



**DENALI**

2023  
**SUSTAINABILITY**  
REPORT

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## About This Report

All Denali entities are ultimately wholly owned subsidiaries of Dispatch Parent LLC, a corporate entity controlled by a majority owner, Texas Pacific Group. The primary office is located at 220 S. Commerce Avenue, Russellville, AR 72801, U.S.A.

Denali's 2023 Sustainability Report covers the 2023 calendar year. This Report covers Denali Water Solutions LLC, Terra Renewal Services Inc., Organix Recycling LLC, New Earth LLC, Swanson Bark & Wood Products Inc., and Imperial Western Products Inc. All these affiliated entities are branded under Denali and references herein to "Denali" are related to some or all of these entities. This Report excludes environmental data from affiliates Wastewater Specialties LLC and Ramco Environmental LLC.

This Report has been prepared with general guidance from Global Reporting Initiative (GRI) and Sustainability Accounting Board (SASB) standards to determine priority topics and metrics. External assurance has not been sought for this Report. Unless otherwise noted, the Report boundaries include all facilities and processes under Denali ownership or operational control. This Report contains information about sustainability performance during calendar year 2023, with multi-year trends provided where available.

This Report was released in August 2024.



**Todd Mathes**

*Chief Executive Officer*

## A MESSAGE FROM THE CEO

# It is with great pride that I announce the release of Denali's third annual Sustainability Report.

Denali's mission is to "replenish the earth by repurposing waste." Over the last several years we have invested in our business to continue achieving this mission. We have a team that is committed to providing best-in-class service to our customers every day, by advancing the circular economy through the recycling of all types of organic materials. Denali is in the business of sustainability. This is what we do.

The past year has been a period of coming together. In 2023, we focused on our people. The significant work we do to recycle valuable organic byproducts into feed, fuel, and fertilizer is made possible by our team of 1,500 employees. We launched programs, such as ELEVATE, to enhance our employee value proposition, further highlighted within the report. Our commitment to safety as a top priority continues to be reinforced through training, education, and rewards.

We can't do this alone, which is why our network of customers, recyclers, farmers, and other partnerships are so crucial to business success. Our diverse offerings allow us to service a range of customers, who are leading the charge through their work to reduce, donate, and recycle food and other organic byproducts. Through partnerships with farmers and landowners, we provide financial and environmental benefits through the recycled products we handle and produce. Finally, the partnerships we have with NGOs, government agencies, and organizations provide advocacy for our industry, one that continues to experience exponential growth. The regulatory environment is changing, and compliance is and continues to be a top priority for Denali. The work that NGOs are doing has brought greater awareness to food waste through education, goals, and partnerships over the last decade.

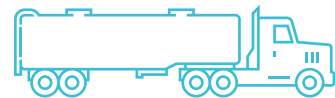
Moving forward, Denali will continue to be a national leader in organics recycling, and we are proud to be a part of advancing this important industry as we continue to expand the services we provide and the geographical footprint where we provide those services. Globally, efforts to address food loss and waste are a priority, with UN SDG 12.3 accelerating this effort. Through all our growth and expansion, Denali will not lose our focus on helping our customers meet their goals and commitments, which in turn will have long-term benefits to the environment.

# ABOUT DENALI

# 2023 Highlights



**1,500**  
employees



**5,317**  
total vehicles



**48 states**  
+ Puerto Rico



**29**  
production  
locations



**22**  
compost, mulch  
+ soil facilities



**7**  
manufacturing and  
processing facilities



**1,000s**  
of communities  
benefited from  
our work

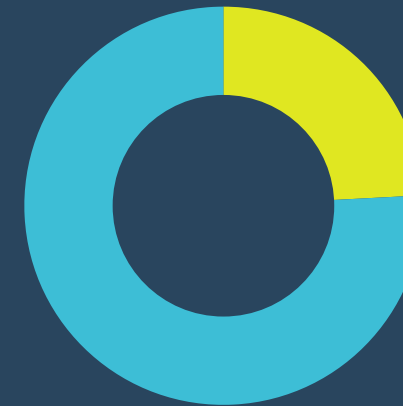


**10,000+**  
customers  
serviced



**100s**  
of field sites and  
recycling partners

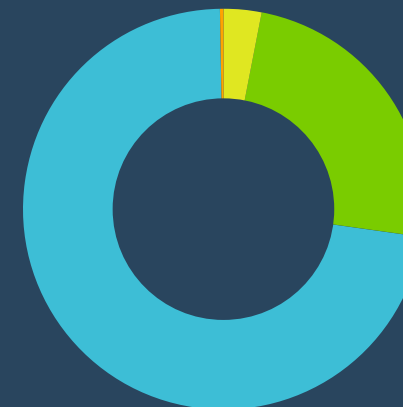
## 7M TONS OF ORGANIC WASTE & BYPRODUCTS MANAGED FOR RECYCLING



**1.70M Tons** of Food and Plant Waste

**5.29M Tons** of Food Manufacturing Byproducts

## 7M TONS OF RECYCLED PRODUCTS MANUFACTURED AT DENALI FACILITIES



**224K Tons** of Processed Animal Feed

**1.70M Tons** of Compost, Soils and Mulch

**5.08M Tons** of Recycled Byproducts Applied as Natural Fertilizer

**7K Tons** of Other Products

[SEE DETAILED DATA ON PG 20 >](#)

# Who We Are

Denali is a national leader in the responsible management of organic byproducts in the United States, diverting millions of tons of recurring organic waste streams from landfills annually.

We recycle these waste streams, converting them into a range of valuable products that are sold either wholesale or through retailers. Through strategic growth and long-term relationships, we have built a team made up of the top industry experts with decades of experience in organics management.

Denali was established in 2014 and has grown both organically and through acquisitions. This growth has allowed us to expand our service offering and diversify our end-product offering, while staying true to our purpose and vision. Our operations are in 48 states and Puerto Rico, and our 1,500 employees live and work in the communities we serve.

## OUR SERVICES

- Food Waste Collection
- Food Waste Recycling
- Unsellable Food Destruction
- Depackaging
- Biosolids Management
- Food Manufacturing Organic Residuals Management
- Used Cooking Oil Collection
- Grease Trap Services
- Composting
- Animal Feed Production

# Purpose and Values



**CARE FOR OUR FUTURE.** Own your role as a steward of our environment and our stakeholders by solving complex problems in creative and effective ways. **Go beyond compliance.**



**CLIMB HIGHER.** Act courageously in pursuit of innovation and growth. Champion winning solutions and drive performance by constantly developing people, products and processes. **Never settle.**



**DIG DEEPER.** We strive to do it right the first time. Hold each other accountable, have courage to ask for help and make safety a priority. **Work hard, play hard and make our families proud.**



**STAND TOGETHER.** Be a team player and make work a place you want to be. Respect others, keep learning and earn trust with your actions. **Take the work seriously, not yourself.**



# OUR APPROACH TO SUSTAINABILITY

# Sustainability Is Our Business

## THE PROBLEM

Food loss and waste are both important issues in the U.S. “Food loss” happens before food reaches the consumer, occurring in the production, storage, processing and distribution phases, while “food waste” is the food removed from the human supply chain in foodservice, retail and consumer phases.<sup>1</sup> According to ReFED, in 2022, 38% of the total 235 million tons in the U.S. food supply was not sold for its intended purpose. Of this surplus food, only 11 million tons were either donated or recycled. The remaining 78 million tons, or 33%, were wasted, going to landfills, incineration, down the drain or left in fields to rot.<sup>2</sup> The opportunity to drive upstream solutions for wasted food is significant, and recycling the non-edible food waste and organic byproducts can have a positive impact on the environment.

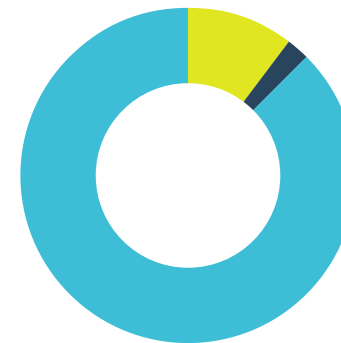


## OUR SOLUTION

Denali’s nationwide scale, breadth of industry experience, and range of services make us one of the largest recyclers of food waste and organic byproducts in the U.S. We are a trusted vendor to retailers, foodservice providers, food processors, wastewater treatment facilities, farmers and many others. Part of our service offering also includes depackaging of inedible and off-spec food products, making the process of recycling easier and more streamlined with other waste reduction initiatives.

Denali’s service portfolio aligns with all recycling options detailed on the U.S. EPA Wasted Food Scale, including feeding animals, compost, anaerobic digestion and application to the land. This diversified approach allows us to be flexible to variations in organics recycling infrastructure, to respond to changes in the legislative landscape and to pivot as our customers’ needs and priorities evolve.

## 78M TONS OF SURPLUS FOOD IN THE U.S.



- 9.3M Tons of Recycled Food
- 1.83M Tons of Donated Food
- 77.6M Tons of Wasted Food\*

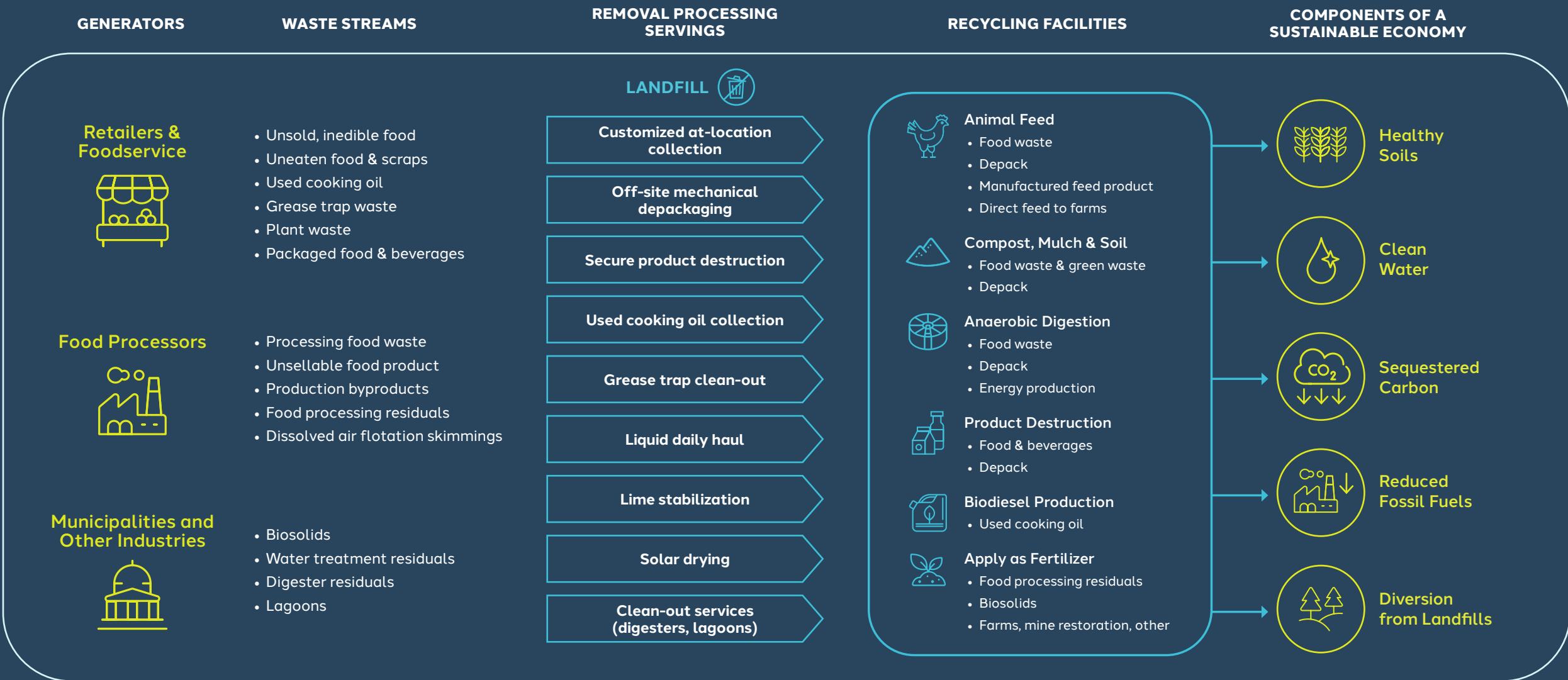
\*Adapted from ReFED.



“As environmental stewards, we take action through conservation and sustainable practices with a focus on ecosystem resilience and human well-being”



# Denali's Beginning-to-End Business Model



# ESG as a Priority

Our core business is and has always been sustainability.

However, in 2022, we embarked on a more formal journey, including conducting our first materiality assessment to begin shaping environmental, social and governance at Denali. Since its creation, we have continued to make modifications based on changes in our constantly evolving business, ensuring we remain focused on the priorities that

are most important to Denali. In 2023, Denali established a roadmap to guide the next several years of our sustainability strategy, along with five Focus Areas to shape the priorities and initiatives within the company. The five Focus Areas are: Climate, Waste & Circularity, People, Community, and Compliance & Oversight.

FOCUS AREAS	PRIORITIES & INITIATIVES
 <b>Climate</b>	<ul style="list-style-type: none"> <li>• GHG emissions and carbon transition</li> <li>• Energy and fuel utilization</li> </ul>
 <b>Waste &amp; Circularity</b>	<ul style="list-style-type: none"> <li>• Waste management</li> <li>• Toxic emissions and pollution</li> </ul>
 <b>People</b>	<ul style="list-style-type: none"> <li>• Employee experience</li> <li>• Human capital management</li> <li>• Workforce health and safety</li> </ul>
 <b>Community</b>	<ul style="list-style-type: none"> <li>• Community involvement</li> <li>• Volunteerism</li> </ul>
 <b>Compliance &amp; Oversight</b>	<ul style="list-style-type: none"> <li>• Ethics and compliance</li> <li>• Data privacy and security</li> </ul>

## SUSTAINABILITY PLANNING AND ROADMAP 2022-2030



# United Nations Sustainable Development Goals

Denali has aligned our sustainability goals and business priorities to five of the United Nations Sustainable Development Goals (UN SDGs) that most relate to our business mission.

Learn more about the United Nations Sustainable Development Goals at [sdgs.un.org/goals](https://sdgs.un.org/goals)



## CLEAN WATER AND SANITATION

Denali manages millions of gallons of water every year from industrial food producers, drinking water plants and wastewater treatment facilities, with a goal of returning clean water back to the environment as part of our landfill diversion focus.



## CLIMATE ACTION

Through the work we do to convert organic byproducts, we are helping our customers to reduce their carbon footprint through landfill diversion and recycled products. We are also working to reduce our own carbon footprint in our operations.



## SUSTAINABLE CITIES AND COMMUNITIES

Denali's service and product footprint puts us in thousands of communities throughout the U.S., and our employees live in many of these same communities. Our work with businesses, municipalities and agricultural customers enables the health of these communities by effectively managing organic waste streams and converting them into valuable products that support soil health and agriculture.



## INDUSTRY, INNOVATION, AND INFRASTRUCTURE

Denali has been a leader in the management of organic byproducts, always striving for new and innovative solutions to continue providing essential services to manage wastewater and byproducts from water treatment facilities and industry.



## LIFE ON LAND

Denali's circular processes for organic byproducts provide the opportunity to work with farmers, land owners and gardeners to support sustainable and restorative land practices. These processes can enable healthier soil ecosystems, better water retention and less runoff — which are crucial to the restoration of terrestrial ecosystems. Recycling organic materials also reduces the need for landfill space.

# Working Together

## PARTNERSHIPS AND COLLABORATION

Denali engages with numerous industry organizations, leaders and government agencies to advance the organics recycling infrastructure. These relationships provide stakeholders the opportunity to leverage strengths, maximize resources and work toward sustainable and mutually beneficial solutions.

### OUR VALUED INDUSTRY PARTNERSHIPS AND INVOLVEMENTS INCLUDE:

- |   |   |  |
|---|---|--|
| Alabama Cattlemen's Association   | Georgia Agribusiness Council                      | North American Association for Environmental Education (NAAEE) |
| Alabama Farmers Federation (ALFA)   | Georgia Association of Water Professionals (GAWP) | Northeast Biosolids and Residuals Association                  |
| American Feed Industry Association  | Georgia Cattlemen's Association                   | Northeast Farming Association of Connecticut (NOFA)            |
| California Advanced Biofuels Association  | Georgia Food Industry Association                 | South Carolina Farm Bureau                                     |
| California Department of Food and Agriculture (CDFA)                                    | Georgia Poultry Federation                        | Southeast Biosolids Association (SEBA)                         |
| California Grain and Feed Association Environmental Committee                           | Georgia River Network                             | Tennessee Chamber of Commerce                                  |
| Clean Fuels Alliance of America   | Mid-Atlanta Biosolids Association (MABA)          | The United States Conference of Mayors                         |
| Connecticut Department of Environmental Protection                                      | National Association of Counties (NACO)           | The U.S. Composting Council                                    |
| Coosa River Basin Initiative  | National League of Cities                         | The Water Environment Federation                               |
| Cotton Ginners Association (CCGFA)  | National Recycling Coalition (NRC)                | UC-Davis   |
| Coalition of Recyclers of Residual Organics by Practitioners of Sustainability (CRROPS) | National and State Farm Bureau                    | U.S. Composting Council (USCC)                                 |
| Delmarva Chicken Association (MD, DE, VA)   | National Waste and Recycling Association          | U.S. Environmental Protection Agency (EPA)                     |
| Friends of Champions 12.3   | Newton County GA FFA                              | U.S. Poultry and Egg   |
|   | Newton County GA Young Farmers                    |  |



# ENVIRONMENT

# Climate Impact




Efficiency in our operations is a common-sense approach to smart business and it also reduces our climate impact.

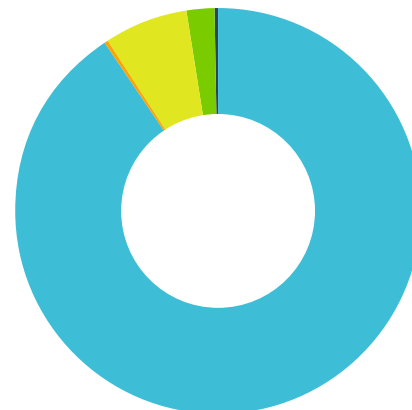
As a steward of the environment, Denali is committed to helping our customers achieve their carbon reduction goals, while at the same time working to reduce the carbon footprint in our own operations. Beginning in 2023, we engaged a consultant to begin quantifying our carbon footprint from our own operations. A second year of Scope 1 and Scope 2 greenhouse gas emissions were calculated for 2023 as we work to refine our data and establish a baseline from which we will measure progress. Calculating Scope 3 emissions is on our roadmap for 2025.

## 2023 GREENHOUSE GAS INVENTORY SUMMARY

Scope 1 emissions represent the vast majority of Denali’s 2023 combined Scope 1 and 2 GHG inventory, with diesel consumption being the largest contributor. Total Scope 1 and Scope 2 market-based emissions reported for 2023 was 235,654 metric tons of CO<sub>2</sub> equivalent (mtCO<sub>2</sub>e). Biogenic gross CO<sub>2</sub> emissions totaled 124,812 mtCO<sub>2</sub>e and is reported separately per Greenhouse Gas Protocol Corporate Standard guidance. For more information on the approach used to complete these calculations, visit [Greenhouse Gas Calculations Methodology](#) at the end of this report.

**DENALI SCOPE 1 & 2 MARKET-BASED EMISSIONS BY CATEGORY (METRIC TONS CO<sub>2</sub>E)**

SCOPE 1	SCOPE 2	TOTAL
		
<b>230,128</b>	<b>5,526</b>	<b>235,654</b>



**SCOPE 1**

- 213,792 Mobile Sources
- 580 Fugitive Feedstock
- 15,756 Stationary Combustion

**SCOPE 2**

- 5,428 Purchased Electricity
- 98 Estimated Fugitive Refrigerants



**SPOTLIGHT**

## Renewable Energy Ramps Up

As part of our efforts to reduce our climate footprint in our operations, we have invested in on-site solar energy. In 2020, our Coachella, California, facility was awarded two state grants to install a photovoltaic microgrid with storage capabilities, reduce energy demand from the grid and provide assurance of power. The 36-acre site is susceptible to power loss due to high winds that can cause power outages, and fire risk in the area has caused more frequent utility-caused outages. In addition, the site is located in the desert of the Coachella Valley, which averages 274 sunny days each year, making solar an ideal energy source. This renewable microgrid, which became fully operational in late 2023, contributed to 7.8% of the site’s 2023 energy usage in that short time frame. Going forward, this solar installation is projected to supply 35% of this site’s energy usage annually.

# Creating Value Through Circularity

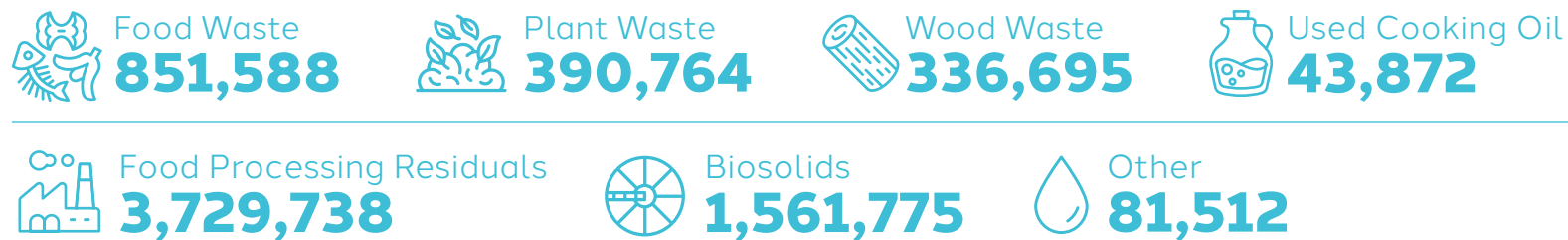
## Recycling Organic Materials

Denali plays a pivotal role in the circular, and sustainable, economy. Just as waste doesn't exist in nature, waste doesn't exist at Denali. We own, operate and partner with a robust network of haulers, recycling facilities and farms to convert organic byproducts into valuable products. Our products include compost, animal feed, biofuel, fertilizer and more. We also play an important role in returning millions of gallons of clean water back into the environment.



The circular model focuses on designing out waste, keeping products in use, recycling resources and the regeneration of nature. Organic byproducts, such as food waste, are quintessential examples of the circular economy if managed correctly.

### DENALI MANAGED THE FOLLOWING RECYCLED MATERIALS IN 2023 (TONS)



Total materials recycled: **6,995,933 TONS**

“Just as waste doesn't exist in nature, waste doesn't exist at Denali.”

# Closing the Circular Loop

Second to upstream waste reduction, Denali products have the potential to reduce climate impact and support the circular economy.

According to the Ellen MacArthur Foundation<sup>3</sup>, circularity reduces greenhouse gas emissions by adopting the following three principles:



Eliminate pollution and waste



Circulate products and materials (to capture highest value)



Regenerate nature

By managing\* byproducts in the most beneficial, responsible ways, Denali does more than divert them from landfills. These waste streams that would have otherwise met their end-of-life through disposal now become feedstock for new products, often requiring less raw materials to produce than their non-recycled alternatives.

## DENALI PRODUCED THE FOLLOWING RECYCLED PRODUCTS IN 2023 (IN TONS UNLESS OTHERWISE NOTED)



Animal Feed  
**223,759**



Biofuel  
**11,509,486 GAL.**



Compost & Soils  
**1,351,850**



Mulch  
**349,414**



Fertilizer Applied to Land  
**5,084,484**



Other Industrial Products\*\*  
**6,688**

Total recycled products made: **7,016,176 TONS**

\*Materials managed by Denali are transported to various Denali-owned and third-party facilities for recycling

\*\*Other industrial products include soaps, lubricants, and glycerin



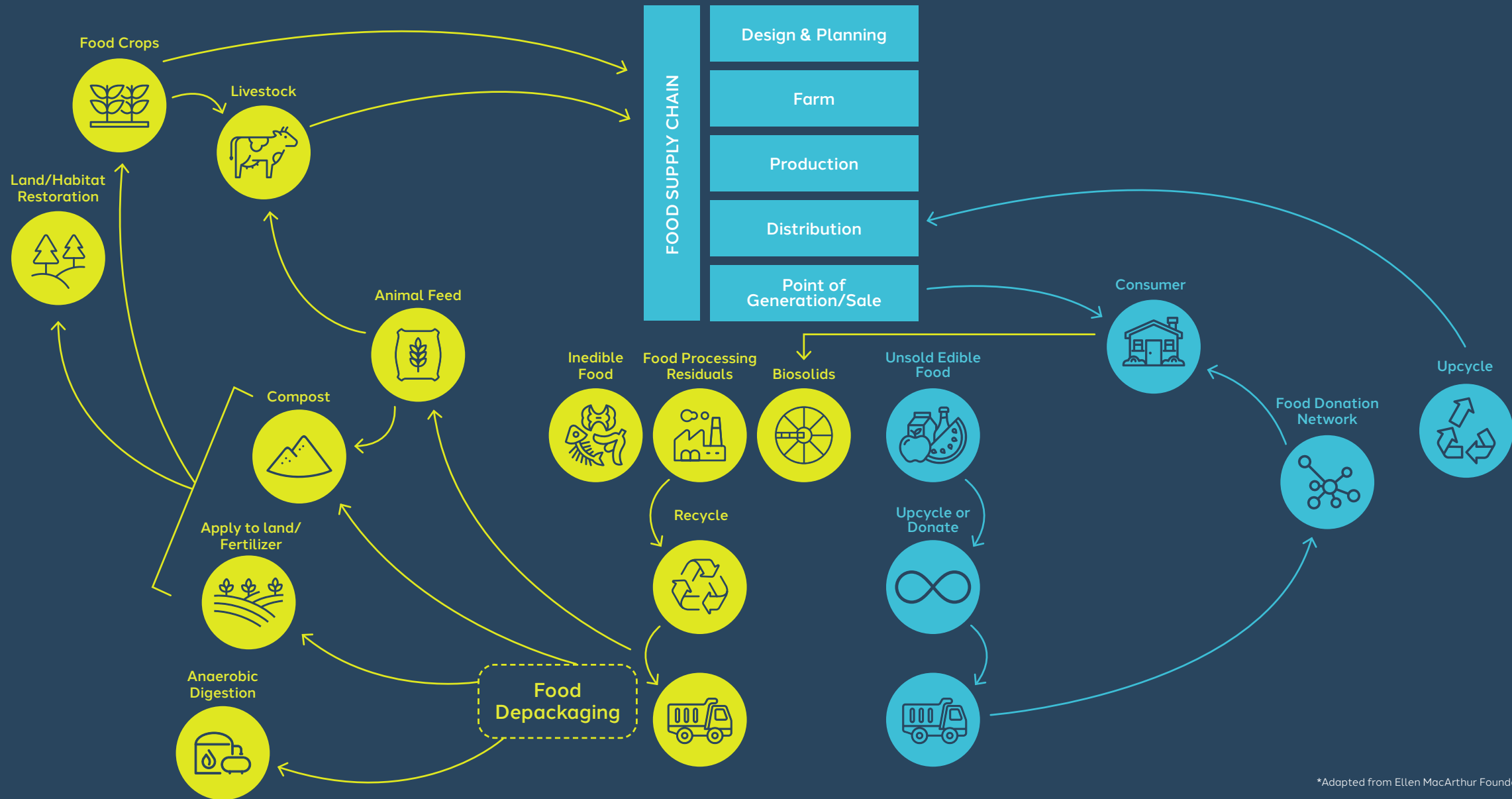
### SPOTLIGHT

## Routing Efficiency Reduces Fuel Usage

Transportation is a key part of our business, and the Denali logistics team has been working diligently to improve routing efficiency and fleet maintenance. In 2023, we reduced 1.7 million miles from our routes, driving 2-3 miles less per customer serviced, using routing software and data analytics. Not only do these improvements reduce our Scope 1 greenhouse gas emissions through decreased fuel usage, but they also maximize our truck capacity, improve our customer service by decreasing missed stops, reduce wear and tear on equipment, and in most cases allow our drivers to be home at night with their families.



# Circularity in Denali's Business



\*Adapted from Ellen MacArthur Foundation

# Biodiversity and Habitat Restoration

In response to the Tennessee Department of Environment and Conservation and the U.S. EPA (state and federal regulators) desire to achieve reclamation goals in the Copper Basin, Denali in 2023 continued to find ways to provide essential organic materials to meet reclamation and ongoing landscape conservation efforts. The re-establishment of native herbaceous cover, reduction of acid mine drainage and supporting the recovery of native wildlife is critical to efforts attempting to bring the Copper Basin back to its former ecological balance. In response to reclamation efforts, local, state and federal officials have witnessed wildlife recovery through the re-establishment of critical habitat components; food, water, cover and a place to raise their young. Denali has worked in cooperation with the landowner and regulators to return what was once a man-made ecological disaster back to an ecological asset to the region and its downstream neighbors.



Copper Hill Before

The development of end markets is essential for the recycling industry to be sustainable, ensuring there is demand for recyclable materials and the products made. Denali’s commitment to innovating new, high-quality products and creating awareness about their use case helps build these end markets and therefore, close the loop afforded by the circular economy.

Denali aims to ensure that our products from recycled organic materials are made of quality feedstock, are in compliance and inspected where required, meet industry standards for excellence and provide value to our customers.

**“From the earth, back to the earth” is our product cycle, as we play an important role in feeding animals, enriching soil, enhancing water quality and restoring diverse ecosystems.**



Copper Hill After



## SPOTLIGHT

# Denali’s Biodiesel Production Benefits Climate Action

In 2023, Denali’s California IWP facilities produced 11,509,486 gallons of biodiesel, reducing 103,885 metric tons of CO<sub>2</sub>e emissions. The emissions savings from the biodiesel production are lifecycle greenhouse gas reductions and are based on the credits produced in the California Low Carbon Fuel Standards (LCFS) program, where one credit equals one metric ton CO<sub>2</sub> equivalent.

One hundred percent of our biodiesel is derived from used cooking oil, which has a much lower carbon intensity (~60%) than biodiesel derived from crop-based fuels, and it reduces lifecycle carbon intensity by 78% versus petroleum diesel. Our biodiesel is sold and used throughout the state of California.

To further our impact on circularity, the byproduct of biodiesel production, glycerin, has many beneficial uses as well. For example, Denali sells glycerin for denitrification purposes in wastewater treatment plants.

# Compost Manufacturing Alliance Certifies Compostable Products

A crucial component to product quality is the inbound feedstock being converted, which in composting includes plates, cups and other compostable products. But all compostable products aren't created equal, which is why Denali joined the Compost Manufacturing Alliance (CMA) as a partner in 2017. As partners of the CMA, WeCare Denali and New Earth Denali participate in testing of compostable products to ensure they adequately break down during the production cycle. The rigor involved in this testing, performed by some of the largest compost facilities in the U.S., ensures that products meet composting standards which then result in quality end products.

For more information on CMA and certification, visit [compostmanufacturingalliance.com](https://compostmanufacturingalliance.com).



## DENALI PRODUCT CERTIFICATIONS

[U.S. Composting Council STA Certified](#)

[OMRI](#)

[IPEMA](#)

[BQ-9000 Biodiesel](#)

[NSF for Soaps and Lubricants](#)

[South Coast AQMD Clean Air Solvents](#)



Dr. Matthias Hess, Associate Professor, UC-Davis

### SPOTLIGHT

## Research Partnership Focuses on Enteric Methane

Research partnerships with academic institutions, such as the one Denali has with the University of California, Davis, are helping our farmers advance and innovate, as well as helping Denali focus on continuous product improvements.

One area of focus is enteric methane reduction in ruminant animals such as cattle. Dr. Matthias Hess, Associate Professor at UC-Davis, is researching enteric methane reduction in dairy cows using agricultural byproducts as additives. The cows receive byproduct-based feeds made by Denali as part of their feed rations. The outcomes of this and other similar research done at UC-Davis will have a significant impact on reducing enteric methane — just one of many ways Denali is carrying out its mission of “replenishing the earth.”

# Innovation

In the U.S. alone, 30%-40% of the food supply is wasted each year<sup>4</sup>, costing businesses and consumers billions of dollars annually. After driving upstream solutions to reduce, upcycle and donate unsold food, there will continue to be uneaten food to be captured for recycling.

A focus on tackling the problem of food waste through commitments, innovation and legislation has brought new visibility to food waste reduction efforts over the last decade. The United Nations Sustainability Development Goal (UN SDG) 12.3<sup>5</sup>, which has a specific focus on “food waste and loss,” has been a catalyst for food waste reduction efforts and commitments through the entire supply chain. The expansion of organics recycling, coupled with companies’ voluntary food waste reduction goals, has resulted in growth of technology to better manage and track food waste.

**At Denali, we specialize in innovative solutions to help our customers divert organics from landfills.**

One area of opportunity for our customers is depackaging. Eliminating the need to manually depackaging unsold, inedible food products helps to remove a barrier to recycling wasted food and is a game changer for food waste generators. Organics diversion legislation has been a key driver for the expedited expansion of recycling infrastructure, including mechanical depackagers. The expansion of organics recycling, coupled with companies’ voluntary food waste reduction goals, has resulted in the growth of the number of customers integrating mechanical depackaging into their recycling services. For example, a grocery retailer was able to decrease compactor waste by an estimated 12% and increase food waste diverted by 60% with the integration of mechanical depackaging into their regular service. Most of this volume increase comes from wasted food that was previously landfilled, therefore also increasing the amount of total waste diverted. At Denali, we have seen up to a 90% increase in food waste we recycle by integrating mechanical depackaging.



To help meet the growing demand and leverage our existing technology, in 2023, Denali began to expand the opportunity for mechanical depackaging options to customers. The concept of depackaging isn’t new to Denali, in fact our operations have included this technology in our animal feed production facilities for nearly a decade. We now offer mechanical depackaging in many locations for food waste recycling, food destruction

and recycling, and beverage destruction and treatment. In addition, the data from these recycling efforts can drive better execution by providing insight into where upstream solutions — specifically waste reduction and food donations — could have occurred. Denali is proud to be a key innovator in expanding the growth of mechanical depackaging to support U.S. food waste goals and diversion efforts.

# SOCIAL

At Denali, our people make the difference in providing superior service to our customers while upholding our purpose. Being in the business of sustainability, we believe that a large part of our mission is to leave a positive footprint, so that future generations will have the same or better quality of life.

**DENALI AIMS TO ELEVATE EMPLOYEE SATISFACTION AND WORKPLACE CULTURE**

Following several years of acquisitions, a key focus in 2023 was on our employees and coming together as one team. Investing in our people is a top priority, to encourage each individual to reach their full potential, to recruit and retain talent, and to align teams to shape the future of our company. Denali strives to be an employer that offers opportunity for development and growth in an environment where work-life

balance is encouraged. Building a talented, diverse, dedicated, respectful and purpose-driven workforce means our customers will continue receiving top-notch service from the industry’s top experts.

**Denali strives to be an employer that offers opportunity for development and growth in an environment where work-life balance is encouraged.**

**E EMPLOYEES**  
Denali employees deserve competitive compensation packages (benefits, comp, safety, flexibility, rewards and recognition, etc.)

**L LEARNING**  
Denali employees deserve development opportunities (training and growth opportunities)

**E ENVIRONMENT**  
Denali employees deserve a clean Earth (doing our part to keep waste out of landfills)

**V VALUED**  
Denali employees deserve a culture of caring and commitment to excellence (volunteerism, vision, values, safe working conditions, inclusive resources)

**A ADVANCEMENT**  
Denali employees deserve opportunities to succeed (Ascend leadership and succession program)

**T TOGETHER**  
Denali employees deserve opportunities to give and receive support (within the workplace and our communities)

**E EMPLOYEES**  
Denali employees deserve the best (they’re our backbone)

# Safety Is a Key Priority

At Denali, workplace safety means “the process of protecting employees from work-related illness and injury.” We continue to advance our safety programs, striving for ongoing improvement in our outreach and performance to exceed industry standards. For 2023, Denali obtained a .43 TRIR and reduced our total recordable incidents by 50% from 2022.

In 2023, Denali employees completed 99% of their assigned monthly safety training through Cornerstone, our computer-based learning platform. We also implemented Denali Safety Fundamentals, a required training that all Denali safety-sensitive employees must complete on their first day of work with us. This helps ensure our expectations in working safely and for our employees to make safety a top priority. In May of 2023, we also released our newest version of our safety manual and distributed it company wide.

Denali utilizes the Samsara platform to ensure our commercial fleet of trucks operate safely and efficiently. Samsara touches many aspects of our company, from asset utilization, vehicle health and route-based logistics to hours-of-service compliance and improving driver behavior.

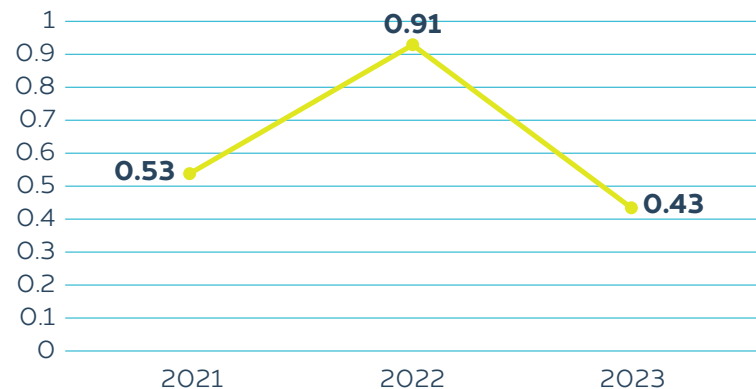
In 2023, we developed an ethics hotline and email to encourage our employees to speak up and report any unsafe actions or environment, business misconduct or unethical behavior. We empower our employees, vendors and customers to be vigilant in doing the right things.

**21.17**   
 AVERAGE HOURS OF SAFETY TRAINING PER EMPLOYEE

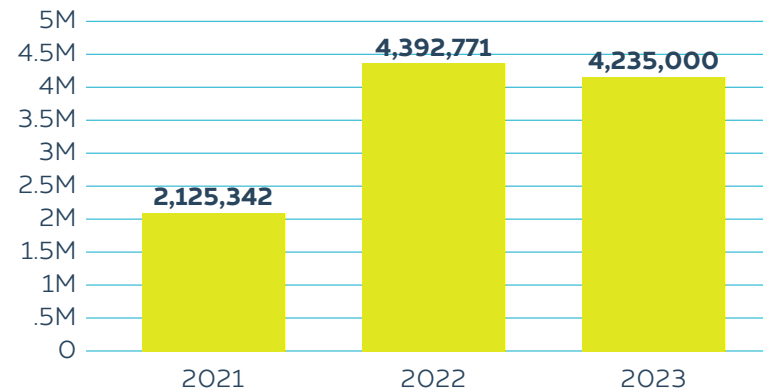
**99%**   
 PERCENTAGE OF EMPLOYEES WHO COMPLETED SAFETY TRAINING

## Key Performance Indicators

**TOTAL RECORDABLE INCIDENT RATE (TRIR)**  
 (Rate per 100 employees) 2021-2023



**TOTAL NUMBER OF HOURS WORKED**  
 2021-2023



### SPOTLIGHT

## Denali IWP Grows Leaders in the Coachella Valley

Every year since 2011, Denali’s IWP has selected an employee to represent our company for the Leadership Coachella Valley annual session. Leadership Coachella Valley “is a program designed to identify, motivate and develop future community leaders.” This leadership program encourages involvement in the local community by providing information, perspective and discussion related to the issues present throughout the Coachella Valley. Development of leadership skills not only makes a positive contribution to the community, but it also provides employers like Denali with members of our team that have the ability to lead others in fostering a culture of respect, empathy and productivity, while being connected to the local community and its needs.

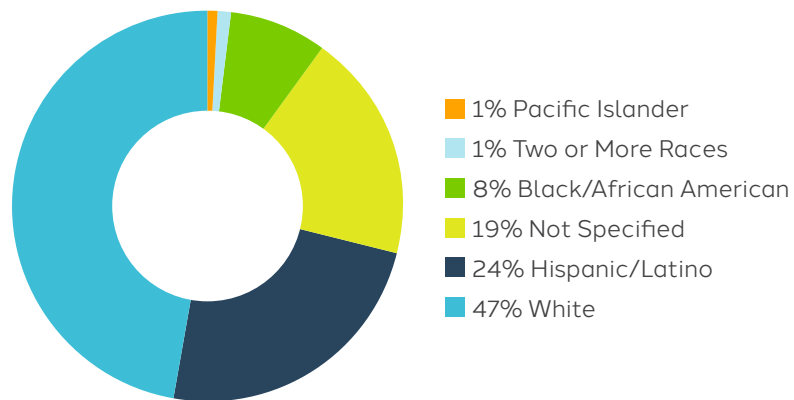
# Diversity and Inclusion

A diverse workforce and culture of inclusion leads to excellence.

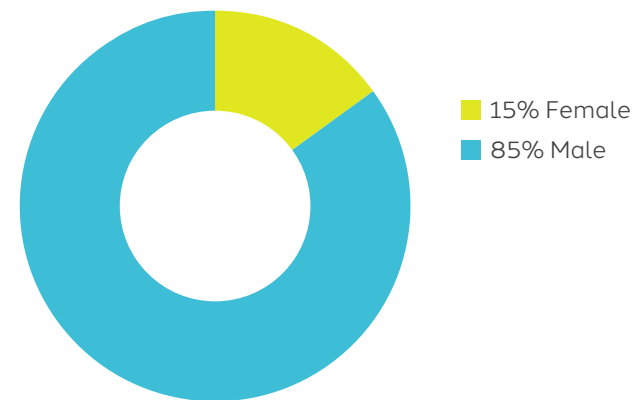
Denali's growth over the last several years has provided the opportunity to blend ideas, best practices and processes from our various acquisitions. The diverse backgrounds of our employees have created a foundation of excellence. Our focus on diversity and inclusion has translated into action in our recruiting of new talent, bilingual communications to include our many Spanish-speaking employees and a culture encouraging feedback for ongoing improvement.

Denali has enacted written policies that support workplace diversity and inclusion. Our Employee Handbook includes information on Equal Employment Opportunity, Americans with Disabilities Act and Genetic Information Nondiscrimination Act policies. All employees are required to read and acknowledge they have reviewed these materials as a part of the onboarding process and annually after that.

**ETHNIC DIVERSITY (COMPANY-WIDE)**



**FEMALE REPRESENTATION (COMPANY-WIDE)**



**SPOTLIGHT**

## Denali Donates to Enhance Our Communities

One way we can enhance the communities in which we live and operate is through the support of community gardens and landscaping efforts. In 2023, Denali donated a large truckload of compost, equal to approximately 35 cubic yards, to KNOX, Inc., a nonprofit organization that supports the residents and businesses of Hartford, Connecticut, through urban farming and horticulture opportunities. Denali's donation provided nutrient-rich compost for 21 gardens throughout the City of Hartford. In addition to community gardens, KNOX, Inc. provides education and training, tree planting and access to fresh produce throughout the community. Denali is proud to support organizations like KNOX, Inc. to achieve its mission of "connecting and empowering communities to grow a greener, healthier Hartford."



# GOVERNANCE

# Company Ownership and Governance

Denali is majority-owned by TPG Growth, a division of private equity firm TPG. Commitment to ESG is a part of TPG’s investment portfolio, in addition to the firm’s internal business practices. TPG facilitates action in ESG by reviewing our strategies and performance annually, providing support and sharing best practices through learnings from its vast portfolio of sustainable companies. [Learn more about TPG’s commitment to ESG.](#)

The highest governing body at Denali is the Board of Directors, which serves at the discretion of TPG and acts in an advisory capacity. The business priorities, risks and impacts are discussed regularly as part of the Board’s advisory role. The executive leadership team is responsible for all business operations, including maintaining high standards of customer solutions, compliance and ethical performance.

**Our commitment and expectations related to integrity, values and culture are established by Denali’s ownership, the Board and executive leadership.**



Integrity



Culture



Values



## SUSTAINABILITY GOVERNANCE

The Denali Board of Directors functions in an advisory role and has been supportive of integrating ESG programs and initiatives into the framework of Denali.

In 2023, an ESG Leadership Committee was established to provide guidance, insight, direction and information related to embedding ESG into the Denali business and culture. The Committee consists of business leaders at Senior Vice President level or above representing each area of the business including: Finance, Operations, Supply Chain, Logistics, Marketing, Sales, Systems & Technology, EHS, and Human Resources. An ESG Charter was created in parallel to guide the Leadership Committee’s roles and responsibilities. To guide and inform the work that is being done, ESG Sub-Committees were created for “Environmental” and “Social” to engage leaders of various workstreams.

# Advocacy and Compliance

Denali operates in a highly regulated industry, and it is imperative that we are proactive about compliance.

The organic byproducts we manage are required to meet our own stringent requirements, ensuring they meet regulatory — and Denali’s — standards for recycling. The Denali team is committed to compliance in our fleet, in our facilities and with the important partners that we work with to divert millions of tons of materials annually.

An important part of our work transforming organic waste streams into valuable products relies on our contribution to shaping public policy, providing education and advocating for our industry. We engage with industry partners, regulators, communities, municipalities and policymakers to educate and communicate the benefits of our products and services. As laws, regulations and expectations relating to landfill diversion, emerging contaminants and climate impact evolve, we plan to be active in the conversations to guide progress, to be viewed as a solution provider and partner, and to be a leader in our industry.

[Our Approach to Sustainability](#)

[Industry Partners & Involvements](#)

## OUR GUIDING PRINCIPLES



Deliver Superior Service



Be Environmentally Reliable and Compliant



Be the Best Value for Our Customers



## DATA PRIVACY AND SECURITY

Data is the foundation for everything we do. The global dependence on the IoT to share more information than ever puts businesses at increased privacy risk. In 2023, Denali elected to integrate data privacy and security, already among our top business focus, into our ESG priorities, to highlight its importance.

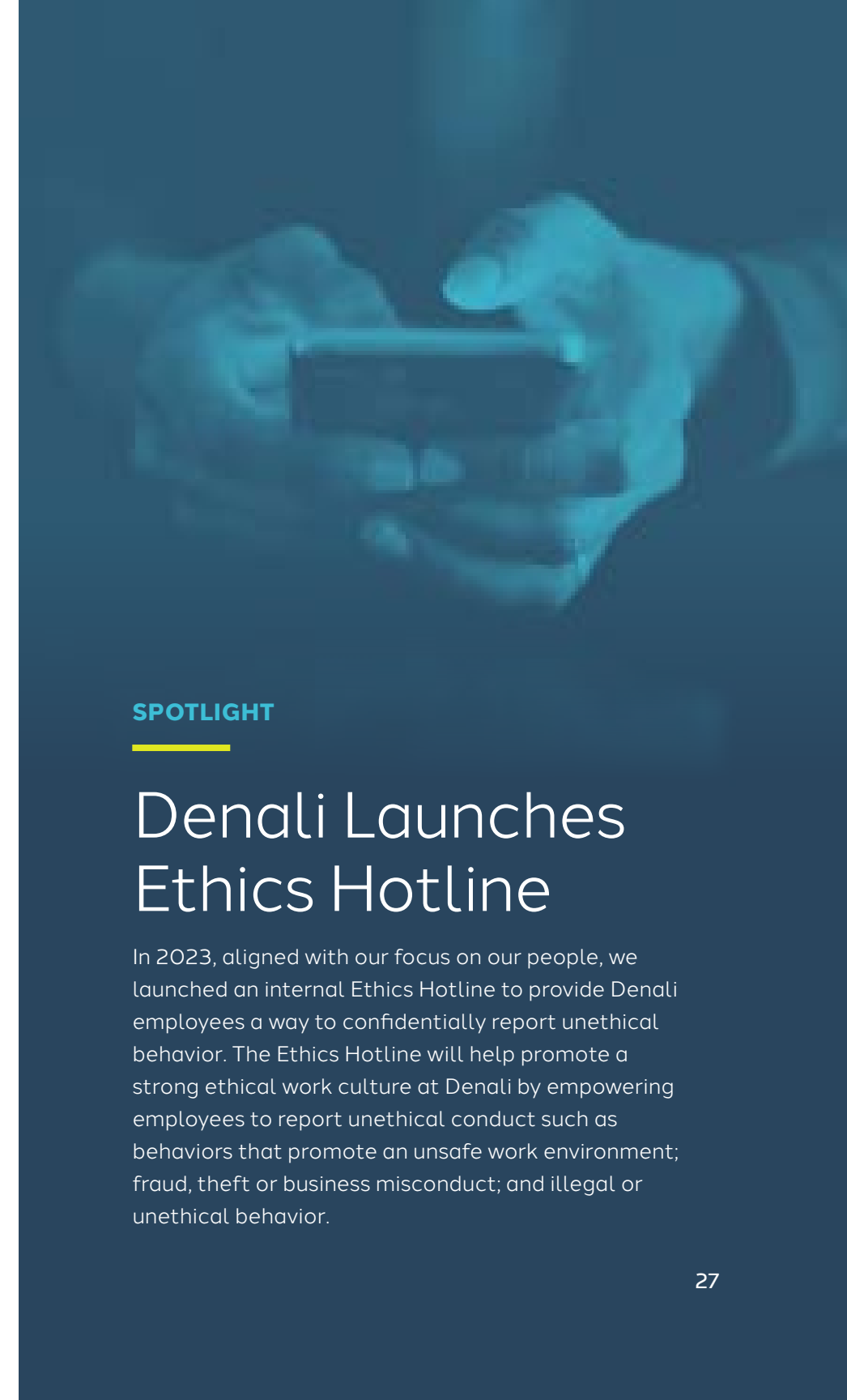
[Our Approach to Sustainability](#)

[Industry-ESG as a Priority](#)

## SPOTLIGHT

# Denali Launches Ethics Hotline

In 2023, aligned with our focus on our people, we launched an internal Ethics Hotline to provide Denali employees a way to confidentially report unethical behavior. The Ethics Hotline will help promote a strong ethical work culture at Denali by empowering employees to report unethical conduct such as behaviors that promote an unsafe work environment; fraud, theft or business misconduct; and illegal or unethical behavior.



# APPENDIX

# Appendix

## GREENHOUSE GAS CALCULATIONS METHODOLOGY

Denali's Scope 1 and 2 greenhouse gas inventory is conducted in accordance with the World Resources Institute's (WRI) and World Business Council for Sustainable Development's (WBCSD's) GHG Protocol, including the GHG Protocol Corporate Accounting and Reporting Standard (Revised Edition), the Scope 2 Guidance and with consideration of the Corporate Value Chain (Scope 3) Accounting and Reporting Standard. Denali defines its organizational boundary using the Operational Control Approach. Emission factors were sourced from the US Environmental Protection Agency (EPA), while GWPs were sourced from the Intergovernmental Panel on Climate Change Sixth Assessment Report (IPCC AR6) where feasible<sup>1</sup>. Gases included in the calculation include CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, and HFCs.

Our Scope 1 direct emissions comprise fuel consumption at operated facilities and assets, and biogenic methane and N<sub>2</sub>O fugitive emissions from decomposition of mulch feedstock at Denali facilities<sup>2</sup>. For reporting purposes, we have categorized diesel and gasoline consumption as mobile emissions, and natural gas and propane consumption as stationary combustion.

Our Scope 2 indirect emissions comprise electricity consumption at operated facilities and estimated fugitive emissions from refrigerant leakage. Denali has calculated market-based and location-based emissions for electricity. The report reflects market-based emissions totals; our location-based total is 5,548 metric tons of CO<sub>2</sub> equivalent (mtCO<sub>2</sub>e), with 5,450 metric tons of CO<sub>2</sub> equivalent (mtCO<sub>2</sub>e) associated with purchased electricity.

Gross biogenic CO<sub>2</sub> emissions<sup>2</sup> from the decomposition of biogenic feedstocks at Denali facilities are reported separately from the scopes in alignment with current guidance from the GHG Protocol Corporate Accounting and Reporting Standard.

Denali continues to strengthen our data collection and emissions calculation approaches on an annual basis. Where appropriate, Denali utilized reasonable assumptions and methodologies to address data gaps. Denali is tracking developments in best practice for biogenic greenhouse gas accounting and reporting, and will align our corporate inventory with the forthcoming GHG Protocol Land Sector and Removals Guidance upon publication of the final guidance.

Denali engaged a third-party to help conduct Scope 1 and 2 greenhouse gas emissions calculations and review sustainability report language. The information and data contained in this report is not externally assured.

<sup>1</sup> Gross biogenic emissions from decomposition of compost feedstock at Denali facilities are calculated using IPCC AR4 GWPs due to a limitation of the EPA WARM methodology.

<sup>2</sup> The EPA WARM emissions factors used to represent composting are only provided in CO<sub>2</sub>e (carbon dioxide equivalent) and cannot be disaggregated by greenhouse gas (biogenic CO<sub>2</sub>, biogenic CH<sub>4</sub>, and biogenic N<sub>2</sub>O). Therefore, all emissions from direct decomposition of compost feedstocks at Denali facilities are treated as gross biogenic CO<sub>2</sub> and reported separately from the scopes, as the majority of gross fugitive CO<sub>2</sub>e emissions from composted feedstocks are biogenic CO<sub>2</sub>.

# Appendix

## ADVISORIES

### FORWARD-LOOKING INFORMATION

All statements in this Report that are not historical are considered “forward-looking information” within the meaning of the Private Securities Litigation Reform Act of 1995. This includes but is not limited to statements of opinion, belief about the future, goals related to sustainability or business, plans to achieve related goals and any other future performance or results. You can identify forward-looking statements because they contain words such as “believes,” “expects,” “may,” “will,” “should,” “seeks,” “intends,” “plans,” “estimates,” or “anticipates” or similar expressions. Such “forward-looking” statements are not guarantees of future performance, and actual events or results may differ materially from those statements due to a number of factors.

### ASSURANCE

Denali engaged a third party to help conduct Scope 1 and 2 greenhouse gas calculations and review sustainability report language. The information and data contained in this Report is not externally assured.

## FOOTNOTES

1. U.S. EPA [www.epa.gov](http://www.epa.gov)
2. ReFED [www.refed.org](http://www.refed.org)
3. Ellen MacArthur Foundation  
<https://www.ellenmacarthurfoundation.org/>
4. U.S. Department of Agriculture  
<https://www.usda.gov/foodwaste/faqs>
5. United Nations Sustainable Development Goal 12.3  
<https://sdgs.un.org/goals/goal12>

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