

## **INDEPENDENT REASONABLE ASSURANCE STATEMENT**

### **To: The Management of Alto Ingredients, Inc.**

Ashworth Leininger Group (ALG) has been commissioned by Alto Ingredients, Inc. (Alto) to perform a reasonable assurance review of Alto's 2021 Greenhouse Gas (GHG) emissions reported to the United States Environmental Protection Agency (US EPA) for Reporting Year (RY) 2021. This assurance statement applies to the subject matter included within the scope of work described below. The information reviewed by ALG and the presentation of reported data are Alto's sole responsibility. ALG's sole responsibility is to provide independent assurance of the accuracy of reported emissions.

### **Alto's Responsibility**

Alto prepared GHG emissions calculations and reported these data to the EPA in adherence to the requirements of 40 CFR Part 98. Alto provided access to ALG to conduct site inspections of the subject facilities, and provided all supporting data used to calculate reported emissions.

### **ALG's Responsibility**

ALG's responsibility was to perform an independent verification of Scope 1 and Scope 2 emissions used as part of Alto's sustainability disclosures, including the greenhouse gas emissions reported to EPA for RY2021.

### **Assurance Type and Scope**

Verification has been performed in accordance with the procedures and standards given in the California Air Resources Board (CARB) AB-32 Regulation for the Mandatory Reporting of Greenhouse Gas Emissions (17 CCR 95130-95133). The purpose of this verification service was to determine with reasonable assurance whether the facility has collected data and prepared emissions calculations to accurately support Alto's Scope 1 and Scope 2 sustainability disclosures. For those emissions reported to EPA, ALG evaluated conformance with 40 CFR Part 98.

The CARB verification standard was chosen because it promotes robust and rigorous audit practices to support California's Cap and Trade program. Adherence to the CARB verification standard provides reasonable assurance that reported emissions are accurate to within  $\pm 5\%$ .

### **Summary of Work Performed**

ALG reviewed Alto's Scope 1 and Scope 2 GHG emissions as part of the verification process, including the GHG emissions reports submitted to EPA for RY2021. ALG also identified additional Scope 1 emission sources not subject to EPA GHG reporting, and emissions from these sources were evaluated for reference and comparison purposes when data were available to do so. The EPA reports encompass over 98% of the Scope 1 emissions reviewed for RY2021. Scope 2 emissions are not subject to EPA GHG reporting, but were reviewed by ALG. Scope 3 emissions were not evaluated in this verification cycle. Any discrepancies or omissions identified by ALG during the verification process are discussed in the verification report.

### **Conclusion**

Based on ALG's analysis of Alto's data and calculations and in our professional judgement, ALG provides the following verification summary for the RY2021 Scope 1 and Scope 2 emissions:

1. Scope 1: ALG finds with reasonable assurance that reported emissions are accurate to within  $\pm 5\%$  at all facilities. ALG identified emission sources at all facilities that were not reported to EPA, but are considered Scope 1 emissions as defined in the Greenhouse Gas Protocol<sup>1</sup>. Where possible, these additional Scope 1 emissions were calculated by ALG and accounted for 2% or less of overall Scope 1 emissions. Discrepancies, omissions, and non-conformances with 40 CFR Part 98 are identified in the verification report.
2. Scope 2: ALG finds with reasonable assurance that Scope 2 emissions calculations (purchased electricity) are accurate to within  $\pm 5\%$  at all facilities.

**Statement of Competence and Independence**

Ashworth Leininger Group is an accredited CARB Mandatory Reporting Regulation (MRR) verification body (EO #: H-22-014) with over ten (10) years of experience in providing third party verification services in adherence to Sections 95130 to 95133 of the MRR.

ALG has not provided any environmental consulting services or any other categories of consulting services to Alto that would constitute a conflict of interest under CARB’s verification standards.



Elliott Ripley  
Lead Verifier  
Ashworth Leininger Group  
Camarillo, CA



Lara Gertler, Ph.D.  
Independent Reviewer  
Ashworth Leininger Group  
Camarillo, CA

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<sup>1</sup> Greenhouse Gas Protocol Corporate Standard, accessed 2/27/23: <https://ghgprotocol.org/corporate-standard>