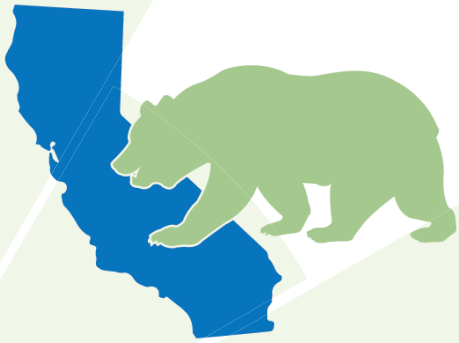
SUSTAINABILITY UPDATE
2020

CALIFORNIA
RESOURCES CORPORATION

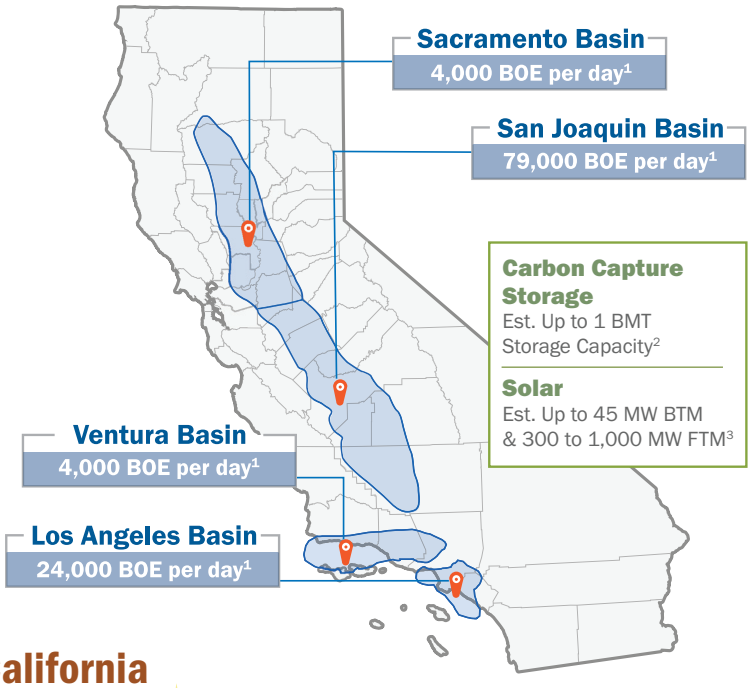


At a Glance

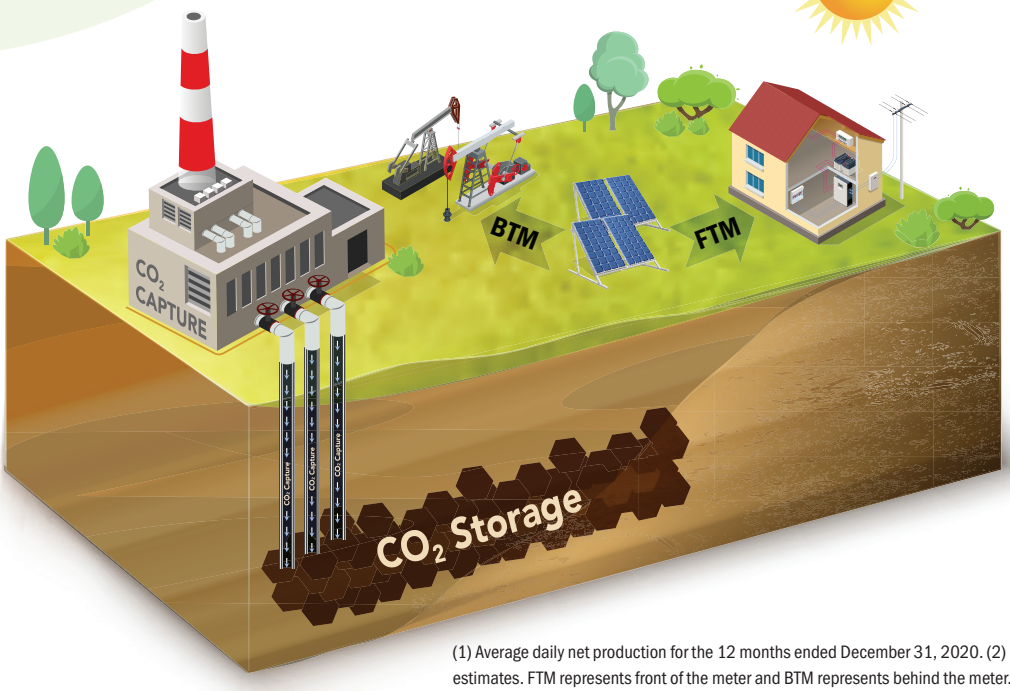
California Resources Corporation (CRC) is an independent oil and natural gas company committed to energy transition in the sector. CRC has some of the lowest carbon intensity production in the US and we are focused on maximizing the value of our land, mineral and technical resources for a lower carbon future by developing carbon capture and storage (CCS) and other emissions reducing projects. For more information about CRC, please visit www.crc.com.

"We are proud of the progress we have made with our sustainability initiatives to date and look forward to the energy transition opportunities ahead of us, particularly when it comes to our recently announced carbon storage and solar projects. We will continue to look for additional ways to further improve our governance initiatives, better our social involvement and make progress on our 2030 sustainability goals which are aligned with the State of California."

— Chris Gould, EVP and Chief Sustainability Officer



Committed to Reducing Emissions in California and Aligned with California's Climate Goals



Carbon Opportunities[2]

- Up to 1 billion metric tons of potential carbon dioxide (CO_2) permanent storage capacity for CRC
- CRC's Carbon TerraVault I: ~40 million metric tons of CO_2 permanent storage[4]

Solar Opportunities[3]

- Three projects identified for utility scale development of 300 -1,000 mega watts (MW) of solar power for grid supply (Front-of-the-Meter (FTM) solar)
- Identified opportunities for up to 45 MW of solar photovoltaic power[5] for CRC's own power needs (Behind-the-Meter (BTM) solar)

(1) Average daily net production for the 12 months ended December 31, 2020. (2) Internal estimates. BMT represents billion metric tons. (3) Internal estimates. FTM represents front of the meter and BTM represents behind the meter. (4) Assumes 1 million metric tons of CO_2/year injected into permanent storage over 40 years, assumes Low Carbon Fuel Standard eligible emissions. (5) Represents identified opportunities with SunPower.

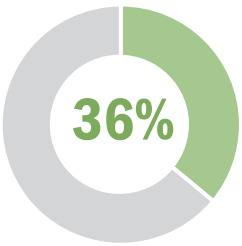
Core Values Represent Who We Are

Acting
with integrity and honor, without exception

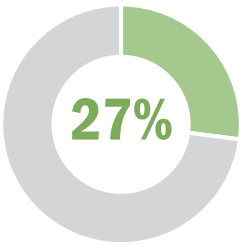
Achieving
California's high standards for safety and environmental protection

Respecting
employees and neighbors and advancing community interests for ample, affordable and reliable energy

We are a team of 1,100+ dedicated people, committed to helping our state and its diverse communities achieve and sustain a vibrant and inclusive future for generations to come.



ETHNICALLY DIVERSE EMPLOYEES



ETHNICALLY DIVERSE SENIOR MANAGERS

WOMEN EMPLOYEES

WOMEN SENIOR MANAGERS

2030 Sustainability Goals

WATER

Increase volume of recycled produced water by 30% above 2013 baseline

Progress: Water recycling volume increased to 15% above 2013 baseline in 2019. In 2020, project development advanced to increase water beneficial re-use by up to 630,000 gallons per day at Elk Hills

METHANE

Reduce methane emissions by 50% from 2013 baseline

Progress: Surpassed target with ~70% reduction through 2020

RENEWABLES

Integrate renewables into oil and gas operations by adding 10 MW

Progress: 4 MW of solar designed for incorporation at two CRC properties, advancing up to 45 MW of BTM[1] solar projects

CARBON

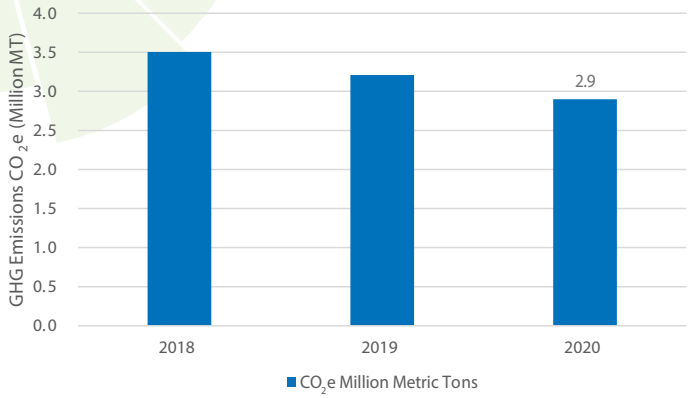
Design and permit carbon capture system at Elk Hills Power Plant by 2030 to reduce CO_2 emissions by 30% from 2013 baseline

Progress: Design and engineering studies underway with financial support from the Department of Energy and Oil & Gas Climate Initiative

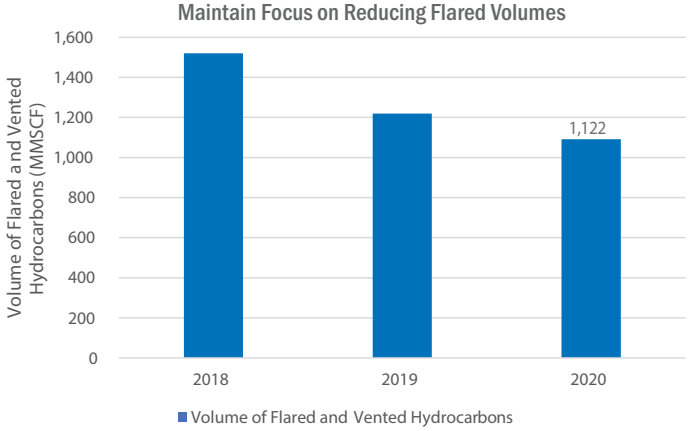
(1) BTM represents behind the meter. Behind-the-meter solar power is used for CRC's power needs.
Note: Employee demographics as of December 31, 2020.

Environmental

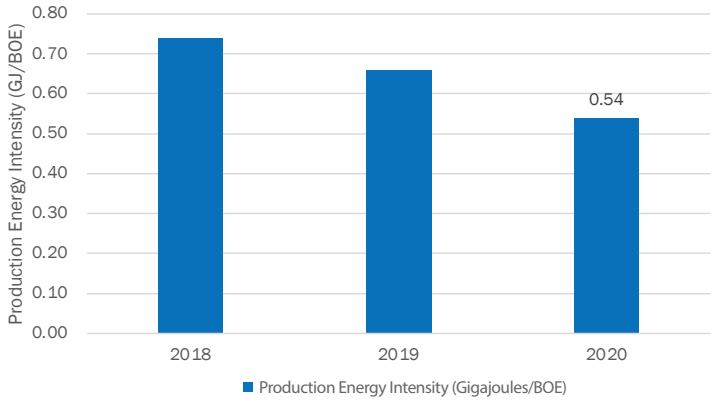
CRC Continues to Reduce Greenhouse Gas (GHG) Emissions



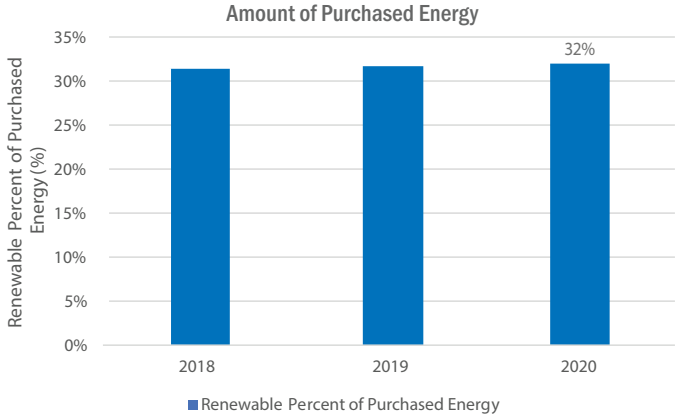
Maintain Focus on Reducing Flared Volumes



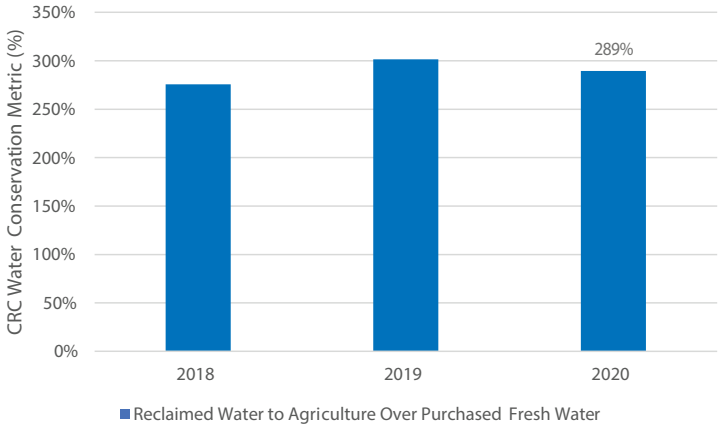
Energy Intensity Continues to Decline

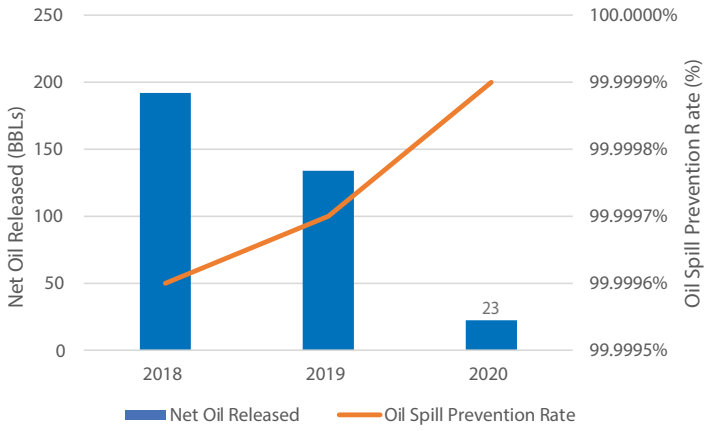


Renewable Energy Continues to Make Up a Significant Amount of Purchased Energy



Water Conservation and Environmental Stewardship Remain Key Priorities





Water Conservation

Environmental Stewardship

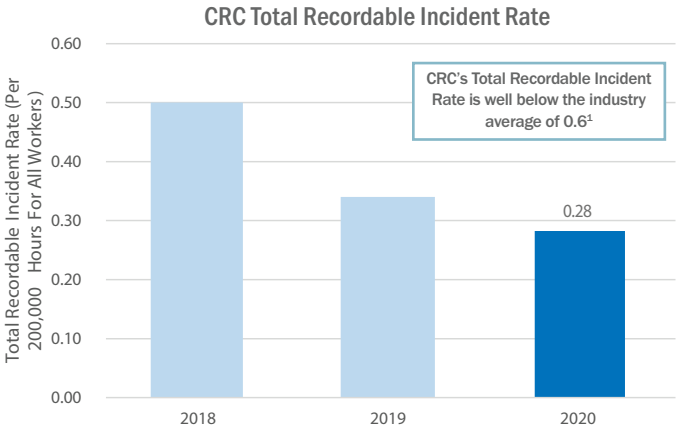
For every gallon of fresh water purchased in 2020, CRC delivered approximately three gallons of reclaimed water to grow crops and help sustain the State's agriculture business.

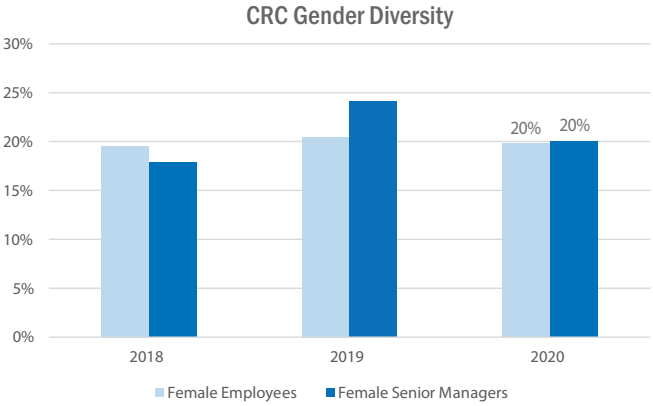
Note: Please see Performance Summary Tables on pages 6 - 9 and their appropriate footnotes for definitions of the environmental metrics.

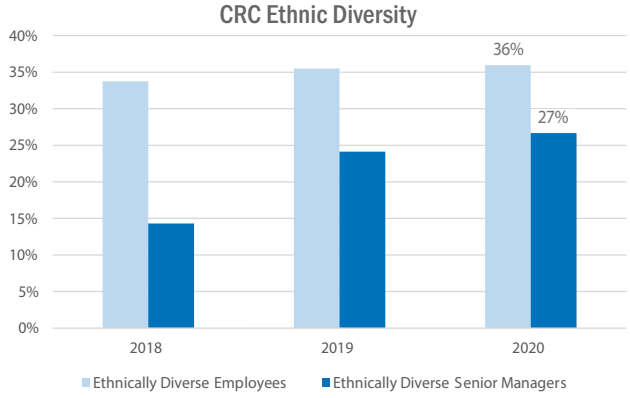
Social

CRC is proud to be a leader in an industry that provides high wages for working families regardless of educational background and reflects the ethnic diversity of the state. CRC promotes professional growth and community engagement through several internal and external programs including our Women's Interest Network, Educational Assistance Programs and formal online training.

CRC's health and safety goal is to sustain our exemplary performance by reducing recordable injuries and illnesses and we did so in 2020 by achieving record safety performance.







In 2020, CRC again attained CDP's highest climate disclosure ranking among all U.S. oil and gas companies with an A-, tying for first with one other U.S.-based E&P.

CDP DISCLOSURE INSIGHT ACTION

Governance

CRC's senior management team and Board of Directors are committed to effective and ethical corporate governance as well as CRC's values of Character, Responsibility and Commitment. They continue to promote workplace diversity and community engagement and are also dedicated to promoting sustainability initiatives, particularly through the Sustainability Committee and our new Chief Sustainability Officer. Our workforce will continue to advance specific projects that position us to support the decarbonization of California and support the energy transition.

Our Board Exhibits an Effective Mix of Diversity, Perspective, Skills and Experience

Tiffany (TJ) Thom Cepak
Chair of the Board

Andrew B. Bremner

Douglas E. Brooks

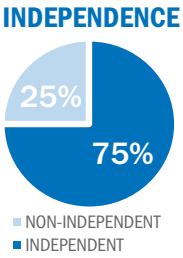
James N. Chapman

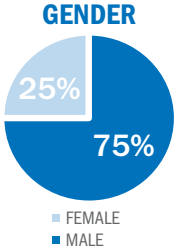
Mark A. (Mac) McFarland

Nicole Neeman Brady

Julio M. Quintana

William B. Roby





Note: Board composition and demographics are as of September 2021.
(1) Source: Bureau of Labor Statistics. Data represents the Oil and Gas Extraction Industry for 2019.

Additional Resources & Performance Summary Tables

2020 Sustainability Update Performance Summary Tables

These tables contain a subset of our publicly reported performance data. Our annual report, US. Securities and Exchange Commission (SEC) Form 10-K filing and proxy statement, which can be found at investors.crc.com, provide more detail on our financial and governance information. Please note metrics are as of year end, or for the calendar years 2020, 2019, and 2018, respectively, unless otherwise stated.

	UNITS	2020	2019	2018	Footnote
Reserves and Production					
Total net hydrocarbons produced	Thousand BOE/D	111	128	132	
Total gross hydrocarbons produced	Thousand BOE/D	127	144	152	
Proved reserves (total)	Million BOE	442	644	712	
Liquids (crude oil, condensate & NGLs)	%	80%	83%	83%	
Natural Gas	%	20%	17%	17%	
Reserve to production ratio	Years	11	14	15	
Organic reserve replacement ratio	%	63%	111%	127%	(a)
Workforce Diversity					
Number of permanent employees	#	1,104	1,251	1,502	
Part-time employees	%	0.27%	0.24%	0.00%	
Full-time employees	%	99.73%	99.76%	100.00%	
Female employees	%	19.84%	20.46%	19.57%	
Ethnically diverse employees	%	35.96%	35.49%	33.75%	
Female senior managers	%	20.00%	24.14%	17.86%	
Ethnically diverse senior managers	%	26.67%	24.14%	14.29%	
Workforce Safety					
Fatalities – workforce (employees + contractors)	#	0	0	0	
Hours worked – workforce	Aggregate Hours	5,091,789	9,337,897	10,100,148	
Employee total recordable incident rate	Per 200,000 hours worked	0.17	0.00	0.39	
Contractor total recordable incident rate	Per 200,000 hours worked	0.37	0.52	0.56	
Workforce total recordable incident rate	Per 200,000 hours worked	0.28	0.34	0.50	
Employee lost time incident rate	Per 200,000 hours worked	0.15	0.00	0.13	
Contractor lost time incident rate	Per 200,000 hours worked	0.17	0.22	0.17	
Workforce lost time incident rate	Per 200,000 hours worked	0.16	0.15	0.15	
Social Investment					
Total social investment	$ Million	$1.3	$4.3	$3.1	
Civic empowerment	% of total social investment	59%	34%	30%	
Public health, safety & environmental stewardship	% of total social investment	20%	18%	24%	
Education and job training	% of total social investment	18%	13%	17%	
Military and veterans recognition	% of total social investment	3%	35%	29%	

Note: per BOE amounts calculated based on reported gross production.

Additional Resources & Performance Summary Tables

	UNITS	2020	2019	2018	Footnote
Board of Directors					
Number of independent directors	#	9	8	8	(b)
Percent independent	%	90%	80%	80%	(b)
Independent chair	Y/N	Y	N	N	(b)
Number of female directors	#	2	2	1	(b)
Percent female directors	%	20%	20%	10%	(b)
Annual election of all directors	Y/N	Y	Y	Y	
Annual Board performance reviews	Y/N	Y	Y	Y	
Compensation					
Total compensation of median employee (excl. CEO)	$	$147,214	$154,051	$145,578	
Percent of CEO annual incentive compensation related to HSE targets	%	10%	10%	10%	
Annual advisory say on pay support	%	92%	97%	97%	
Greenhouse Gas Emissions					
Percent of production subject to carbon tax	%	100%	100%	100%	
Operated upstream direct emissions	Million tonnes CO_2e	1.1	1.2	1.5	(c)
CO_2	Million tonnes CO_2e	1.0	1.1	1.4	(c)
CH_4	Thousand tonnes CO_2e	79.8	99.1	98.0	(c)
N_2O	Thousand tonnes CO_2e	0.7	0.9	1.1	(c)
Operated upstream & midstream direct emissions by source					(c), (d)
Flaring/venting	%	5.2%	5.4%	5.5%	(c), (d)
Fuel combustion	%	94.2%	94.3%	94.3%	(c), (d)
Other	%	0.6%	0.3%	0.2%	(c), d)
Operated midstream emissions (gas processing + electricity production)	Million tonnes CO_2e	1.8	2.0	2.0	(d)
CO_2	Million tonnes CO_2e	1.8	2.0	2.0	(d)
CH_4	Thousand tonnes CO_2e	6.8	7.5	12.9	(d)
N_2O	Thousand tonnes CO_2e	0.8	1.0	0.9	(d)
Upstream greenhouse gas emission intensity	Tonnes CO_2e/thousand BOE	23.7	22.2	26.5	(c)
Total GHG emissions from upstream and midstream operations	Million tonnes CO_2e	2.9	3.2	3.5	(c), (d)
Volume of flared and vented hydrocarbons	MMSCF	1,122	1,263	1,551	
Flaring intensity	SCF/BOE	24.1	24.0	28.0	

Note: per BOE amounts calculated based on reported gross production.

Additional Resources & Performance Summary Tables

	UNITS	2020	2019	2018	Footnote
Energy Use					
Production energy intensity	Gigajoules/BOE	0.54	0.66	0.74	(e)
Energy extracted (GJ) per energy used (GJ)	Unitless	11.3	9.2	8.2	(e)
Operated direct energy use for oil and gas production	Thousand gigajoules	21,134	30,479	36,948	(e)
Operated indirect energy use (electricty purchase)	Thousand gigajoules	3,918	4,270	4,144	(e)
Renewable energy used	Thousand MWh	351	376	361	(e)
Net purchased electricity	Thousand MWh	1,088	1,186	1,151	(e)
Renewable purchased electricity	Thousand MWh	351	376	361	(e)
Renewable % of purchased	%	32%	32%	31%	
Freshwater Use					
Fresh water withdrawn from all operations	Gal/BOE	34.4	33.7	34.5	(f)
Net fresh water used/(supplied) from all operations	Gal/BOE	(65)	(68)	(61)	(f)
Potable water purchased	Acre-Feet	426	481	619	(f)
Non-potable water purchased	Acre-Feet	4,490	4,960	5,262	(f)
Total fresh water purchased	Acre-Feet	4,916	5,441	5,881	(f)
Reclaimed water delivered to agriculture	Acre-Feet	14,227	16,405	16,214	(f)
Water conservation metric (reclaimed water to agriculture over purchased fresh water)	%	289%	302%	276%	(f)

Note: per BOE amounts calculated based on reported gross production.



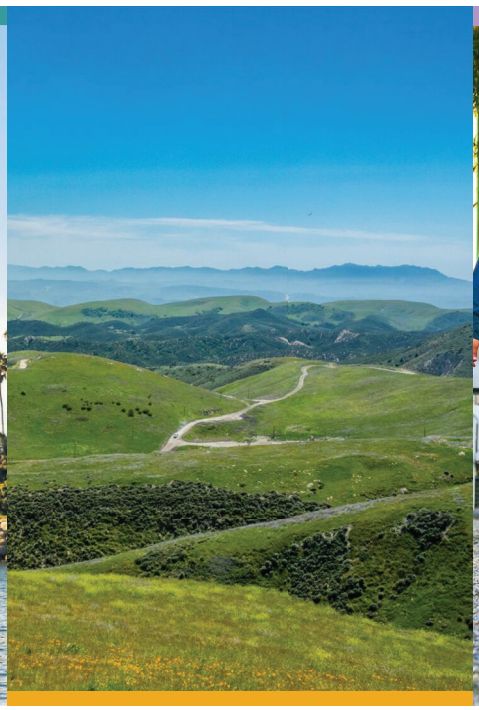

Photos taken of CRC operations across our asset base

Additional Resources & Performance Summary Tables

	UNITS	2020	2019	2018	Footnote
Spills					
Number of reportable releases	#	8	23	9	(g)
Net oil released	Barrels	23	134	192	(g)
Oil spill prevention rate	%	99.9999%	99.9997%	99.9996%	
Air Emissions					
Sulfur dioxide (SOx)	Tonnes	29	30	24	(c)
SOx intensity	Tonnes/Million BOE	0.62	0.57	0.43	(c)
NOx	Tonnes	210	262	372	(c)
NOx intensity	Tonnes/Million BOE	4.52	4.98	6.71	(c)
Volatile organic compounds (VOC)	Tonnes	395	422	443	(c)
VOC intensity	Tonnes/Million BOE	8.50	8.03	7.98	(c)
Other Economic Indicators					
Environmental fines and penalties – operated	$ Million	$0.1	$0.6	$0.2	
Environmental expenditures – remediation	$ Million	$1.4	$1.0	$1.6	
Environmental expenditures – facility asset retirement	$ Million	$6.1	$3.6	$6.7	
Percent of gross production on federal land	%	10.56%	8.08%	7.81%	
Taxes paid to CA state and local governments	$ Million	$131	$150	$166	(h)

Note: per BOE amounts calculated based on reported gross production.






Photos taken of CRC operations across our asset base

Forward Looking Statements

The information included herein contains forward-looking statements that involve risks and uncertainties that could materially affect our expected results of operations, liquidity, cash flows and business prospects. For a discussion of these risks and uncertainties, please refer to the "Risk Factors" and "Forward-Looking Statements" described in our Annual Report on Form 10-K for the year ended December 31, 2020. Words such as "anticipate," "believe," "continue," "could," "estimate," "expect," "goal," "intend," "likely," "may," "might," "plan," "potential," "project," "seek," "should," "target," "will" or "would" and similar words that reflect the prospective nature of events or outcomes typically identify forward-looking statements. Any forward-looking statement speaks only as of the date on which such statement is made, and we undertake no obligation to correct or update any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by applicable law.

We have included certain voluntary disclosures regarding our Sustainability Goals, Decarbonization Efforts, Sustainability Metrics and related matters because we believe these matters are of interest to our investors; however, we do not believe these disclosures are "material" as that concept is defined by or construed in accordance with the securities laws or any other laws of the U.S. or any other jurisdiction, or as that concept is used in the context of financial statements and financial reporting. These disclosures speak only as of the date on which they are made, and we undertake no obligation to correct or update such disclosures, whether as a result of new information, future events or otherwise, except as required by applicable law.

Footnotes for Performance Summary Tables

(a) See crc.com, Investor Relations for a discussion of this performance measure or information on the related calculation.

(b) Data reflects Board composition per the annual proxy statements for the years 2020, 2019 and 2018.

(c) Direct upstream emissions include Scope 1 GHG emissions from oil and gas drilling and production at fields operated by CRC and exclude those from the midstream operations of the Elk Hills gas and power plants, Ventura gas plant and Long Beach power plant. Emissions for 2019 & 2020 do not include the portion of the Lost Hills field that was sold on May 1, 2019 with an effective date of January 1, 2019. Emissions are calculated in accordance with California regulations and emissions estimation protocols.

(d) Total direct emissions include direct upstream emissions plus Scope 1 GHG emissions from the midstream operations of the Elk Hills and Long Beach power plants, as well as gas processing at Elk Hills and Santa Clara Valley Gas Plants.

(e) Energy use and intensity exclude energy used by the midstream operations of the Elk Hills and Long Beach power plants, as well as gas processing at Elk Hills and Santa Clara Valley Gas Plants.

(f) See page 82 of CRC's 2019 Sustainability Report for water definitions applied by CRC.

(g) Reportable release definitions vary by location. Any volume of oil released into state waters must be reported in California. Net oil released means the volume of oil and condensate spilled in reportable releases outside of containment and not recovered in liquid form.

(h) Excludes taxes paid on GHG emissions.

Additional Resources

Additional Resources

- Business Ethics & Corporate Policies
- **CRC** ESG
- **CRC** API Template
- **CRC** SASB Template
- **CRC** Governance

CRC employees on route to the THUMS islands in Long Beach

Contacts

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CALIFORNIA RESOURCES CORPORATION

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