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California Resources Corporation

Verification Report

GHG Scope 3, Category 10 and 11
Reasonable Assurance Review
Reporting Year 2025

Prepared by:

Ashworth Leininger Group
601 East Daily Drive, Suite 302
Camarillo, California 93010

Tel: (805) 764-6010
Fax: (805) 764-6011

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Executive Summary

The California Resources Corporation (CRC) is reporting its Scope 3 sustainability disclosures pursuant to the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard. The purpose of this verification service is to determine with **reasonable assurance** whether the facility has collected data, prepared calculations, and submitted, compiled, or reported the data accurately within a 5% materiality threshold.

The third-party verification reviewed CRC's Scope 3 emissions spreadsheets, which provided total Scope 3 Category 10 and 11 emissions for three sold products: crude oil, natural gas liquids (NGLs), and natural gas. The products sold included by CRC in this Scope 3 Category 10 and 11 report have been limited to products produced by CRC. Based on our verification review and professional judgment, ALG provides the following verification summary for the RY2025 emissions data report:

> *ALG finds with reasonable assurance that CRC's Scope 3 Category 10 and 11 emissions are accurate to within ±5% for each of the following sold products: crude oil, natural gas, and natural gas liquids.*

1.0 Objectives and Criteria

Ashworth Leininger Group is an accredited California Air Resources Board (CARB) Mandatory Reporting Rule (MRR) verification body (EO #: H-25-001) and was commissioned by CRC to perform an independent verification of greenhouse gas emissions associated with Scope 3 Category 10 and 11 emissions reported for RY2025. This Reasonable Assurance Review has been performed according to the procedures and specifications detailed in ISO 14064-3:2019: Greenhouse Gas - Specification with Guidance for verification and validation of GHG statements, as applicable. All references to regulatory citations refer to the ISO 14064 series, unless otherwise noted. The purpose of this verification service is to determine with reasonable assurance whether the facility has collected data, prepared emissions calculations, and reported emissions accurately. Note that the term Reasonable Assurance Review and verification may be used interchangeably in this report.

1.1 Required Document Contents

The table below lists the required contents of the Verification Report, and refers to the locations where the information can be found in this report:

A detailed description of the facility or entity including all emissions and product data sources and boundaries;	Section 2.0
A detailed description of data acquisition, tracking and emission calculation/product data systems;	Section 3.3
The verification and sampling plans;	Attachments 2 and 3
The detailed comparison of the data checks conducted during verification services for emissions and product data sources;	Attachment 1
The log of issues identified in the course of verification activities and their resolution.	Attachment 4

2.0 Facility Information

2.1 Locations

A total of eight CRC locations are the subject of this verification: Elk Hills, Los Angeles Basin, Sacramento, San Ardo, San Joaquin Valley Basin (CRC-Aera), San Joaquin Valley Basin (Berry), Uinta, and Ventura.

2.2 Facility Contacts/Key Personnel

Team Leader:
Jeff Nobriga, CRC
GHG & Sustainability
1 World Trade Center
Long Beach, CA 90831
(805) 504-6865

Additional Assistance
Shamim Reza, CRC
Jason Goklaney, CRC
Emily Jones, CRC

2.3 Reporting Period and Verification Cycle

The reports reviewed for this verification include data for **Reporting Year 2025**. The verification is anticipated to be completed in July 2026.

2.4 Scope 3 Category 10 and 11 Verification

CRC's Category 10 and 11 emissions are comprised solely of direct use-phase emissions because products generated from crude oil, natural gas liquids, and natural gas are combusted. Briefly, the GHG Protocol Corporate Value Chain (Scope 3) Standard[1] includes 15 categories of value chain emissions. CRC has determined that Category 11 – Use of Sold Products – accounts for the largest portion of its Scope 3 emissions and accordingly, has elected to have these emissions undergo a reasonable assurance review. Category 10 emissions are comprised of GHG emissions associated with the processing of sold product and were included for the first time in reporting year 2025. For CRC, crude oil and natural gas liquids are processed, whereas natural gas does not require downstream processing and is not included in Category 10 emissions.

The scope of ALG's verification includes an independent analysis to confirm an accurate representation of product sold, as well as a review of refinery yields, and emission factors used at each CRC facility. The products sold included by CRC in this Scope 3 Category 10 and 11 report have been limited to products produced by CRC. In general, CRC defines the boundary of its reported Scope 3 emissions, and ALG is confirming those emissions are accurate.

A breakdown of the sold products at each of CRC's basins is provided in the table below.

[1] Link, *accessed 7/2026*: GHG Protocol Scope 3 Standard

Facility	Sold Product: Crude Oil?	Sold Product: NGLs?	Sold Product: Natural Gas?
Elk Hills Gas Plant	No	Yes	No
Los Angeles Basin	Yes	No	Yes
Sacramento	Yes	No	Yes
San Ardo	Yes	No	No
San Joaquin Valley Basin (CRC-Aera Asset)	Yes	No	Yes
San Joaquin Valley Basin (Berry Asset)	Yes	No	No
Uinta	Yes	Yes	Yes
Ventura	Yes	Yes	Yes

2.5 Facility Boundaries

Because CRC operates large oil and gas basins throughout California, facility boundaries were not considered for this verification. For Scope 3 Category 10 and 11 GHG emissions, boundaries were considered in terms of which products and information to include within the CRC's application of Scope 3 Category 10 and 11 data. See Section 2.4 above.

3.0 Verification Process and Analysis

3.1 Verification Team

The verification was performed by Lead Verifier Elliott Ripley (EO# H-24-191)[2] with assistance from Teffanie Goh (verifier in training) and Bradley Ripa (EO# H-23-054)[2]. The independent review was performed by Irra Core (EO# H-24-025)[2].

3.2 Schedule of Events

Event	Date
Data needs list provided to facility	June 4, 2026
Strategic review performed and Verification and Sampling Plans prepared	June-July 2026
Data analysis	June-July 2026
Onsite evaluation/site visits	Not applicable.
Notification of corrective actions required	Throughout verification process
Independent review performed	July 29, 2026
Verification report provided to CRC	July 30, 2026

[2] These EO numbers refer to CARB MRR Lead Verifier accreditations.

3.3 Summary of Review

The table below summarizes the lines of inquiry, evidence gathered, and conclusions reached as a result of the verification process. This information is used to support the final verification statement as presented in Section 5.0.

ISO 14064-3:2019, which was used as the framework for this verification, provides the minimum requirements for evidence-gathering activities in Section 6.1 and are summarized below:

1. Tracing data in the emissions data report to its origin;
2. Looking at the process for data compilation and collection;
3. Recalculating emission estimates to check the reporter's calculations;
4. Reviewing calculation methodologies used by the reporting entity for conformance with this article; *and*
5. Reviewing meter and fuel analytical instrumentation measurement accuracy and calibration for consistency with ISO 14064-1:2018, which requires maintaining calibration requirements established under ISO/IEC 17025 (as required).

Data checks were performed on the main sources of emissions, in accordance with the Sampling Plan. The required elements above are included among the descriptions of verification activities below.

Description	Summary
Scope 3 Emissions Boundary	CRC's Category 11 emissions are comprised solely of direct use-phase emissions because products generated from crude oil, natural gas liquids, and natural gas are combusted. For the purposes of this verification, CRC determined that the GHG emissions from the use of sold crude can be determined using the West Coast (PADD 5) average refinery yield portions published by the U.S. Energy Information Agency (EIA) for 2025[3]. Of the 16 refinery products from crude oil, the following four are assumed not to oxidize: lubricants, asphalt and road oil, other oils for petrochemical feedstock use, and special naphthas[4]. Natural gas and natural gas liquids are assumed to be combusted; CRC has indicated that only natural gas produced by CRC and sold is to be included in their Category 11 emissions (pass-through gas may be accounted for in another Scope 3 category, such as Category 1 or 3, and was not included in this verification). Category 10 emissions are comprised of GHG emissions associated with the processing of sold product. For CRC, crude oil and natural gas liquids are processed, whereas natural gas does not require

[3] U.S. Energy Information Administration (EIA), West Coast Region (PADD 5), 2025 Annual Refinery Yields https://www.eia.gov/dnav/pet/pet_pnp_pct_dc_r50_pct_a.htm, Accessed 7/2026.

[4] We note that assumptions of whether or not a product eventually oxidizes may vary. For example, under the Washington Department of Ecology GHG reporting program, lubricants are assumed to oxidize and are reportable per the regulation (see WA Ecology's, *Interim guidance on reporting and documenting emissions from lubricants under the cap-and-invest program,* Publication Number 23-14-006, October 2023). However, other states such as California and Oregon do not require the reporting of lubricants.

Description	Summary
	downstream processing and is not included in Category 10 emissions. We note that CRC also sells electricity, but emissions from sold electricity are not included in this verification.[5] The scope of ALG's verification includes an independent analysis to confirm an accurate representation of products sold, as well as a review of refinery yields and emission factors used at each CRC facility. CRC has defined which sold products to consider for the purposes of this verification. ALG is confirming the accuracy of the associated emissions from these sold products.
Emissions and Emissions Sources	<u>Category 10 Emissions – Crude Oil</u> Crude oil sales volumes are multiplied by an emission factor corresponding to the refining process of crude, which is determined by dividing the total GHG emissions from the Petroleum Refining and Hydrogen Production sector in California in 2022, as reported in the CARB AB32 GHG Emissions Inventory, by the total crude produced in California in 2022, as reported in the CARB LCFS Crude Oil Life Cycle Assessment. <u>Category 11 Emissions – Crude Oil</u> Crude oil sales volumes are multiplied by 2025 refinery yields obtained from the U.S. Energy Information Administration (EIA) to estimate the apportionment of end products, which are then multiplied by emission factors from U.S. EPA Table MM-1 of 40 CFR Part 98 to obtain CO_2 emissions, as well as higher heating values (HHVs) and emission factors from U.S. EPA Tables C-1 and C-2 of 40 CFR Part 98 to obtain CH_4 and N_2O emissions. Global warming potentials (GWPs) from the IPCC Sixth Assessment Report (AR6)[6] were used to obtain CO_2e emissions. <u>Category 10 Emissions – Natural Gas</u> As discussed in the Scope 3 Emissions Boundary section above, natural gas Category 10 emissions are not included in this report. <u>Category 11 Emissions – Natural Gas</u> In accordance with Equations C-2a and C-9a of U.S. EPA 40 CFR 98 Subpart C, natural gas sales volumes are multiplied by the annual average higher heating values (HHVs) determined by monthly

[5] As identified in Table 5.6 of the Corporate Value Chain (Scope 3) Accounting and Reporting Standard, electricity generators do not account for Scope 3 emissions associated with sold electricity because the emissions are already accounted for in Scope 1.

[6] Intergovernmental Panel on Climate Change (IPCC), *Sixth Assessment Report* (AR6), 2020, Table 7.15: Emissions metrics for selected species: global warming potential (GWP), global temperature-change potential (GTP), https://www.ipcc.ch/report/ar6/wg1/chapter/chapter-7/#7.6, Accessed 7/2026.

Description	**Summary**
	natural gas composition analysis samples, subsequently multiplied by the emission factors in U.S. EPA Tables C-1 and C-2 of 40 CFR 98. Global warming potentials (GWPs) from the IPCC Sixth Assessment Report (AR6) were used to obtain CO_2e emissions. Category 10 Emissions – Natural Gas Liquids Natural gas liquids sales volumes are multiplied by a higher heating value (HHV) and a fractionation emission factor. The higher heating value is determined by multiplying the higher heating value of crude oil (from U.S. EPA Table C-1 of 40 CFR Part 98) by 80%. This value is approximately equal to the higher heating value of pentanes and is therefore a conservative estimate for the purposes of calculating Category 10 emissions. The fractionation emission factor was taken from the "GHG Emissions Intensity of Propane Produced in Canada" analysis, as published by the Canadian Propane Association on April 28, 2022. Category 11 Emissions – Natural Gas Liquids Sales volumes corresponding to each hydrocarbon compound are determined based on monthly natural gas liquids volumes and hydrocarbon composition studies. The hydrocarbon volumes are multiplied by higher heating values (HHVs) from U.S. EPA Table C-1 of 40 CR Part 98, emission factors from U.S. EPA Table MM-1 and Table C-2 of 40 CFR Part 98, and global warming potentials (GWPs) from the IPCC Sixth Assessment Report (AR6) to obtain GHG emissions. The sold products considered from each basin are described in Section 2.4 in this verification report.
Accuracy of Sales Data	Product sale volumes are based on financial transaction data, which represent activity data under ISO 14064-1:2018, Annex C. Financial transaction data is not subject to meter accuracy requirements. Multiple video calls were performed to view sales data and discuss the associated emission calculations.
Appropriateness of Emission Factors	All emissions factors, as detailed in the Emissions and Emissions Sources section above, are based on published data from government or other standardized sources and are considered to be appropriate.

Tracing Data to Origin	<u>Crude Oil</u> For each of the basins with crude oil sales, LACT meter tickets serve as the primary source of crude oil sales volumes. LACT meter tickets were sampled for several basins, as described in detail in Attachment 3. As a result of sampling, it was discovered that production, instead of sales data, was used for reporting a portion of the Los Angeles Basin crude sales (See Attachment 4, Log of Issues). Once the report was revised accordingly, all LACT meter tickets were found to be consistent with the summarized financial data used to determine the amount of crude oil sold. CRC's produced and sold crude oil volumes are closely aligned. As CRC's produced crude has already been reported and independently verified as part of the CARB MRR verification process, the verification team has additional assurance that crude oil volumes are properly accounted for. <u>Natural Gas</u> CRC not only produces, uses, and sells the natural gas it produces, but also markets natural gas produced by others and transfers natural gas from basin to basin. ALG relied on CRC to disclose which gas sold was marketed by CRC and not produced by CRC. CRC has elected to only report natural gas it produces and sells and not pass-through gas as this may be accounted for in another Scope 3 category such as Category 1 or 3, which are not included in this verification. ALG did not review CRC marketing contracts and agreements but did review process flow diagrams to determine natural gas sales points. Natural gas sales volumes are based on data recorded in MMBtu in either CRC's marketing or production accounting databases (ProCount). ProCount volumes from the San Joaquin Valley Basin (CRC-Aera) have been verified using a sample of monthly sales invoices. Each invoice was reviewed and confirmed to be consistent with the sales data provided. The natural gas sales volumes from Sacramento and Los Angeles are based on sales meter readings and higher heating values determined by third-party gas analyses. For a portion of the natural gas from the Los Angeles Basins, an arithmetic average HHV was used to calculate emissions, as opposed to a weighted average HHV as prescribed by 40 CFR Part 98. This resulted in a small discrepancy (<0.1%) between the reported and verified natural gas sales volume for the LA Basin. The Ventura Basin produces natural gas and injects it into the SoCal gas pipeline. CRC confirmed that all natural gas sold from Ventura in

	2025 was sold to third parties and that none of the injected natural gas was delivered to and used at any other CRC Basin (as this amount would be considered under Scope 1). For the San Ardo and San Joaquin Valley (BRY) Basins, all gas produced is consumed onsite. ALG reviewed process flow diagrams provided by CRC to confirm that there are no sales points out of these two basins. <u>Natural Gas Liquids</u> Only Elk Hills Gas Plant, Ventura Basin, and Uinta Basin reported natural gas liquid sales in 2025; Elk Hills accounts for ~90% of CRC's total natural gas liquids sales. The amount of NGLs sold is based on monthly invoices issued by CRC to its customers; invoices are financial transactions documents, which reduces the risk of misreporting. CRC's produced and sold NGL volumes are closely aligned. As CRC's NGL production values have already been reported and independently verified as part of the CARB MRR verification process, the verification team has additional assurance that NGL volumes are properly accounted for. For Elk Hills in particular, the natural gas liquids production values reported as part of the RY2025 CARB MRR report were based on sales volumes from BOLs and production statements. Since this sales data was verified by ALG as part of the MRR verification and the same data was used to calculate Scope 3 emissions, the verifier is reasonably assured that this data has been adequately traced to its source.
Completeness of Dataset	Multiple staff interviews were conducted to inquire about CRC's operations to confirm the nature and quantity of sold products are accurately represented in the datasets provided to the verification team. All identified issues and their resolutions are discussed in Attachment 4.
Fuel Meter Accuracy	Not applicable. All data reviewed is considered financial transaction data.
Changes in Facility Emissions	Not applicable for Category 10 emissions. Total Category 11 emissions increased by ~10% between RY2024 and RY2025, this is primarily due to the increase in total crude oil sales in 2025 with the addition of the two Berry assets.

3.4 Measurement Device Accuracy Requirements and Calibrations

Not applicable. CRC relies on financial transaction data to estimate Scope 3 Category 10 and 11 emissions, which are based on the amount of product sold.

3.5 Missing Data Substitution

All data reviewed was sales data; no missing data substitution was necessary.

4.0 Emissions Data Check Summary

The verification of the facility's RY2025 Scope 3 Category 10 and 11 emissions report focused on the accurate collection of data and quantification of emissions as implemented by the facility in accordance with the reporting requirements of ISO 14064-1:2019 and the Greenhouse Gas Protocol Corporate Standard, which were used as the verification standard for this evaluation. Reported emissions are summarized in the table below:

Category 10 Emissions Data Check Summary

Source	Operator Reported (MT CO_2e)	Verifier Calculated (MT CO_2e)	Discrepancy (MT CO_2e)	% Difference
Crude Oil	2,618,461.6	2,618,461.6	0.0	0.0%
Natural Gas	0.0	0.0	0.0	0.0%
Natural Gas Liquids	36,039.3	36,010.4	28.8*	0.1%
Total	**2,654,500.9**	**2,654,472.1**	**28.8**	**0.0%**

*Discrepancy is due to rounding error of the natural gas liquids higher heating value used to calculate fractionation emissions.

Category 11 Emissions Data Check Summary

Source	Operator Reported (MT CO_2e)	Verifier Calculated (MT CO_2e)	Discrepancy (MT CO_2e)	% Difference
Crude Oil	22,533,947.1	22,606,345.8	-72,398.7*	-0.3%
Natural Gas	1,735,793.2	1,735,610.8	182.4**	0.0%
Natural Gas Liquids	1,087,639.8	1,102,247.7	-14,607.9***	-1.3%
Total	**25,357,380.2**	**25,444,204.3**	**-86,824.2**	**-0.3%**

*Discrepancy is due to the reporter omitting CH_4 and N_2O emissions from the reported crude oil emissions value; the verifier agreed that this was a reasonable approach given the relative magnitude of the sum of CH_4 and N_2O emissions compared to the CO_2 emissions.

**Discrepancy is due in part to the reporter using an arithmetic average HHV to calculate a portion of the natural gas sold from the Los Angeles Basin, as opposed to a weighted average HHV as prescribed by U.S EPA 40 CFR Part 98.33. The remainder of the discrepancy is due to the reporter calculating emissions using the EPA 2024 global warming potentials (GWPs), as opposed to the IPCC AR6 GWPs, selected in accordance with ISO 14064-1:2018, Clause 6.2.3.

***Discrepancy is due to the reporter calculating emissions in accordance with the CARB MRR regulations, as opposed to using emission factors, HHVs, and GWPs from the current versions of 40 CFR Part 98, Subparts C and MM and IPCC AR6, as applicable.

5.0 Verification Statement

ALG finds with reasonable assurance that CRC's Scope 3 Category 10 and 11 emissions are accurate to within ±5% for each of the following sold products: crude oil, natural gas, and natural gas liquids.

6.0 Confidentiality Statement

All members of the verification team are bound by the terms of non-disclosure included in the employment/sub-contractor agreements.

7.0 List of Attachments

No.	File Name	Document Type
1	Verification Analysis	Electronic
2	Verification Plan	Electronic
3	Sampling Plan	Electronic
4	Log of Issues	Electronic
5	Base Documentation (CRC Scope 3 Spreadsheets)	Electronic
6	Reasonable Assurance Statement	Electronic
7	Relevant Correspondence and Other Information	Electronic