment method | Not monitored | All of our water discharges are done under various regulatory frameworks. We currently do not monitor water discharge volume by treatment method. As we continue to focus on improving our baseline data we may evaluate this process in the future. |

| Water discharge quality – by standard effluent parameters | 76-99 | All of our water discharges are done under various regulatory frameworks which include a variety of parameters to be monitored. These may but not always include COD, BOD, TSS, Nitrate + Nitrite Nitrogen, Oil and Grease (O&G), and pH. |

| Water discharge quality – temperature | 76-99 | All of our water discharges are done under various regulatory frameworks which can include monitoring temperature. Monitoring frequency is at minimum on a monthly basis. We have several sites that utilize lagoon systems for treatment prior to discharge. Since these systems are ambient temperature in nature there is not always a temperature monitoring requirement. |

| Water consumption – total volume | Not monitored | Our water consumption is monitored for internal operations data. Consumption is expected to be relatively small. |

| Water recycled/reused | Not monitored | Darling currently recycles/reuses water at a majority of facilities including land application, cooling, and housekeeping; however, we currently do not monitor volumes in most cases. We view recycled/reused water as an important water conservation strategy in the future and foresee adding water meters to help monitor progress in the next few years. |

| The provision of fully-functioning, safely managed WASH services to all workers | Not monitored | Access to fully-functioning WASH services is critical for our employees’ safety. We conduct a risk assessment to identify operating locations exposed to water-related risk, including risk associated with access to WASH services. Our assessment of this risk is primarily based on analysis of key indicators identified in the WWF Water Risk Filter, including an evaluation of access to safe drinking water and access to improved sanitation in regions in which we operate. However, we currently do not track this water aspect. |
**W1.2b** What are the total volumes of water withdrawn, discharged, and consumed across all your operations, and how do these volumes compare to the previous reporting year?

<table>
<thead>
<tr>
<th>Withdrawals are from areas with water stress</th>
<th>Comparison with previous reporting year</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>1-2D</td>
<td>This is our first year of measurement</td>
</tr>
<tr>
<td>No</td>
<td></td>
<td>We interpret a fluctuation of less than 10% to be about the same.</td>
</tr>
</tbody>
</table>

- **Water withdrawn**: 40,936 megaliters/year
- **Water discharged**: 40,936 megaliters/year
- **Water consumption**: 0 megaliters/year

**W1.2d** Indicate whether water is withdrawn from areas with water stress and provide the proportion.

<table>
<thead>
<tr>
<th>Water withdrawn</th>
<th>% withdrawn from areas with water stress</th>
<th>Comparison with previous reporting year</th>
<th>Identification tool</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>1-2D</td>
<td>This is our first year of measurement</td>
<td>WRI Aqueduct</td>
<td></td>
</tr>
<tr>
<td>No</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**W-FB1.2e** For each commodity reported in question W-FB1.1a, do you know the proportion that is produced/sourced from areas with water stress?

<table>
<thead>
<tr>
<th>Agricultural commodities</th>
<th>The proportion of this commodity produced in areas with water stress is known</th>
<th>The proportion of this commodity sourced from areas with water stress is known</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other commodities from W-FB1.1a, please specify (Animal fats and proteins)</td>
<td>No, we do not have this data and have no plans to obtain it</td>
<td>Not applicable</td>
<td></td>
</tr>
<tr>
<td>Other commodities from W-FB1.1a, please specify (Used cooking oils)</td>
<td>Not applicable</td>
<td>No, we do not have this data and have no plans to obtain it</td>
<td></td>
</tr>
<tr>
<td>Other commodities from W-FB1.1a, please specify (Collagen and gelatin)</td>
<td>No, we do not have this data and have no plans to obtain it</td>
<td>Not applicable</td>
<td></td>
</tr>
</tbody>
</table>
### (W1.2h) Provide total water withdrawal data by source.

<table>
<thead>
<tr>
<th>Relevance</th>
<th>Volume (megaliters/year)</th>
<th>Comparison with previous reporting year</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fresh surface water, including rainwater, water from wetlands, rivers, and lakes</td>
<td>Relevant</td>
<td>17984</td>
<td>Higher</td>
</tr>
<tr>
<td>Brackish surface water/Seawater</td>
<td>Not relevant</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Groundwater – renewable</td>
<td>Relevant</td>
<td>11654</td>
<td>Much lower</td>
</tr>
<tr>
<td>Groundwater – non-renewable</td>
<td>Please select</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Produced/Entrained water</td>
<td>Relevant</td>
<td>6052</td>
<td>About the same</td>
</tr>
<tr>
<td>Third party sources</td>
<td>Relevant</td>
<td>5247</td>
<td>About the same</td>
</tr>
</tbody>
</table>

### (W-FB1.3) Do you collect/calculate water intensity for each commodity reported in question W-FB1.1a?

<table>
<thead>
<tr>
<th>Agricultural commodities</th>
<th>Water intensity information for this produced commodity is collected/calculated</th>
<th>Water intensity information for this sourced commodity is collected/calculated</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other commodities from W-FB1.1a, please specify (Animal fats and proteins)</td>
<td>Yes</td>
<td>Not applicable</td>
<td>Darling produces animal fats and proteins from food processing industry by-products and converts them into sustainable food, feed and fuel ingredients. Darling reports intensity figures for both its Rendering and Specialties (R&amp;S) business lines and Collagen/Gelatin business line. Animal fats and proteins fall under the R&amp;S business lines. The intensity figures per unit of raw material is calculated by dividing total water withdrawn from R&amp;S operation facilities by total MT of raw material processed.</td>
</tr>
<tr>
<td>Other commodities from W-FB1.1a, please specify (Used cooking oils)</td>
<td>Not applicable</td>
<td>No, not currently and we have no plans to collect/calculate this data within the next two years</td>
<td>Darling sources used cooking oils from the food processing industry and converts them into sustainable feed and fuel ingredients.</td>
</tr>
<tr>
<td>Other commodities from W-FB1.1a, please specify (Collagen and Gelatin)</td>
<td>Yes</td>
<td>Not applicable</td>
<td>Darling produces collagen and gelatin from food processing industry by-products and converts them into sustainable food, feed and fuel ingredients and health products. Darling reports intensity figures for both its Rendering and Specialties business lines and Collagen/Gelatin business line. The Collagen/Gelatin intensity figures per unit of production is calculated by dividing total water withdrawn from collagen/gelatin operation facilities by total MT of collagen/gelatin produced.</td>
</tr>
</tbody>
</table>

### W-FB1.3a
(W-FB1.3a) Provide water intensity information for each of the agricultural commodities identified in W-FB1.3 that you produce.

**Agricultural commodity**
Other produced commodities from W-FB1.3, please specify (Animal fats and proteins)

**Water intensity value (m3)**
0.72

**Numerator: water aspect**
Total water withdrawals

**Denominator**
Other, please specify (MT per unit of raw material processed)

**Comparison with previous reporting year**
About the same

**Please explain**
Throughout 2019 we focused on improving our baseline data so that we can be confident in our data collection processes across our global sites, and the quality of that data. In 2020, the majority of the data was collected from utility bills and the rest are from water meters and calculations derived from organization's own estimates. The change is not substantive. We use this data to internally benchmark our facilities and for reporting on our progress towards our new environmental goals. We had established targets to reduce our water intensity by 5% by 2025, from our new baseline year of 2020 in both our Collagen/Gelatin business line and our Rendering & Specialties lines of business. Data only includes water withdrawal volume and raw material volume from our Rendering & Specialties operating facilities when calculating intensity.

**Agricultural commodity**
Other produced commodities from W-FB1.3, please specify (Collagen and Gelatin)

**Water intensity value (m3)**
82.89

**Numerator: water aspect**
Total water withdrawals

**Denominator**
Other, please specify (MT per unit of production)

**Comparison with previous reporting year**
About the same

**Please explain**
Throughout 2019 we focused on improving our baseline data so that we can be confident in our data collection processes across our global sites, and the quality of that data. In 2020, the majority of the data was collected from utility bills and the rest are from water meters and calculations derived from organization’s own estimates. The change is not substantive. We use this data to internally benchmark our facilities and for reporting on our progress towards our new environmental goals. We had established targets to reduce our water intensity by 5% by 2025, from our new baseline year of 2020 in both our Collagen/Gelatin business line and our Rendering & Specialties lines of business. Data only includes water withdrawal volume and production volume from our collagen and gelatin operating facilities when calculating intensity.

---

**W2. Business impacts**

**W2.1**

(W2.1) Has your organization experienced any detrimental water-related impacts?

No

**W2.2**

(W2.2) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?

Don't know

---

**W3. Procedures**

---

**W-FB3.1**
How does your organization identify and classify potential water pollutants associated with its food, beverage, and tobacco sector activities that could have a detrimental impact on water ecosystems or human health?

The meat processing sector, as recognized by USEPA and other environmental regulatory organizations, has process wastewater that is generally high in biological oxygen demand (BOD) as well as total suspended solids (TSS) which, if discharged without treatment, may result in lower oxygen levels available for aquatic organisms to thrive. Analysis of these parameters and others are conducted in accordance with local permit requirements. The majority of our facilities conduct pre-treatment with discharge to a municipal wastewater treatment plant (POTW) for additional processing prior to discharge. Some of our facilities operate biological wastewater treatment systems to reduce solids and oxygen demand prior to direct discharge to a receiving water body or for irrigation use to provide nutrients and water for the growing of crops. Discharge of wastewater, whether directly to a stream or through a municipal system, is highly regulated with limits on the amount of pollutants that can be discharged and extensive sampling programs to ensure compliance. Additionally, stormwaters that come in contact with industrial areas of our facilities are prioritized for management to minimize impact offsite.

Describe how your organization minimizes the adverse impacts of potential water pollutants on water ecosystems or human health associated with your food, beverage, and tobacco sector activities.

Potential water pollutant
Other animal by-products

Activity/value chain stage
Manufacturing – direct operations

Description of water pollutant and potential impacts
Our facilities mitigate most issues by recycling and treatment process prior to discharge. Our plant waste waters when used for land application can have BOD, Nitrogen and Phosphorus which, if discharged without treatment, may result in lower oxygen levels available for aquatic organisms to thrive. Impacts of these could potentially lead to accumulation in soils and runoff into water bodies. Animal by-product processing is typically associated with both potential wastewater and stormwater impacts from COD, TSS, and nitrogen (nitrate and nitrite). The potential impacts from COD can include oxygen depletion in water bodies, TSS can contribute to sedimentation and blockage of sunlight in ecosystems, and excess nitrogen can potentially lead to oxygen depletion.

Management procedures
Soil conservation practices
Crop management practices
Sustainable irrigation and drainage management
Fertilizer management
Waste water management
Other, please specify (Nutrient management)

Please explain
The management procedures in practice vary from facility to facility depending upon conditions, regulations, potential impacts, etc. All regulated discharges go through some form of primary treatment or are subject to best management practices. For example, when waters are used for irrigation, cropping, fertilizer, erosion control and nutrient management procedures all contribute to balance the application of nutrients and fertilizers to match the crop requirements and minimize the potential for loss of these nutrients. This practice ensures that offsite impacts to ecosystems from COD, TSS and nitrogen are minimal. Most often, success is monitored visually in addition to compliance with discharge quality regulations.

Potential water pollutant
Other, please specify (BOD, COD, Nitrate+nitrite, TSS)

Activity/value chain stage
Manufacturing – direct operations

Description of water pollutant and potential impacts
Stormwater runoff from industrial areas at processing plants has potential to contain these pollutants.

Management procedures
Other, please specify (Storm Water Pollution)

Please explain
Good management practices are utilized in order to minimize the potential inclusion of these pollutants in stormwater runoff.

Does your organization undertake a water-related risk assessment?
Yes, water-related risks are assessed
Select the options that best describe your procedures for identifying and assessing water-related risks.

Direct operations

Coverage
Full

Risk assessment procedure
Water risks are assessed as a standalone issue

Frequency of assessment
Every two years

How far into the future are risks considered?
More than 6 years

Type of tools and methods used
Tools on the market
Databases

Tools and methods used
Ecolab Water Risk Monetizer
WRI Aqueduct
WWF Water Risk Filter
Other, please specify (Internal method; External consultants)

Comment
We conducted our first water-related risk assessment in 2019 to identify operating locations potentially exposed to risks. In 2020, we focused on reviewing 12 of the 36 water-stressed locations identified in our 2019 assessment that also exhibit significant operational importance and analyzing water conservation strategies are being implemented at each of those locations.

Supply chain

Coverage
None

Risk assessment procedure
<Not Applicable>

Frequency of assessment
<Not Applicable>

How far into the future are risks considered?
<Not Applicable>

Type of tools and methods used
<Not Applicable>

Tools and methods used
<Not Applicable>

Comment
2019 was our first year conducting a water risk assessment. Darling does not currently have the data needed to extend this assessment to its suppliers, but we may evaluate supplier risks in the future as our sustainability strategy matures. We have a very diversified supply chain and the likelihood of significant disruption across the entire supply chain is small.

Other stages of the value chain

Coverage
None

Risk assessment procedure
<Not Applicable>

Frequency of assessment
<Not Applicable>

How far into the future are risks considered?
<Not Applicable>

Type of tools and methods used
<Not Applicable>

Tools and methods used
<Not Applicable>

Comment
2019 was our first year conducting a water risk assessment. Darling does not currently have the data needed to extend this assessment to other stages of its value chain, but may evaluate risks to other stages in our value chain in the future as our sustainability strategy matures.

W3.3b
Which of the following contextual issues are considered in your organization's water-related risk assessments?

<table>
<thead>
<tr>
<th>Contextual Issue</th>
<th>Relevance</th>
<th>Inclusion</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water availability at a basin/catchment level</td>
<td>Relevant</td>
<td>Always included</td>
<td>We conduct a risk assessment to identify operating locations exposed to water-related risks, including water availability risk (Darling does not currently have the data needed to extend this assessment to its suppliers, but we may evaluate supplier risks in the future as our sustainability strategy matures). Our risk assessment is primarily based on analysis of key indicators identified in the WRI Aqueduct and the WWF Water Risk Filter tools, including current water stress, future water stress, and seasonal and interannual variability in water supply. For Aqueduct's baseline water stress, we evaluate water withdrawals from facilities located in basins with high (40-49%) or extremely high (50%) water stress. For the Water Risk Filter's water depletions, we evaluate water withdrawals from facilities located in basins with moderate (dry-year depletion), significant (seasonal depletion), or severe (ongoing depletion) risks. 9% of Darling's water withdrawals are located in water stressed areas based on Aqueduct's baseline water stress, and 10% of withdrawals are located in water stressed areas based on Water Risk Filter's water depletion. The percentage of Darling water withdrawals from water stressed areas is projected to increase to 28% by 2030 and 29% by 2040 under a Business as Usual scenario. However, future scenarios are based on an older hydrological model that does not include groundwater (Aqueduct 2.1), so these results are not directly comparable to baseline conditions. These indicators are assessed at the site level and analyzed in the context of site withdrawals, Adjusted EBITDA, water contribution, and other operational factors. Water contribution refers to the water that we remove and collect from our raw materials. This water joins with our other plant water flows, becomes wastewater, and is discharged after treatment either directly to water bodies, as irrigation water, or to a public treatment works. As a result, our total water discharges exceed our total water withdrawals (not accounting for water consumption), delivering a net positive water contribution. In many instances we are able to recycle water within our processing systems. Recycled water use within our facilities is important to minimizing our freshwater usage and will become increasingly more important; however, reuse of treated wastewater for irrigation of our employees' landscape is not considered.</td>
</tr>
<tr>
<td>Access to good quality water is essential throughout the meat value chain, including our operations, to ensure food safety and quality. The quality of process water for our food grade products must meet stringent standards and, in general, meet potable water standards. We test all sites in accordance with local requirements. Impacts on water quality in the basins in which we operate have the potential to disrupt our processing of food-industry products. We conduct a risk assessment to identify operating locations exposed to water-related risks. These impacts are assessed at the site level and analyzed in the context of site withdrawals, Adjusted EBITDA, water contribution, and other operational factors.</td>
<td>Relevant</td>
<td>Not included</td>
<td>Stakeholder conflicts concerning water resources at a basin/catchment level are relevant to Darling in that they have the potential to impact Darling's business continuity, license to operate, and brand value. Given our dependence on water availability and our potential impact on water resources in areas where we operate, we recognize our responsibility to practice good water management and collaborate with local communities to ensure the availability and sustainable management of water resources. We conduct a risk assessment to identify operating locations exposed to water-related risks, including risk associated with stakeholder conflicts over water resources (Darling does not currently have the data needed to extend this assessment to its suppliers, but we may evaluate supplier risks in the future as our sustainability strategy matures). Our assessment of this risk is primarily based on analysis of key indicators identified in the WRI Aqueduct and WRF Aqueduct tools. We evaluate facilities located in basins with a high (3-4) or very high (4.5+) conflict risk category score (WRF), the conflict risk category consists of equally weighted conflict news events (highly high conflict potential &gt;50% of negative news) and hydro-political risk (highly high risk &gt;0.4 hydraulic-political risk indicator). Facilities in basins with a high (60-75%) or extremely high (&gt;75%) Peak RepliRisk Country ESG Risk rating (Aqueduct) are also considered. These indicators are assessed at the site level and analyzed in the context of site withdrawals, Adjusted EBITDA, water contribution, and other operational factors.</td>
</tr>
<tr>
<td>Evaluation of the status of ecosystems and habitats in basins in which we operate is critical to understanding both the potential impact of our operations on local ecosystems and the potential for water quality risk due to ecosystem degradation. As a component of good water stewardship, we work to mitigate any impact of our operations on local ecosystems, and in turn benefit from the services ecosystems provide to maintain good quality water. Through the rendering and gelatin/collagen production processes, Darling generates a large volume of water (referred to as our water contribution) that must be treated appropriately prior to discharge to surface waters, land irrigation, or to a further treatment facility. Our process wastewater is generally high in biological oxygen demand (BOD) as well as total suspended solids (TSS) which, if discharged without treatment, may result in lower oxygen levels available for aquatic organisms to thrive. Analysis of these parameters and others are conducted in accordance with local permit requirements, and managed at the site level through various methods. Discharge of wastewater, whether directly to a stream or through a municipal system, is highly regulated with limits on the amount of pollutants that can be discharged and extensive sampling programs to ensure compliance. We conduct a risk assessment to identify operating locations exposed to water-related risks, including risk associated with local ecosystems and habitats (Darling does not currently have the data needed to extend this assessment to its suppliers, but we may evaluate supplier risks in the future as our sustainability strategy matures). Our assessment of this risk is primarily based on analysis of key indicators identified in the WWF Water Risk Filter, including freshwater biodiversity and catchment ecosystem services degradation level (treep cover loss) in basins in which we operate. 34 Darling facilities representing 19% of total water withdrawal are located in basins with highly high Catchment Ecosystem Services Degradation (&gt;50% tree cover loss from 2000 to 2018). These indicators are assessed at the site level and analyzed in the context of site withdrawals, Adjusted EBITDA, contribution, and other operational factors.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Relevant, always included</td>
<td>Access to fully-functioning, safely managed WASH services for all employees</td>
<td>We conduct a risk assessment to identify operating locations exposed to water-related risks, including risk associated with access to WASH services (Darling does not currently have the data needed to extend this assessment to its suppliers, but we may evaluate supplier risks in the future as our sustainability strategy matures). Our assessment of this risk is primarily based on analysis of key indicators identified in the WWF Water Risk Filter, including an evaluation of access to safe drinking water and access to improved sanitation in regions in which we operate. Facilities located in basins with a low (40-49%) or very low (&lt;40%) percentage of population using basic drinking water/sanitation services (WRF) are considered in this analysis. These indicators are assessed at the site level and analyzed in the context of site withdrawals, Adjusted EBITDA, contribution, and other operational factors.</td>
<td></td>
</tr>
<tr>
<td>Relevant, always included</td>
<td>Other contextual issues, please specify</td>
<td>Not considered</td>
<td>Stakeholder conflicts concerning water resources at a basin/catchment level are relevant to Darling in that they have the potential to impact Darling's business continuity, license to operate, and brand value. Given our dependence on water availability and our potential impact on water resources in areas where we operate, we recognize our responsibility to practice good water management and collaborate with local communities to ensure the availability and sustainable management of water resources. We conduct a risk assessment to identify operating locations exposed to water-related risks, including risk associated with stakeholder conflicts over water resources (Darling does not currently have the data needed to extend this assessment to its suppliers, but we may evaluate supplier risks in the future as our sustainability strategy matures). Our assessment of this risk is primarily based on analysis of key indicators identified in the WRI Aqueduct and WRF Aqueduct tools. We evaluate facilities located in basins with a high (3-4) or very high (4.5+) conflict risk category score (WRF), the conflict risk category consists of equally weighted conflict news events (highly high conflict potential &gt;50% of negative news) and hydro-political risk (highly high risk &gt;0.4 hydraulic-political risk indicator). Facilities in basins with a high (60-75%) or extremely high (&gt;75%) Peak RepliRisk Country ESG Risk rating (Aqueduct) are also considered. These indicators are assessed at the site level and analyzed in the context of site withdrawals, Adjusted EBITDA, water contribution, and other operational factors.</td>
</tr>
</tbody>
</table>
### (W3.3c) Which of the following stakeholders are considered in your organization’s water-related risk assessments?

<table>
<thead>
<tr>
<th>Stakeholder Category</th>
<th>Relevance &amp; Inclusion</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customers</td>
<td>Not considered</td>
<td>Through our bio-security standards at our processing facilities, our customers can be assured that our food ingredients are fully traceable and our products and processes are fully compliant with food safety regulations, including regulations pertaining to water quality. We engage with our customers through the monitoring of water quality and water use, disclosing information regarding our water impact in our ESG Report, and responding to CDP Water Security questionnaire.</td>
</tr>
<tr>
<td>Employees</td>
<td>Relevant, always included</td>
<td>At Darling Industries, we are committed to providing a safe and healthy workplace for our employees. We consider employees in our assessments as they are showing increasing interest in our sustainability performance and we consider them an important stakeholder group for our program. Darling promotes and maintains an open-door approach that encourages employees to talk to supervisors, managers, their human resources business partner, the confidential 24/7 hotline, or the Chief Compliance Officer when in doubt about the best course of action in any situation. Darling’s expanded internal communications app called Darling Connect in March of 2019 to encourage employee engagement on all issues and to promote our sustainability efforts company-wide to include our products water footprint. Access to fully-functioning WASH services is critical for our employees’ safety. We consider a risk assessment to identify operating locations exposed to water-related risk, including risk associated with access to WASH services. (Darling does not currently have the data needed to extend this assessment to its suppliers, but we may evaluate supplier risks in the future as our sustainability strategy matures). Our assessment of this risk is primarily based on analysis of key indicators identified in the WWF Water Risk Filter, including an evaluation of access to safe drinking water and access to improved sanitation in regions in which we operate.</td>
</tr>
<tr>
<td>Investors</td>
<td>Relevant, always included</td>
<td>Certain investors have previously asked us to disclose more information about the direct and indirect impact of water on our business. In response, we have improved the monitoring of our water use, disclosed information regarding our water impact in our ESG Report, and began responding to CDP Water Security in 2020. We also engage investors through the discussion of water-related risks in our Annual Report and 10-k.</td>
</tr>
<tr>
<td>Local communities</td>
<td>Relevant, always included</td>
<td>We are committed to practicing good stewardship and positively contributing to the communities in which we operate. Our rendering business generates more water than we withdraw—a net water contribution—which we return to local watersheds, reuse, and use for irrigation. Our water-related risk assessments include an evaluation of risk posed to local communities. Our assessment of this risk is primarily based on analysis of key indicators identified in the WWF Water Risk Filter, including water-related conflict news events in regions in which we operate. Facilities located in basins with a high (50-100 ethnolinguistic groups) or very high (&gt;100 ethnolinguistic groups) cultural diversity risk and high (50-75% of negative news) or very high (&gt;75% of negative news) conflict potential (WRF) are considered in this analysis. These indicators are assessed at the site level and analyzed in the context of site withdrawals, Adjusted EBITDA, contribution, and other operational factors.</td>
</tr>
<tr>
<td>NGOs</td>
<td>Relevant, sometimes included</td>
<td>As part of Darling’s bi-annual Corporate Responsibility (CR) materiality analysis, we analyse inputs from stakeholders, including NGOs, to prioritize CR issues important to our business and our stakeholders, including water. Our ability to generate water through our rendering process as a net positive water contributor helps us to implement projects that reuse water resources and lower our water withdrawals. Water quality has been a top priority for the Central Valley Water Cooperative in California where Darling currently has a seat on the Board.</td>
</tr>
<tr>
<td>Other water users at a basin/catchment level</td>
<td>Relevant, always included</td>
<td>We conduct a risk assessment to identify operating locations exposed to water-related risks, including potential impact from and to other water users in the basins in which we operate (Darling does not currently have the data needed to extend this assessment to its suppliers, but we may evaluate supplier risks in the future as our sustainability strategy matures). We aim to be a responsible neighbour, and therefore it is important to us to account for other water users in our risk assessments. In addition, any conflicts concerning water resources at a local level have the potential to impact our operations and brand. Our assessment of this risk is primarily based on analysis of key indicators identified in the WRI Aqueduct and WWF Water Risk Filter tools. Facilities located in basins with high (40-80%) or extremely high (&gt;80%) baseline water stress (Aqueduct) are included in this assessment; facilities located in basins with high (0.4-0.5) or very high (&gt;0.5) hydro-political risk scores (WRF) are also considered. These indicators are assessed at the site level and analyzed in the context of site withdrawals, Adjusted EBITDA, contribution, and other operational factors.</td>
</tr>
<tr>
<td>Regulators</td>
<td>Relevant, always included</td>
<td>Through the rendering and gelatin/collagen production processes, Darling generates a large volume of water (referred to as our water contribution) that must be treated appropriately prior to discharge to surface waters, land irrigation, or to a further treatment facility. Our process wastewater is generally high in biological oxygen demand (BOD) as well as total suspended solids (TSS) which, if discharged without treatment, may result in lower oxygen levels available for aquatic organisms to thrive. Analysis of these parameters and others are conducted in accordance with local permit requirements, and managed at the site level through various methods. Discharge of wastewater, whether directly to a stream or through a municipal system, is highly regulated with limits on the amount of pollutants that can be discharged and extensive sampling programs to ensure compliance. Significant changes to regulatory frameworks are evaluated at the local level as conditions change, and are escalated as conditions warrant. As Darling is committed to limiting the impacts of our operations to the environment, Darling intimately works with the local U.S Environmental Protection Agency (EPA) and other regulatory agencies to ensure that we remain compliant with food safety regulations, including regulations pertaining to water quality. We engage with our customers through the monitoring of water quality and water use, disclosing information regarding our water impact in our ESG Report, and responding to CDP Water Security questionnaire.</td>
</tr>
<tr>
<td>River basin management authorities</td>
<td>Relevant, not included</td>
<td>Darling has only recently initiated water-related risk assessments within our operations; we will further evaluate the consideration of river basin management authorities in future assessments.</td>
</tr>
<tr>
<td>Statutory special interest groups at a local level</td>
<td>Relevant, not included</td>
<td>Darling has only recently initiated water-related risk assessments within our operations; we will further evaluate the consideration of local statutory special interest groups in future assessments.</td>
</tr>
<tr>
<td>Suppliers</td>
<td>Relevant, not included</td>
<td>Darling has only recently initiated water-related risk assessments within our operations; we will further evaluate the consideration of suppliers in future assessments.</td>
</tr>
<tr>
<td>Water utilities at a local level</td>
<td>Relevant, sometimes included</td>
<td>We engage with utilities regarding wastewater discharge to treatment facilities and monitoring of our water use. Through the rendering and gelatin/collagen production processes, Darling generates a large volume of water (referred to as our water contribution) that must be treated appropriately prior to discharge, including discharge to treatment facilities. Such discharge is highly regulated with limits on the amount of pollutants that can be discharged and extensive sampling programs to ensure compliance.</td>
</tr>
<tr>
<td>Other stakeholders, please specify</td>
<td>Relevant, not included</td>
<td>Darling has only recently initiated water-related risk assessments within our operations; we will further evaluate the consideration of other stakeholder in future assessments.</td>
</tr>
</tbody>
</table>
(W3.3d) Describe your organization’s process for identifying, assessing, and responding to water-related risks within your direct operations and other stages of your value chain.

We use the WRI Aqueduct tool and WWF Water Risk Filter to identify and assess water-related risks within our direct operations and the water basins in which we operate. Both tools are held in high regard for use in water risk assessments, each with their advantages. We cross-reference results from both tools to ensure we are capturing basin/catchment level nuances. We combine the outputs of these tools with site-level operational factors to identify high-risk facilities and rank all sites in terms of overall water risk.

To develop the approach to our initial water risk assessment, we evaluated which aspects of water risk are most material to Darling. We selected key indicators across physical quantity, physical quality, regulatory, and reputational risk. To assess physical quantity risk, indicators evaluated include baseline water stress, baseline water depletion, future water stress based on 2030 and 2040 business-as-usual scenarios, and riverine flood risk, among others. We also considered site withdrawal and site contribution, the water that we remove and collect from our raw materials in our rendering and gelatin/collagen processes. Where water contribution is significant relative to (or exceeds) withdrawal, so that water discharged exceeds water withdrawn, we consider this to reduce our withdrawal risk. To assess physical quality risk, indicators evaluated include coastal eutrophication potential and surface water contamination, among others. We also considered site discharge, estimated as withdrawal plus contribution. We consider higher rates of discharge to increase quality risk.

To assess regulatory and reputational risk, indicators evaluated include freshwater policy status and conflict news events in regions in which we operate, among others. We also evaluated each sites compliance with local quality standards.

We generated a score for each risk group using a customized weighting scheme that emphasized the risk factors most critical to Darling. From these four scores we calculated an overall risk rating for each site. As a final step, we increased or decreased each site’s risk rating based on the sites Adjusted EBITDA and other business criticality factors. We believe the importance of the site to the company magnifies or minimizes the impact of its water-related risk. A final score of greater than or equal to 3 indicates the site has high overall water risk.

With our 2019 water risk assessment outcomes, we had integrating this assessment within our enterprise risk assessment process. We disseminated results of the assessment internally to facility managers and other internal stakeholders for water stewardship planning and discussion for 2020. We are utilizing our analysis to help us make the case internally for the prioritization of water conservation efforts and inform our approach to meeting our target of reducing our water intensity by 5% by 2025, from our new baseline year of 2020 in both our Collagen/Gelatin business line and our Rendering and Specialties lines of business.

W4. Risks and opportunities

W4.1

(W4.1) Have you identified any inherent water-related risks with the potential to have a substantive financial or strategic impact on your business?

No

W4.1a

(W4.1a) How does your organization define substantive financial or strategic impact on your business?

The determination of the level of impact of a risk or opportunity on our business is dependent on the particular facts and circumstances at hand. In general, we would consider any business risk or opportunity that applies to both our direct operations and our supply chain, including those related to climate and water, that could have an impact of greater than 5% of our Adjusted EBITDA to have a “substantive financial or strategic impact” on our business. For example, if one or more sites representing more than 5% of our Adjusted EBITDA in the previous financial year experienced a prolonged shutdown due to a loss of operating capacity induced by a water shortage, this would be considered as substantive impact. A change could also be considered substantive if it directly impacted our corporate reputation and/or brand value and/or directly affected the wellbeing of our employees.

W4.2b

(W4.2b) Why does your organization not consider itself exposed to water risks in its direct operations with the potential to have a substantive financial or strategic impact?

<table>
<thead>
<tr>
<th>Primary Reason</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>No risks exist, but no substantive impact anticipated</td>
<td>We use the WRI Aqueduct tool and WWF Water Risk Filter to identify and assess water-related risks within our direct operations and the water basins in which we operate, using the process described in 3.3d. Our first water risk assessment found that three sites, at the individual site level, have high overall water risk. All three of these sites are rendering facilities. Two are located in California, and one in Nebraska. The Adjusted EBITDA at-risk from these three sites sums to 4.7% of our total FY19 Adjusted EBITDA, just below our 5% threshold for substantive financial impact at the company-wide level as described in 4.1a. Therefore, we believe we do not currently have inherent water risks with the potential to have a substantive financial or strategic impact on our business operations. However, we have identified these three at-risk sites as priorities for water risk mitigation activities. We will continue to reevaluate our water risk and consider inclusion of additional risk factors into our water risk assessment process.</td>
</tr>
</tbody>
</table>
**W4.2c**

(W4.2c) Why does your organization not consider itself exposed to water risks in its value chain (beyond direct operations) with the potential to have a substantive financial or strategic impact?

<table>
<thead>
<tr>
<th>Primary reason</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not yet evaluated</td>
<td>Darling does not currently have the data needed to extend this assessment to its suppliers, but we may evaluate supplier risks in the future as our sustainability strategy matures. We have a very diversified supply chain and the likelihood of significant disruption across the entire supply chain is small.</td>
</tr>
</tbody>
</table>

**W4.3**

(W4.3) Have you identified any water-related opportunities with the potential to have a substantive financial or strategic impact on your business?

No

**W4.3b**

(W4.3b) Why does your organization not consider itself to have water-related opportunities?

<table>
<thead>
<tr>
<th>Primary reason</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Evaluation in progress</td>
<td>Because we produce a large amount of water from our raw materials, we could potentially treat that water for in-house use and eliminate water withdrawal at many facilities. This opportunity is a function of emerging technologies but is hindered by the relative low cost of water. In 2019, Darling conducted a complete water risk assessment and identified 12 sites in water-stressed areas and of high operational importance to the business. In 2020, Darling reviewed the 12 sites in detail and focused on evaluating current water-related actions being taken and assessing opportunities to build site-level resilience to water risks. For example, Darling is researching options for wastewater reuse and recycling as it contains valuable components (for example, Ammonia) that could be harvested in certain manners to develop an alternative business strategy. While opportunities have been identified, their collective impact has not been determined to be substantive per our definition (impact greater than 5% of our Adj. EBITDA) or by other risk criteria (e.g. substantive reputational risk, affect to our employees, etc. This evaluation will conclude at the end of FY21.</td>
</tr>
</tbody>
</table>

**W6. Governance**

**W6.1**

(W6.1) Does your organization have a water policy?

Yes, we have a documented water policy that is publicly available

**W6.1a**

(W6.1a) Select the options that best describe the scope and content of your water policy.

<table>
<thead>
<tr>
<th>Scope</th>
<th>Content</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company-wide</td>
<td>Description of business dependency on water Description of business impact on water Description of water-related performance standards for direct operations Company water targets and goals Commitment to align with public policy initiatives, such as the SDGs Commitments beyond regulatory compliance Commitment to water-related innovation Commitment to water stewardship and/or collective action Commitment to safely managed Water, Sanitation and Hygiene (WASH) in the workplace Recognition of environmental linkages, for example, due to climate change</td>
<td>At Darling Ingredients Inc. (&quot;Darling&quot;) we have a responsibility to conserve natural resources and support a sustainable environment. Water is a valuable natural resource and its protection and efficient utilization in our operations is essential to our commitment to environmental stewardship.</td>
</tr>
</tbody>
</table>

**W6.2**

(W6.2) Is there board level oversight of water-related issues within your organization?

Yes
Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for water-related issues.

<table>
<thead>
<tr>
<th>Position of individual</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chief Executive Officer (CEO)</td>
<td>With respect to sustainability risks, the company's executive management assesses and manages climate related and other ESG risks and opportunities through an interdisciplinary approach that coordinates the views of our operational, commercial, regulatory, financial and legal groups into long-term strategic planning. In addition, the company has a Global Sustainability Committee comprised of persons in leadership positions representing various disciplines throughout the company. The Global Sustainability Committee is managed by our Vice President of Global Communications and Sustainability and regularly reports progress to the CEO, who is the Chairman of the Board. The CEO oversees the publication of our updated ESG Report, as well as was integral in the establishment of our new five-year target goal to reduce our water intensity in both our Collagen / Gelatin business line and our Rendering &amp; Specialties lines of business. The Committee provides input and guidance to our sustainability strategy and activities, and reviews metrics and strategies that can be used to measure advancement with environmental and other sustainability initiatives. In addition, the chairman of the Global Sustainability Committee provides periodic updates to the Board and senior executive management. In addition, we continually engage with stakeholders, including our shareholders, and monitor current and proposed climate and environmental related policies, laws and regulations and best practices to help us shape effective business strategies.</td>
</tr>
</tbody>
</table>

Provide further details on the board's oversight of water-related issues.

<table>
<thead>
<tr>
<th>Frequency that water-related issues are a scheduled agenda item</th>
<th>Governance mechanisms into which water-related issues are integrated</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sporadic - as important matters arise</td>
<td>Monitoring implementation and performance</td>
<td>The Board is responsible for overseeing management's execution of its risk management responsibilities and for assessing the company's approach to risk management. The Board's oversight of risk occurs as an integral and continuous part of the Board's oversight of our business and seeks to ensure that management has processes in place to appropriately manage risk, including climate-related risks. The Board actively engages with senior management to understand and oversee the company's various risks, and members of senior management regularly attend Board meetings to provide periodic briefings on risk related matters, including with respect to climate related and cybersecurity risks. At least once per year, our executive management team has a formal strategic planning meeting with our full Board of Directors. This meeting addresses all aspects of the company's businesses, including climate related risks and opportunities.</td>
</tr>
<tr>
<td>Monitoring and guiding annual budgets Reviewing and guiding business plans Reviewing and guiding business plans Reviewing and guiding corporate responsibility strategy Reviewing innovation/R&amp;D priorities</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Provide the highest management-level position(s) or committee(s) with responsibility for water-related issues (do not include the names of individuals).

Name of the position(s) and/or committee(s) (Global Sustainability Committee)

Responsibility
Both assessing and managing water-related risks and opportunities

Frequency of reporting to the board on water-related issues
Annually

Please explain
The company has a Global Sustainability Committee (GSC) comprised of persons in leadership positions representing various disciplines throughout the company. The GSC is managed by our Vice President of Global Communications and Sustainability and regularly reports progress to the CEO, who is the Chairman of the Board. The Committee provides input and guidance to our sustainability strategy and activities; and reviews metrics (water withdrawal from all sources, water stress analysis, water produced & water discharge) and strategies that can be used to measure advancement with environmental and other sustainability initiatives. In addition, the chairman of the GSC provides periodic updates to the Board and senior executive management. In addition, we continually engage with stakeholders, including our shareholders, and monitor current and proposed climate and environmental related policies, laws and regulations and best practices to help us shape effective business strategies.
W6.4 Do you provide incentives to C-suite employees or board members for the management of water-related issues?

<table>
<thead>
<tr>
<th>Provide incentives for management of water-related issues</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td></td>
</tr>
</tbody>
</table>

W6.4a

(W6.4a) What incentives are provided to C-suite employees or board members for the management of water-related issues (do not include the names of individuals)?

<table>
<thead>
<tr>
<th>Role(s) entitled to incentive</th>
<th>Performance indicator</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monetary reward</td>
<td>Board chair</td>
<td>Oversew the publication of an updated ESG Factsheet, including the establishment of new five-year targeted goals to reduce energy and water usage.</td>
</tr>
<tr>
<td>Chief Executive Officer (CEO)</td>
<td>Other, please specify (Establish relevant goals as part of global Environmental, Social and Governance (ESG) program)</td>
<td></td>
</tr>
<tr>
<td>Non-monetary reward</td>
<td>No one is entitled to these incentives</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
</tbody>
</table>

W6.5

(W6.5) Do you engage in activities that could either directly or indirectly influence public policy on water through any of the following?

- Yes, direct engagement with policy makers
- Yes, trade associations
- Yes, other

W6.5a

(W6.5a) What processes do you have in place to ensure that all of your direct and indirect activities seeking to influence policy are consistent with your water policy/water commitments?

By nature of what Darling does, Darling generates a large volume of water that must be treated appropriately prior to discharge to surface waters, land irrigation, or to a further treatment facility. As Darling is committed to limiting the impacts of our operations to the environment, Darling intimately works with the local U.S Environmental Protection Agency delegated primacy (e.g. city environmental agencies and state environmental agencies) policy makers to not only educate the policy makers on our sustainable processes but also develop standards to which the entire industry be held accountable. Darling’s main process to ensure consistent activities with our water commitments and our efforts to influence policy is to have the same individuals involved in both processes. If inconsistency is discovered, then Darling will no longer be involved with the trade association, NGO or policy-influencing activities. Sometimes inconsistency is the reason to get involved to better educate regulators and policy makers on the reason behind our water commitment.

W6.6

(W6.6) Did your organization include information about its response to water-related risks in its most recent mainstream financial report?

- No, and we have no plans to do so

W7. Business strategy

W7.1
(W7.1) Are water-related issues integrated into any aspects of your long-term strategic business plan, and if so how?

<table>
<thead>
<tr>
<th>Long-term business objectives</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes, water-related issues are integrated</td>
<td>5-10 In 2020, Darling examined 12 priority locations identified in our full operations 2019 water risk assessment impacted by current and future water stress (2030 and 2040) to inform water-related strategy. Many of the identified facilities operate as food processing byproduct conversion facilities which remove water from the byproducts being processed resulting in a net positive return of water to the environment. Darling is committed to ensuring all discharges are appropriately treated such that there is no added stress to land, surface water, or municipal treatment plants. Proper discharge of water resources back to watersheds from which we and others withdraw precious water resources is factored into the water-focused initiatives implemented at the facility level. This initial analysis sharpened our focus on these locations and allowed us to improve upon existing initiatives at these locations to be good water stewards as well as identify new opportunities to mitigate water challenges at our facilities most impacted by water challenges. This focused work on our priority facilities will also help us apply lessons learned and capitalize on water-related opportunities at our remaining locations in the future.</td>
</tr>
</tbody>
</table>

Strategy for achieving long-term objectives

| Yes, water-related issues are integrated | 5-10 In 2020, Darling set a water intensity goal to reduce our water intensity by 5% by 2025, from our new baseline year of 2020 in both our Collagen/Gelatin business line and our Rendering & Specialties lines of business. Darling developed a global water policy to support the increased focus on water stewardship. In addition, Darling is researching options for wastewater as it contains valuable components (for example, Ammonia) that could be harvested and utilized to develop an alternative business strategy within the next 10 years. All plants engage in primary water reduction practices including but not limited to high pressure low flow wash systems, condensate recovery and return systems, reduction of evaporation from waste heat processes, system efficiency upgrades for water use reductions, treated effluent for irrigation or crop land, and the creation of Water Conservation Plans to limit the demand on freshwater supplies. An example of strategy in action is one of our largest facilities located the San Joaquin Valley of California, which has seen increasingly negative impacts to groundwater quality from decades of Industrial and agricultural land use. Darling has proactively joined an industry and agriculture collaborative in the San Joaquin Valley in an effort to collectively address immediately community safe drinking water needs and to participate in a plan to mitigate the impacts in the near and long-term. |

Financial planning

| Yes, water-related issues are integrated | 5-10 Darling considers the financial impact of water-related impacts on a case by case basis for each facility. Darling considers the financial impact of sourcing reliable, high-quality water supply and its substantial water discharges from food process byproduct conversion into its business strategy, both in the daily operations of individual facilities as well as during talks of mergers/acquisitions and new builds. The implementation of reduction and reuse projects reduce costs associated with water supply sourcing and withdrawal and limits risk to business continuity in its assurance of sufficient water supply for facility operations over the next 5-10 years. Financial planning considers physical, regulatory, and reputational risks of water issues as well as other operational and physical quality risks at the facility and organizational level. These water-related considerations will continue to be a focus of Darling during capital budgeting process. |

W7.2

(W7.2) What is the trend in your organization’s water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?

Row 1

| Water-related CAPEX (+/- % change) | 0 |
| Anticipated forward trend for CAPEX (+/- % change) | 5 |
| Water-related OPEX (+/- % change) | 5 |
| Anticipated forward trend for OPEX (+/- % change) | 5 |

Please explain

These are estimates of CAPEX and OPEX percentages that are water-related. Many of our large projects have a water related aspect that is difficult to quantify. Darling believes that water-related capital funding will continue to grow, primarily to recycle and return treated wastewaters to our processes or to the environment as water is a valuable resource. As of 2020, Darling is still in the process of approving a new CAPEX for water-related projects. We anticipate a new budget within the next two years.

W7.3

(W7.3) Does your organization use climate-related scenario analysis to inform its business strategy?

<table>
<thead>
<tr>
<th>Use of climate-related scenario analysis</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Row 1</td>
<td>Yes</td>
</tr>
</tbody>
</table>

W7.3a

(W7.3a) Has your organization identified any water-related outcomes from your climate-related scenario analysis?

Yes

W7.3b
What water-related outcomes were identified from the use of climate-related scenario analysis, and what was your organization’s response?

<table>
<thead>
<tr>
<th>Climate-related scenarios and models applied</th>
<th>Description of possible water-related outcomes</th>
<th>Company response to possible water-related outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Row 1 Other, please specify (RCP 8.5, climate and drought models from the Inter-Sectoral Impact Model Intercomparison Project (2C scenario))</td>
<td>As part of our initial water risk assessment, we have conducted climate-related scenario analysis to evaluate our direct operations. Using the WRI Aqueduct tool, we have evaluated changes in future water stress in 2030 and 2040 assuming a business as usual scenario, SSP2 RCP 8.5, defined by Aqueduct as a world with stable economic development and steadily rising global carbon emissions, with CO2 concentrations reaching ~1370 ppm by 2100 and global mean temperatures increasing by 2.6–4.8°C relative to 1986–2005 levels. We found that in 2030 our number of sites operating in water-stressed areas, defined as “High” or “Extremely High” baseline water stress, doubled from 36 to 72, increasing total withdrawals from water-stressed areas by 203%. This increased to 77 sites in 2040. 11 sites currently designated as water-stressed reduced in risk in the 2030 scenario. We also assessed the projected change in drought occurrence within our direct operations by 2050 using the WWF Water Risk Filter. This analysis leveraged climate and drought models from the Inter-Sectoral Impact Model Intercomparison Project. This analysis suggests that on average drought will occur with 2-4% greater frequency in our direct operations in a 2C scenario compared to pre-industrial emissions levels. The frequency of drought is expected to increase to some degree at all of our operating locations. It should be noted that these are near and long-term forecasts with a high degree of uncertainty.</td>
<td>Given that 2019 was our first year conducting a water risk assessment, we are in the process of integrating this assessment within our enterprise risk assessment process. We are disseminating results of the assessment internally to facility managers and other internal stakeholders. We expect the analysis to help us make the case internally for the prioritization of water conservation efforts. We anticipate in setting strategic response in the next two to three years.</td>
</tr>
</tbody>
</table>

Does your company use an internal price on water?

Row 1

No, but we are currently exploring water valuation practices

Please explain

Darling understands that the base price for water does not necessarily reflect the true value of water when all factors are considered. Thus, Darling plans on reviewing methods to better estimate the cost of water, including utilizing the Water Risk Monetizer valuation tool.

Describe your approach to setting and monitoring water-related targets and/or goals.

<table>
<thead>
<tr>
<th>Levels for targets and/or goals</th>
<th>Monitoring at corporate level</th>
<th>Approach to setting and monitoring targets and/or goals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Row 1 Company-wide targets and goals Business level specific targets and/or goals Site/facility specific targets and/or goals</td>
<td>Targets are monitored at the corporate level</td>
<td>In 2019, Darling conducted a full water risk assessment across its global facilities. The results helped us establish a baseline for water risk facing and allowed us to quantify water intensity across our business lines and for our operations. Using these newfound water metrics, Darling has set target to reduce our water intensity by 5% by 2025, from our new baseline year of 2020 in both our Collagen/Gelatin business line and our Rendering &amp; Specialties lines of business. We consider this to be our business level specific target. This target will be monitored annually as part of our water inventory and risk assessment process, which utilizes the WRI Aqueduct and the WWF Water Risk Filter to help identify priority facilities facing water stress. We also aim to track our global water intensity reduction using the same approach to establish a baseline for our company-wide target. Our progress on both our Collagen/Gelatin business line targets and our global company-wide targets will be reported publicly in our ESG report. In addition to these targets, site-specific targets exist at many of our operating facilities. All plants engage in primary water reduction practices including but not limited to system efficiency upgrades for water use reductions, the creation of Water Conservation Plans, and the creation of inclusive programs and education materials to enhance alignment about reduction targets and goals with all of our employees, etc.. These are set and monitored by the individual sites.</td>
</tr>
</tbody>
</table>

W7.4

Does your company use an internal price on water?

Row 1

No, but we are currently exploring water valuation practices

Please explain

Darling understands that the base price for water does not necessarily reflect the true value of water when all factors are considered. Thus, Darling plans on reviewing methods to better estimate the cost of water, including utilizing the Water Risk Monetizer valuation tool.

W8. Targets

W8.1

Describe your approach to setting and monitoring water-related targets and/or goals.

<table>
<thead>
<tr>
<th>Levels for targets and/or goals</th>
<th>Monitoring at corporate level</th>
<th>Approach to setting and monitoring targets and/or goals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Row 1 Company-wide targets and goals Business level specific targets and/or goals Site/facility specific targets and/or goals</td>
<td>Targets are monitored at the corporate level</td>
<td>In 2019, Darling conducted a full water risk assessment across its global facilities. The results helped us establish a baseline for water risk facing and allowed us to quantify water intensity across our business lines and for our operations. Using these newfound water metrics, Darling has set target to reduce our water intensity by 5% by 2025, from our new baseline year of 2020 in both our Collagen/Gelatin business line and our Rendering &amp; Specialties lines of business. We consider this to be our business level specific target. This target will be monitored annually as part of our water inventory and risk assessment process, which utilizes the WRI Aqueduct and the WWF Water Risk Filter to help identify priority facilities facing water stress. We also aim to track our global water intensity reduction using the same approach to establish a baseline for our company-wide target. Our progress on both our Collagen/Gelatin business line targets and our global company-wide targets will be reported publicly in our ESG report. In addition to these targets, site-specific targets exist at many of our operating facilities. All plants engage in primary water reduction practices including but not limited to system efficiency upgrades for water use reductions, the creation of Water Conservation Plans, and the creation of inclusive programs and education materials to enhance alignment about reduction targets and goals with all of our employees, etc.. These are set and monitored by the individual sites.</td>
</tr>
</tbody>
</table>

W8.1a
(W8.1a) Provide details of your water targets that are monitored at the corporate level, and the progress made.

**Target reference number**
Target 1

**Category of target**
Product water intensity

**Level**
Business

**Primary motivation**
Reduced environmental impact

**Description of target**
In 2020, Darling set a target to reduce our water intensity by 5% by 2025, from our new baseline year of 2020 in both our Collagen/Gelatin business line and our Rendering & Specialties lines of business. The nature of our business is to repurpose organic bio-nutrients from the world’s food value chain. Darling’s vital role in critical water management at our facilities generates an overall positive return of water to the environment as compared to the volume of water being withdrawn by each facility. We follow regulatory structure to assure that discharged effluent from operations creates no added stress to land, surface water, or municipal treatment plants. Darling is committed to building awareness and engagement internally on our water stewardship efforts through top-down water conservation management strategies and the creation of inclusive programs and education materials to enhance alignment about reduction targets and goals with all of our employees.

**Quantitative metric**
Other, please specify (% reduction per unit of raw material processed)

**Baseline year**
2020

**Start year**
2020

**Target year**
2025

**% of target achieved**

**Please explain**
As this goal was set in 2020, we do not yet have data from FY21 to track our progress towards our 5% water intensity reduction goal.

---

**Target reference number**
Target 2

**Category of target**
Product water intensity

**Level**
Business

**Primary motivation**
Reduced environmental impact

**Description of target**
In 2020, Darling set a target to reduce our water intensity by 5% by 2025, from our new baseline year of 2020 in both our Collagen/Gelatin business line and our Rendering & Specialties lines of business. The nature of our business is to repurpose organic bio-nutrients from the world’s food value chain. Darling’s vital role in critical water management at our facilities generates an overall positive return of water to the environment as compared to the volume of water being withdrawn by each facility. We follow regulatory structure to assure that discharged effluent from operations creates no added stress to land, surface water, or municipal treatment plants. Darling is committed to building awareness and engagement internally on our water stewardship efforts through top-down water conservation management strategies and the creation of incentive programs and education materials to enhance alignment about reduction targets and goals with all of our employees.

**Quantitative metric**
% reduction per unit of production

**Baseline year**
2020

**Start year**
2020

**Target year**
2025

**% of target achieved**

**Please explain**
As this goal was set in 2020, we do not yet have data from FY21 to track our progress towards our 5% water intensity reduction goal.

---

**W9. Verification**

**W9.1**

(W9.1) Do you verify any other water information reported in your CDP disclosure (not already covered by W5.1a)?

No, but we are actively considering verifying within the next two years
W10. Sign off

W-FI

(W-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

W10.1

(W10.1) Provide details for the person that has signed off (approved) your CDP water response.

<table>
<thead>
<tr>
<th>Row 1</th>
<th>Job title</th>
<th>Corresponding job category</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Vice President Global Communications &amp; Sustainability</td>
<td>Other, please specify (Officer of the Company)</td>
</tr>
</tbody>
</table>

W10.2

(W10.2) Please indicate whether your organization agrees for CDP to transfer your publicly disclosed data on your impact and risk response strategies to the CEO Water Mandate's Water Action Hub [applies only to W2.1a (response to impacts), W4.2 and W4.2a (response to risks)].

No

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

<table>
<thead>
<tr>
<th>I am submitting to</th>
<th>Public or Non-Public Submission</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investors</td>
<td>Public</td>
</tr>
</tbody>
</table>

Please confirm below

I have read and accept the applicable Terms