Welcome to your CDP Climate Change Questionnaire 2023

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

California Resources Corporation (CRC) is an independent oil and natural gas company with operating properties exclusively within California. CRC is committed to energy transition in the sector and has some of the lowest carbon intensity production in the US. We are focused on maximizing the value of our land, mineral and technical resources for decarbonization by developing carbon capture and storage (CCS) and other emissions reducing projects.

CRC produces low carbon intensity oil and natural gas in a safe and responsible manner to help support and enhance the quality of life of Californians and the local communities where we operate. Our homes, farms, businesses and communities need ample, safe and reliable energy, and CRC is proud to help meet that need and reduce our state's chronic dependence on imported energy that has a higher carbon intensity than local production. CRC's highly qualified workforce specializes in applying advanced technology to efficiently operate critical energy infrastructure across our leading mineral acreage position and diverse portfolio under world-leading safety, labor, human rights and environmental standards.

In 2022, CRC produced approximately 91 MBoe/d (60% oil) and delivered record financial results. With approximately 1.9 million net mineral acres spanning three of California's major oil and gas basins, CRC holds the largest non-governmental mineral acreage position in the state. CRC's operated asset base spans 97 distinct fields with approximately 10,000 operated wells. The company's proved reserves totalled an estimated 417 MMBoe, of which 294 MMBbl were crude oil and condensate reserves, 38 MMBbl were NGL reserves and 511 BcF, or 85 MMBoe, were natural gas reserves as of December 31, 2022.

To emphasize our commitment to Environmental, Social and Governance (ESG) leadership, CRC announced a full-scope Net-Zero Goal in November 2021, which includes achieving permanent storage of captured or removed carbon emissions in a volume equal to our scope 1, 2 and 3 emissions by 2045. CRC's ESG goals focus on providing low carbon intensity fuel today and Net-Zero fuel for the future that will meet or exceed California's unparalleled sustainability standards – not only related to lowering greenhouse gas (GHG) emissions, but also to decreasing methane emissions, reducing freshwater consumption, expanding leadership diversity, enhancing community engagement and increasing accountability through linking executive compensation to ESG performance.

California Resources Corporation's (CRC) Carbon TerraVault (CTV) is engaged in a series of CCS projects that inject CO2 captured from industrial sources into depleted underground

reservoirs and permanently store CO2 deep underground. CCS is a pillar of CRC's carbon management strategy and 2045 Full-Scope Net Zero goal for Scope 1, 2 and 3 emissions. CRC has identified up to 1 billion metric tons of potential carbon dioxide (CO2) permanent storage capacity across California that will help contribute to the decarbonization of the state, and is making progress on our Carbon TerraVault projects I, II, and III which together have a potential storage of 120 million metric tons of CO2.

In August of 2022, CRC entered into a joint venture (JV) with Brookfield Renewable (Brookfield) focused on carbon capture and sequestration (CCS) development opportunities. The California Carbon Management Partnership with Brookfield is an important step in CRC's Full-Scope Net Zero 2045 Goal and Carbon Management Strategy. The strategic partnership will involve developing both infrastructure and storage assets required for CCS projects in California through newly created joint venture entities, Carbon TerraVault JV HoldCo, LLC (HoldCo), Carbon TerraVault JV Storage Company (StorageCo) and Carbon TerraVault JV Infrastructure Company, LLC (InfraCo). CRC and Brookfield are targeting the development of the injection of 5 million metric tons of CO2 per annum over the first five years of the strategic partnership. We are also pursuing multiple solar projects for supplying the grid (front-of-the-meter solar) and powering our operations (behind-the-meter solar).

CRC is proud to be a leader in an industry that provides high wages for working families and reflects the ethnic diversity of the state that is unmatched by other industries. The company is committed to its values of Character, Responsibility and Commitment, promotes workplace diversity and community engagement and maintains sector-leading health, safety, environmental and sustainability practices. CRC is one of the best positioned companies in the energy sector. Its core fields generate industry leading free cash flow yield, while its ESG opportunities support California in its effort to achieve some of the most ambitious decarbonization goals in the United States.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data and indicate whether you will be providing emissions data for past reporting years.

Reporting year

Start date

January 1, 2022

End date

December 31, 2022

Indicate if you are providing emissions data for past reporting years

No

C0.3

(C0.3) Select the countries/areas in which you operate.

United States of America

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

USD

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Operational control

C-OG0.7

(C-OG0.7) Which part of the oil and gas value chain and other areas does your organization operate in?

Row 1

Oil and gas value chain

Upstream

Midstream

Other divisions

Grid electricity supply from gas

C0.8

(C0.8) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

Indicate whether you are able to provide a unique identifier for your organization	Provide your unique identifier
Yes, a Ticker symbol	CRC

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual or committee	Responsibilities for climate-related issues
Board-level committee	The highest responsibility for climate-related issues lies with the Sustainability Committee (Committee). This Committee is composed of members of the Board who provide direction and oversight of the Corporation's commitment to sustainable performance related to ESG, as well as health, safety and other environmental (HSE) topics. The climate-related responsibilities include but are not limited to development and engagement of strategies, objectives, targets and metrics related to conservation, decarbonization, social and community issues, the Corporations' policies, programs, disclosures, public reports, and communication as well as significant risk assessments, issues, laws and regulations. The members of this Committee and its Chairperson are selected at least annually by the Board. Board-level oversight has been assigned to the Committee to ensure that the company decision-makers evaluate and advance business strategies and investments that reflect the importance of climate change to CRC's operations, California's Assembly Bill 32 GHG and climate change mitigation program, and CRC's risks and opportunities. The Sustainability Committee reports to the full Board periodically, as appropriate, regarding developments on climate-related regulations, policies and projects, and recommends Sustainability Metrics to the Compensation Committee and the Board that are used to determine incentive compensation for the management team and all employees, including annual HSE metrics for health and safety, oil spill prevention, our water conservation ratio, and annual Sustainability Project Milestones for the company. One of the key climate-related decisions made by the Committee was in November of 2021, where the Committee made the decision to approve a 2045 full-scope Net Zero Goal for scope 1, 2, and 3 emissions. Additionally, in 2022, the Committee adopted the updated Methane Reduction Goal, which was approved at the Quarter 1 2022 Board meeting. CRC's updated Methane Emissions Reduction Goal commits the company to further reduce methane emissions by 30% from its 2020 baseline by 2030. This goal builds on CRC's previous methane reduction goal to lower methane emissions by 50% from its 2013 baseline by 2030, which was surpassed in 2018, 12 years ahead of schedule. Because CRC has been able to achieve significant methane reductions to date, the updated methane goal significantly exceeds California's own 2030 methane reduction goal.

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Please explain
Scheduled – all meetings	Reviewing and guiding annual budgets Overseeing major capital expenditures Overseeing and guiding employee incentives Reviewing and guiding strategy Overseeing and guiding the development of a transition plan Monitoring the implementation of a transition plan Overseeing the setting of corporate targets Monitoring progress towards corporate targets Reviewing and guiding the risk management process	The Sustainability Committee (Committee) is responsible for safeguarding people and the environment through safe, environmentally responsible and socially sensitive design, operation and maintenance of the Corporation's facilities and serving as an active and supportive community partner. The responsibilities of the Committee also include developing strategy, targets and metrics around the Corporation's performance in sustainability matters, conservation and efficient use of water, habitat, energy and other natural resources, decarbonization, social and community issues. Sustainability-related reporting and communication are important functions of the Committee to ensure compliance with applicable laws and regulations, consistency with company strategy, promotion of safe operations, sustainability and conservation of natural resources. The Board, including the Committee, reviews the capital budgets, life-of-field planning, oil and gas reserves, and transactions such as acquisitions, joint ventures and divestitures, including those with respect to our ESG Goals and emission reduction projects with climate related drivers, which is reported by the COO. Climate-related issues are reviewed by the Committee during quarterly meetings with CRC's senior management team including the CSO and the CEO. The entire Board has an open invitation to all Committee meetings and is normally in attendance. At these meetings, the senior management team, which includes the CSO and the CEO, presents to the Committee key strategies to address climate-related business risks and opportunities affecting both short term plans (annual sustainability project milestones and budgets and California's 3-year Cap-and-Trade compliance period) and long-term plans (life-of-field planning and implementation, major capital projects such as the CalCapture carbon capture and sequestration project at Elk Hills, acquisitions and divestitures). In addition, the Chair of the Sustainability Committee has weekly

		meetings with the CSO and CEO. The Committee and the full Board approve strategies and performance objectives, including those published in CRC's ESG goals such as the 2045 Net Zero Goal and announcing goals focusing on 5 other critical areas: methane emission reduction, community giving, ethnic and gender diversity in leadership, freshwater usage reduction, and executive pay. Performance metrics towards ESG goals are reviewed at each Committee meeting and are also assessed on an annual basis regarding management level and employee incentive compensation.

C1.1d

(C1.1d) Does your organization have at least one board member with competence on climate-related issues?

	Board member(s) have competence on climate-related issues	Criteria used to assess competence of board member(s) on climate-related issues
Row 1	Yes	CRC assesses competence of the board members on climate-related issues by considering their previous and current climate-related background experience such as professional positions held, leadership roles, and Board involvements at climate-focused companies and organizations. For example, CRC Board members also hold Board positions for public departments or private energy-focused or water-focused companies and have had leadership roles in climate-related companies such as energy procurement, renewable and alternative power, wildlife and biodiversity organizations. Climate-related credentials, such as the Fundamentals of Sustainability Accounting credential from the Sustainability Accounting Standards Board, are also considered in assessing the competence of board members on climate-related issues.

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Position or committee

Chief Operating Officer (COO)

Climate-related responsibilities of this position

Managing annual budgets for climate mitigation activities
Managing major capital and/or operational expenditures related to low-carbon products or services (including R&D)
Assessing climate-related risks and opportunities
Managing climate-related risks and opportunities

Coverage of responsibilities

Reporting line

CEO reporting line

Frequency of reporting to the board on climate-related issues via this reporting line

More frequently than quarterly

Please explain

The Executive Vice President and Chief Operating Officer (COO) reports directly to the CEO and is responsible for capital budgets, life-of-field planning, oil and gas reserves, and transactions such as acquisitions, joint ventures and divestitures, including those with respect to our ESG Goals and emission reduction projects with climate related drivers. The COO reviews the owned and acquired additional assets for carbon storage potential evaluated and acquired by the Vice President (VP) of Land and Carbon Storage Acquisitions and Strategic Advisors on Carbon Management. The COO also oversees the management and support of the VP of Business Development, Chief Financial Officer, and the VP of Land and Corporate Development of CRC's third-party renewable projects and mineral properties. The COO also reviews the surface waiver and mutual use agreements for the acquisition of large contiguous surface footprint for renewable developers, as well as oversees the Senior VP Production Operations' management, designing, building, and maintenance of CRC's operations, fields, and facilities, including electric power plants and distribution systems, gas processing and steam generation facilities, and pipelines and gathering systems which are governed by California's climate regulations, including its Cap-and-Trade system and Methane Rule. In addition, the COO oversees the VP HSE's management of programs that implement other federal, state and local HSE regulations, such as California's Methane Rule, and our statewide methane emission reduction strategy to sustain CRC's success in achieving CRC's 2030 Methane ESG Goal.

Position or committee

Chief Executive Officer (CEO)

Climate-related responsibilities of this position

Managing climate-related acquisitions, mergers, and divestitures
Providing climate-related employee incentives
Managing value chain engagement on climate-related issues

Assessing climate-related risks and opportunities
Managing climate-related risks and opportunities

Coverage of responsibilities

Reporting line

Reports to the board directly

Frequency of reporting to the board on climate-related issues via this reporting line

More frequently than quarterly

Please explain

Below the Board level, the highest level of responsibility and authority to make climate-related decisions is CRC's President and Chief Executive Officer (CEO). The CEO, who leads the senior management team, oversees all company operations, including climate-related operations, and reports to the Board of Directors. Therefore, the CEO has the governance and responsibility over climate-related issues. The CEO monitors and addresses climate related issues through four channels: 1) corporate development and strategic planning; 2) operations and engineering; 3) compliance (legal, regulatory and energy marketing and trading functions); and 4) public affairs (including HSE, sustainability and community engagement functions).

Position or committee

Chief Sustainability Officer (CSO)

Climate-related responsibilities of this position

Implementing a climate transition plan
Integrating climate-related issues into the strategy
Conducting climate-related scenario analysis
Setting climate-related corporate targets
Monitoring progress against climate-related corporate targets
Managing public policy engagement that may impact the climate
Assessing climate-related risks and opportunities
Managing climate-related risks and opportunities

Coverage of responsibilities

Reporting line

CEO reporting line

Frequency of reporting to the board on climate-related issues via this reporting line

More frequently than quarterly

Please explain

The Chief Sustainability Officer (CSO) reports directly to the CEO and has broad responsibility for developing ESG Goals and leading CRC actions to achieve those goals. The CSO leads a team that is focused on implementing carbon sequestration projects. The CSO also quantifies, reports, and audits emissions to state and federal agencies, participates in voluntary disclosure processes, and follows regulatory activity that affects greenhouse gas emissions and reporting. The CSO oversees the Technical Manager – Carbon Management's management of the team of engineering and geologists responsible in permitting and designing carbon storage facilities. The CSO also oversees the Senior Director of Sustainability's management of the mandatory and voluntary reporting team.

Position or committee

Other, please specify

EVP, General Counsel and Chief Administrative Officer

Climate-related responsibilities of this position

Assessing climate-related risks and opportunities

Managing climate-related risks and opportunities

Coverage of responsibilities

Reporting line

CEO reporting line

Frequency of reporting to the board on climate-related issues via this reporting line

More frequently than quarterly

Please explain

The EVP, General Counsel and Chief Administrative Officer reports directly to the CEO and is responsible for compliance functions, including legal, regulatory affairs, supply chain, and energy marketing and trading. The General Counsel reviews the climate-related regulatory matters, including emerging regulations as well as water treatment and recycling strategies that comprise our 2025 Freshwater Usage Reduction Goal reported by the VP, Regulatory Affairs.

Position or committee

Other, please specify

EVP and Chief Commercial Officer

Climate-related responsibilities of this position

Assessing climate-related risks and opportunities

Managing climate-related risks and opportunities

Coverage of responsibilities

Reporting line

CEO reporting line

Frequency of reporting to the board on climate-related issues via this reporting line

More frequently than quarterly

Please explain

The EVP and Chief Commercial Officer reports to the CEO and oversees energy marketing and trading as well as the purchase of goods and services needed for CRC's operations. The EVP and Chief Commercial Officer oversees the Director of Marketing for Gas, Power and NGLs' management of CRC's greenhouse gas allowances and offsets required under California's Cap-and-Trade system, as well as the Company's purchase and sale of electricity, natural gas and NGLs.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive

Corporate executive team

Type of incentive

Monetary reward

Incentive(s)

Bonus - % of salary

Performance indicator(s)

Progress towards a climate-related target
Implementation of an emissions reduction initiative

Incentive plan(s) this incentive is linked to

Long-Term Incentive Plan

Further details of incentive(s)

In February 2022, the Compensation Committee established the scorecard for the 2022 AIP (Annual Incentive Program) to incentivize the AIP participants (Named Executive Officers, NEO) to undertake actions and invest capital to achieve sustainable long-term value for CRC. Further, in 2022, CRC established the Executive Pay Goal, which links 30% of that executive annual incentive pay related to company performance to ESG metrics, including climate. The Compensation Committee has adopted a policy whereby management's ability to achieve a maximum payout under the AIP should be due to the achievement of extraordinary results, whether via financial performance or the other non-financial metrics incorporated into the AIP, with a goal to lessen the impact of commodity price volatility on AIP payouts.

Payouts under the AIP can range from 0% to 200% of the annual incentive target (as a % of annual base salary) for an individual. Payout of 80% of the annual incentive target amount is based on the AIP Scorecard metrics and 20% is based on the Committee's assessment of an NEO's individual performance.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan

Incentive compensation of the CEO and management team are subject to the specific quantitative measures of HSE and sustainability performance and efficiency set forth in the Proxy Statement and summarized below with respect to incentives for all employees. In addition, the Board reviews the CEO and senior management with respect to specific strategic objectives, including annual sustainability project milestones toward our ESG Goals and managing HSE, climate, and other enterprise risks. This is among the highest ESG weighting in the industry, underscoring the commitment of CRC's leadership to achieving our ESG Goals.

Entitled to incentive

All employees

Type of incentive

Monetary reward

Incentive(s)

Bonus - % of salary

Performance indicator(s)

Progress towards a climate-related target
Achievement of a climate-related target

Incentive plan(s) this incentive is linked to

Short-Term Incentive Plan

Further details of incentive(s)

CRC's Sustainability Metrics, including both annual HSE metrics and annual sustainability project milestones, as well as our operational and financial goals, including those with respect to energy use, emissions and efficiency, are directly tied to compensation of our management team and all our employees. Incentive compensation for our management team and all employees is determined based on the attainment of these targets and milestones, which must be approved by our Board of Directors.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan

CRC's Sustainability Metrics are described in our Proxy Statement and include annual quantitative thresholds for health and safety, oil spill prevention and our water conservation ratio, as well as specific annual sustainability project milestones to advance our ESG Goals and 2045 Net Zero Goals. Several of these project milestones include a specific emissions target. For example, CRC surpassed our 2030 Methane ESG Goal of reducing methane emissions by 50% from its 2013 baseline in 2018. As such, in 2022 we continued to incorporate actions and develop targets using a 2020 baseline to sustain or further surpass that quantitative reduction target by 2030. The Sustainability Committee recommends annual quantitative targets and strategic milestones to the Compensation Committee and the Board of Directors for approval. Each quarter, senior management reviews the performance of the company in relation to specific HSE, Sustainability and efficiency targets and milestones and updates the Sustainability Committee, which reports on performance to the Compensation Committee and the Board of Directors. To achieve these targets requires our operations to directly reduce emissions of methane and other compounds and to increase overall efficiency, which reduces energy use, operating costs and GHG and other emissions.

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	3	This includes CRC's capital budgeting, annual GHG reporting and verification for Cap and Trade, the three-year compliance period for retirement of GHG allowances and offsets, design and implementation of our 2025 Freshwater Usage Reduction Goal, and time periods for construction and commissioning of field-level energy projects, including

			methane emission reductions, low-carbon projects such as our behind-the-meter solar, and integration of acquisitions and joint ventures.
Medium-term	3	10	This includes time periods for the design and implementation of our 2030 Methane Reduction Goal, 2030 Ethnic, Racial and Gender Diversity in Leadership Goal and the development of larger energy, water treatment and recycling for waterflood expansions, sustainability and low-carbon fuel standard (LCFS) projects, such as the initial phase of our CalCapture CCS and Carbon TerraVault project.
Long-term	10	50	This encompasses the full implementation of CRC's ESG Goals, including additional phases of our CalCapture CCS project at Elk Hills, CRC's life-of-field planning for all of our fields, and our alignment with the state's long-term energy and climate goals after 2030, including reassessment of both Cap and Trade and LCFS regulations and associated price caps and floors and achievement of Full-Scope Net Zero by 2045.

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

CRC's HSE Risk Management Program focuses primarily on safeguarding people and sensitive ecosystems but includes a financial component for events that do not directly affect people or sensitive ecosystems. For those circumstances, CRC's HSE Risk Management System defines a substantive risk as one that would have the potential to cause a financial impact of $20 million or more to direct operations; this figure is revaluated on an annual basis.

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered

Direct operations
Upstream
Downstream

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

More than once a year

Time horizon(s) covered

Short-term
Medium-term

Long-term

Description of process

CRC's multi-disciplinary and company-wide HSE Risk Management Program prioritizes risks to people and sensitive ecosystems over business or financial impacts. CRC also has a company-wide Supply Risk Matrix that focuses on risks upstream of CRC's operations within the supply chain. All risks, including climate-related risks are evaluated covering short term (0-3 years), medium term (3-10 years), and long-term issues (10-50 years). Per CRC's HSE Risk Evaluation and Response Procedure, CRC identifies potential hazards to personnel, environment, property, reputation, or revenue through Process Hazard Reviews (PHRs), inspections, audits, or surveys, and such risks are assessed for their potential for HSE consequences, impacts on the business and potential mitigation opportunities. Through these assessments, risks are prioritized for mitigation using CRC's Risk Matrix, and are periodically reassessed. Higher-level risks are reported, validated, and reviewed annually with the Sustainability and Audit Committees of the Board of Directors to ensure HSE risk management remains a top priority. HSE risk management policies, standards and procedures are in place at all operating locations to identify, prioritize, and apply feasible risk mitigation options. CRC's Risk Management Community of Practice leverages the expertise of company engineers and scientists to share opportunities for improvement. CRC's leadership team is responsible for the day-to-day management of risk at CRC.

Risks and opportunities related to climate change are considered at the asset and company-wide levels, including physical risks and regulatory requirements. Each capital project is reviewed by a multi-disciplinary team to evaluate regulatory requirements and project risks and to identify appropriate engineering and administrative mitigation measures. The cost of carbon under California's Cap and Trade program and measures to increase energy efficiency, emissions reduction, and physical risk mitigation associated with climate are included in this evaluation.

Through CRC's Supply Risk Matrix, when a risk among CRC's supply chain is identified, it will be assessed based on its background, CRC's ability to respond and what mitigation techniques or controls would apply to this risk. Risks are then evaluated using a modified heat map which measures the inherent risk (impact potential * likelihood) against the management action and control effectiveness to determine which of the following actionable quadrants a risk falls into: Operate, Tolerate, Monitor or Improve. Each quadrant is defined by several characteristics and mitigation strategies. If a risk falls into the Tolerate quadrant, CRC typically takes a collaborative approach to maintain cost and availability control. The Operate quadrant is often applicable to regularly mandated suppliers where CRC will consider developing alternatives or innovative substitutions. The Improve quadrant is made up of high-cost and high impact strategic suppliers. CRC will conduct a deeper review of the suppliers in this quadrant to develop solutions. The Monitor quadrant is also made up of high-cost and high impact suppliers which CRC then targets for negotiation and strategy. Risks are evaluated through the Supply Risk Matrix more than once a year.

Chronic physical risks, such as extreme weather events like heat waves and cold snaps, are incorporated into CRC's risk assessment process. In 2021, for example, the western North Americana heatwaves curtailed the available power available due to a surge in demand from increased air conditioning loads along the west coast and interior of Pacific Northwest states. Because a portion of California's imported electricity was being redirected to other states, CRC started its co-generation unit to help stabilize the grid and prevent rolling blackouts. In events like this, CRC is required to purchase more GHG allowances compared to other forms of electricity generation because co-generation is GHG-intensive. In 2022, temperature-related weather events like heatwaves and cold snaps continued to occur, causing the need for 13 days of co-generation which resulted in 3,300 MT CO2e, leading to an additional unplanned carbon credit cost of $99,000. CRC expects the risk of future heatwaves and temperature-related weather events to have future impacts on operating expenses when further co-generation is needed to prevent blackouts.

Acute physical risks, such as storm flows and wildfire risks, are also incorporated into the Process Hazard Analysis (PHA) assessments completed for all major projects and are periodically updated. For example, 100-year storm events and fire risks are evaluated during the design and permitting process. Additionally, the loss of water for fire and process cooling is a scenario also evaluated in PHAs. A PHA can identify and suggest modifications to enhance the HSE performance of the facility, including measures that reduce GHG emissions and increase efficiency.

Current regulation, such as state governmental policy transitioning to a low carbon economy, are regularly assessed through CRC's risk management system in the event that this may impact CRC's reputation, operations and business opportunities. For example, CRC has a strong interest in providing carbon sequestration services to other sectors in California. One of the major financial drivers for companies, including CRC, to reduce their emissions through capture is avoidance of cap-and-trade costs. However, CARB regulations do not currently contemplate or account for carbon storage which removes the incentive for companies to capture carbon dioxide. To address this, CRC engages with CARB directly in writing and continued to advocate for changes to the Cap-and-trade program that would allow for strategies like CCS to reduce a company's compliance obligation through 2022. CRC provided commentary on the 2022 CARB Scoping Plan and highlighted CCS project opportunities, such as Carbon TerraVault that could reduce emissions in the fuel lifecycle, as well as CCS services to other industries, such as natural gas power generation or cement manufacturing, not associated with CRC. The 2022 CARB Scoping Plan now calls on the need for carbon capture and sequestration in order to reach the state's emissions reduction goals.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	In accordance with the HSE Principles of our Board of Directors, CRC continually reviews programs to ensure compliance with applicable laws and regulations, promotion of health, safety, environmental protection and sustainability, and proactive community outreach. Current regulation of greenhouse gases (GHGs) may affect our business in many ways, including increasing the costs to provide our products and services, and reducing demand for, and consumption of, our products and services. In addition, legislative and regulatory responses to climate change may increase our operating costs. As such, CRC considers both current California and federal GHG and methane regulatory requirements to be integral to our climate-related risk assessment, including California's AB32 (and its GHG Mandatory Reporting Regulation and Cap and Trade), Senate Bills 905 and 1137, the Biden Administration's Inflation Reduction Act and alignment with the Paris Agreement, and California and federal oil & gas regulations to control methane emissions. These regulations are evaluated under our CRC Risk Matrix and are classified under varying risk prioritization levels. For example, we consider California's Low Carbon Fuel Standard to be of low priority under our Risk Matrix. The Inflation Reduction Act, however, is a higher risk as it could accelerate the transition to a low-carbon economy and could impose new costs on our operations. CRC considers current regulations to be directly relevant to our ESG Goals beyond compliance considerations as they address and shape the development of our society and CRC's key energy supply and climate strategies across short, medium and long-term planning horizons.
Emerging regulation	Relevant, always included	Proposed international agreements and federal and state laws, regulations, and policies seek to restrict or reduce the use of petroleum products in transportation fuels and electricity generation, impose additional taxes and costs on producers and consumers of petroleum products and require or subsidize the use of renewable energy, which could further increase our direct costs. An example is the CARB's 2022 Scoping Plan which continues to impose price caps and ceilings on GHG allowances and offsets to address impacts on workers, consumers and California's economy. CRC has provided commentary to the 2022 CARB Scoping Plan which is proposing to further tighten these caps, but also now calls on the need for carbon capture and sequestration to reach the state's emissions reduction goals. As CRC purchases allowances annually, these caps and ceiling may cause an increase in our operating costs. CRC is proactively engaged in the rulemaking process at the local, state and federal level through independent action or in conjunction with trade associations, labor, agricultural and business groups, community organizations and other

		stakeholders. The tracking of upcoming regulations, either in the immediate timeframe of a specific rule or the anticipation of longer-term emission reduction requirements and opportunities, is always included as an important consideration in risk assessments and risk reduction strategies. CRC's Board, Sustainability Committee, and management consider emerging regulations, environmental impact analyses, and other research projects and community stakeholder interests to be central risk factors in shaping energy supply and climate strategies that are affordable, resilient, and sustainable over the long term. These emerging regulation risks are included in our Risk Matrix and are classified under varying risk prioritization levels. For example, we consider the 2020 California Executive Order N-79-20 calling for all new cars and passenger trucks sold to be electric vehicles as high priority under our Risk Matrix. Although this piece of emerging regulation has an effective date in 2035 and therefore is a high risk with a long-term time horizon, we expect to experience over $20 million in financial impact prior to 2035 related to revenues and increased capital expenditures.
Technology	Relevant, always included	Technology is always included as a risk for CRC, particularly the need to develop energy efficient technology at our operations to mitigate the impacts of greenhouse gas emissions and other compounds. If CRC is unable to keep up with the shift towards more energy efficient technology at our operations, CRC may no longer be the operator of choice in California. Additionally, financial risks associated with design and technology optimization may result in increased electricity and water use, resulting in additional increases in operating expenses. When accounting for GHGs associated with this increased electricity use, CRC may also face decreases in the amount of low carbon fuel standard credits that these types of projects will generate. As a result, CRC seeks to increase energy efficiency and reduce emissions of GHGs and other compounds, even as we supply more energy to Californians. CRC devotes significant resources to the design and construction of new facilities and in retrofitting existing facilities with technology which will create energy efficiency. For example, in 2022, CRC engaged with Lone Cyprus in a Joint Venture to create a Net Zero Industrial Park which will include a combination of Carbon TerraVault I's (CTV I) first storage project and a 30 tons per day blue hydrogen facility constructed by Lone Cyprus at Elk Hills using its proprietary technology. This Carbon Dioxide Management Agreement (CDMA) also includes advanced discussions to achieve Carbon TerraVault Joint Venture CO2 sequestration goal of 5 million metric tons per annum by year-end 2027, which is the most advanced EPA Class VI permit application position in the state of California.

Legal	Relevant, always included	CRC considers risks and costs associated with compliance and enforcement of climate-related regulations, legal disclosure and reporting requirements, and implements business processes to identify, manage and report appropriately to the Board of Directors, its Sustainability Committee, investors, government regulators, business partners and other stakeholders regarding such items. Compliance and enforcement are reported to the Sustainability Committee, with CRC's VP of Regulatory Affairs overseeing the process. In the risk assessment process and the Risk Matrix, we consider these risks to be of varying priority levels. For example, CRC is subject to applicable California and federal GHG and methane regulatory requirements, which include California's AB 32 (and its GHG Mandatory Reporting Regulation and Cap and Trade), Low Carbon Fuel Standard regulations, Senate Bills 905 and 1137, EPA's GHG and carbon capture and storage regulations, the Biden Administration's Inflation Reduction Act and alignment with the Paris Agreement, and California and federal oil & gas regulations to control methane emissions. Safeguarding people and sensitive ecosystems is our highest priority. After the safeguarding of people and ecosystems, CRC considers regulatory compliance and associated legal requirements to be of high priority because not complying to these regulations can threaten CRC's social license to operate and pose potential increases operating costs, such as litigation, fines, or penalties. CRC manages new or changing regulations using the knowledge and experiences of subject matter experts within CRC and third-party consultants.
Market	Relevant, always included	As CRC operates and produces energy exclusively within the state of California, CRC is subject to market risks from the state's chronic dependence on imported energy and incorporates these risks into our Risk Matrix. For example, policies such as subsidies and financial incentives seek to increase the use of electric vehicles, increasing the stress on the state's electricity grid and the need for in-state electricity generation from traditional and renewable energy sources. While CRC believes electric vehicles are part of an effective climate mitigation strategy, the increased demand for renewable energy may result in less demand for CRC's goods. As a result, CRC is working on implementing carbon capture to offset energy intensity of operations and oil produced and collaborates closely with renewable developers. In 2022, CRC was issued a Notice to Proceed for two back-of-the-meter solar projects under PPAs at Mt. Poso (11.7 MW DC) and Kern Front (22.8 MW DC). These projects are on track for construction to start in the second half of 2023 and be online in 2024. These PPAs will allow us to continue producing more renewable energy in the next few years and continue to lower the carbon intensity of our production portfolio, while decreasing California's reliance on imported energy. CRC has also formed a carbon management business and is in the

		early stages of developing CCS projects that are directly sited or within close proximity to significant sources of CO2 emissions in California. By the end of 2022, CRC submitted Class VI permit applications to the EPA for two of these permanent sequestration projects at our Elk Hills Field and associated Elk Hills Power Plant, as well as two permanent sequestration projects in the Sacramento Basin. CRC has also engaged in a Strategic Partnership with Brookfield Global Transition Fund called Carbon TerraVault Joint Venture. This Partnership is targeting the injection of 5MMTPA and 200MMT of CO2 storage development. These projects would, if successfully permitted, funded and installed, capture carbon dioxide from the Elk Hills Power Plant or other sources and inject the carbon dioxide into oil and gas formations for permanent sequestration. With the development of the Carbon TerraVault project and LCFS credits, CRC would effectively be able to reduce emissions associated with crude oil by approximately 50%, therefore making progress toward our Full-Scope 2045 Net Zero Goal.
Reputation	Relevant, always included	Reputational risks are included in the CRC Risk Matrix as warranted and are considered to be of varying priority levels. CRC highly values its position as the operator of choice in California. CRC operates exclusively in California and we are governed by the state's leading climate action and environmental standards. We are the leading operator on California state lands, and operate in sensitive coastal, urban and agricultural areas, including in ecological preserves and wilderness areas. Accordingly, our reputation for environmental stewardship by applying innovative environmental safeguards, conservation measures and technology to meet CRC's HSE Principles, our ESG Goals, regulatory requirements and the expectations of our workforce and host communities is essential to sustain our success over the long term. If we are unable to continue meeting our HSE Principles, Sustainability Metrics, and regulatory requirements, our reputation could be negatively impacted, and we may no longer be regarded as the operator of choice in California. Specific reputational risks in our CRC Risk Matrix assessment vary based on their respective priority levels.
Acute physical	Relevant, always included	With all of our facilities located in California, specifically within the San Joaquin, Los Angeles, and Sacramento Basins, CRC has identified events such as wildfires, heat waves, droughts, storms, mudslides, coastal flooding, and flash floods to be applicable acute physical risks. These acute physical risks are included in CRC's Risk Matrix, which can result in emergency response actions and loss of production due to shutting down processing from power outages or for safety or environmental reasons. We include these risk scenarios as applicable in our Process Hazard Analysis (PHA). For example, CRC has previously performed a PHA of fresh water supply loss resulting from a major climate event, such as water curtailment due to drought. Based

		on our assessment, the findings for loss of freshwater have been ranked as an acceptable risk and does not require any action items or improvement measures.
Chronic physical	Relevant, always included	Coastal flooding, sustained heat waves, and drought conditions are key chronic physical climate risks that we include in our Risk Matrix, including as applicable in Process Hazard Analysis, and we have assessed these risks to be of varying priority levels. CRC and our government partners in coastal operations evaluate the ability of facilities to withstand and mitigate coastal flooding. Several of our facilities, for instance, are located near the coastline and could be subject to coastal flooding, such as our Long Beach and Huntington Beach operations. If impacted by flooding, these operations could face production shutdowns resulting in increased direct costs for CRC. CRC's Operations, Facilities and HSE teams implement engineering and administrative controls and safe work practices with respect to heat waves. While CRC has ample water supplies for our operations, in 2022 we invested $285,000 into water conservation projects by installing water meters and performing leak detection surveys at our Elk Hills Plant to work towards our goal to reduce freshwater usage by 30% by 2025 and to ensure we do not compete with other stakeholders for fresh water. Additionally, CRC provides reclaimed produced water to over 5,000 acres of downstream agricultural stakeholders and farmland to alleviate impacts of drought. As a result of these investments, CRC has served the state as a net water supplier since our formation in 2014.

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Current regulation

Mandates on and regulation of existing products and services

Primary potential financial impact

Increased direct costs

Company-specific description

Concerns about climate change and regulation of greenhouse gases (GHGs) may affect our business in many ways, including increasing the costs to provide our products and services. The transition toward a low-carbon economy could also reduce demand for our products and services. In addition, legislative and regulatory responses to climate change may increase our operating costs. Since 2012, California Air Resources Board (CARB) regulations have required us to obtain GHG emissions allowances corresponding to reported GHG emissions from operations and, starting in 2015, from the sale of certain products to customers for use in California. The 2022 CARB Scoping Plan proposes more stringent regulations that require monitoring, leak detection, repair and reporting of methane emissions from both existing and new oil and natural gas production, pipeline gathering and boosting facilities and natural gas processing plants, as well as additional controls such as tank vapor recovery to capture methane emissions. In 2022, using an average futures price for GHG allowances ($30/MT CO2e), CRC incurred costs of $63.5MM to fund the state's climate and GHG mitigation beyond the allotment of 645,311 MT GHG emissions allowances with respect to certain upstream operations. CRC purchased allowances principally related to GHG emissions from electricity generation, gas processing and compression, and sales of certain natural gas liquids.

The Inflation Reduction Act could also accelerate the transition to a low-carbon economy and could impose new costs on our operations. The Act includes a charge on methane emissions that is expected to be applicable to CRC starting in 2024. In addition, Senate Bill No. 905 contemplates the development of permitting and pipeline safety regulations over a multiyear period to facilitate the development of CCS projects in California, which could impair or prohibit projects that rely on the transportation of CO2, like Carbon TerraVault. Delays in permitting would delay production and revenue.

Other current and proposed international agreements and federal and state laws, regulations and policies seek to restrict or reduce the use of petroleum products in transportation fuels and electricity generation, impose additional taxes and costs on producers and consumers of petroleum products, and require or subsidize the use of renewable energy, which could further increase our direct costs.

Time horizon

Short-term

Likelihood

Very likely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

63,547,262.1

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

In 2022, CRC incurred approximately $63.5 million for mandatory GHG emissions allowances in California, and costs of such allowances per metric ton of GHG emissions are expected to increase in the future as CARB reduces the number of available allowances, increases its targeted price and covers more operations and products in the program.

This potential financial impact figure is calculated based on the difference between CRC's 2022 GHG emissions covered under the Cap-and-Trade program in California (2,763,553.07 MT CO2e) and GHG emissions allocated to CRC (645,311 MT CO2e), which is CRC's remaining compliance obligation, multiplied by the market price of $30 per ton of carbon credits.

Remaining compliance obligation = 2,763,553.07 – 645,311 = 2,118,242.07 MT

2,118,242.07 x $30 = $63,547,262.10.

Cost of response to risk

14,000,000

Description of response and explanation of cost calculation

To mitigate against more stringent regulations around carbon allowances and expected carbon allowance price increases, CRC is working to respond by designing, implementing, and improving our carbon capture and sequestration (CCS) projects to lower our operational GHG emissions and to meet our ESG Goals. This would simultaneously reduce CRC's carbon footprint and decrease the amount of mandatory GHG emission allowances we would need to purchase.

In 2022, CRC continued the implementation and development of CCS in company-owned fields to reach CRC's goal of storing 200 million metric tons of CO2e by 2045. An important joint venture (JV) with Brookfield Renewable began in August of 2022 to focus on CCS development opportunities. Brookfield has committed an initial $500 million to invest in CCS projects that are jointly approved through the JV. The investment from Brookfield will be allocated through the Brookfield Global Transition Fund (BGTF), the world's largest fund dedicated to facilitating the global transition to a net zero carbon economy. The initial Brookfield commitment of $500 million provides CRC with

additional capital to advance the Company's carbon management strategy, de-risks its CCS projects and aims to significantly progress the decarbonization of California.

CRC and its investment partners, including Brookfield, look to invest $2.5 billion over the next 5+ years to advance CCS projects. If permitting and investment timing targets are met, this would mean an average of $500 million per year invested in the energy transition.

In 2022, as part of this investment in CCS, CRC has expended a total cost of approximately $14,000,000 on Carbon Management Expenses which consist of lease cost for sequestration easements, advocacy, and other startup related costs.

The investments made by CRC and BGTF in 2022 and moving forward for the CCS projects will be key in achieving 200 million metric tons of CO2e and CRC's Full-Scope Net Zero Goal by 2045.

Comment

Identifier

Risk 2

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Emerging regulation

Mandates on and regulation of existing products and services

Primary potential financial impact

Increased direct costs

Company-specific description

As a result of severe droughts occurring in California over the last several decades, the Sustainable Groundwater Management Act (SGMA) was passed, which required state designated medium- and high- priority basins and sub-basins to form a groundwater sustainability agency and to develop long-term groundwater sustainability plans. Under SGMA, groundwater sustainability agencies may implement plans and policies that restrict groundwater extraction and water usage and increase the cost of water. Regulations developed by these agencies may affect the cost to operate certain CRC facilities, particularly for fresh water needed for power generation and farming operations, which may increase operating costs ranging from $100 to $500 per acre feet for 5,000 acre-feet. The vast majority of water used by CRC's operations is recycled produced water that is not expected to be affected by these groundwater management plans.

Time horizon

Medium-term

Likelihood
Unlikely

Magnitude of impact
Medium

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)
500,000

Potential financial impact figure – maximum (currency)
2,500,000

Explanation of financial impact figure
If fresh water supplies were curtailed significantly, CRC could experience higher operating costs in certain areas, particularly with respect to electricity generation that requires fresh cooling water supply and farming operations. In the event of curtailment, CRC may need to identify alternative water supplies and/or further expand our produced water treatment and recycling. CRC estimated the financial impact of freshwater curtailment by varying the cost of water from $100 to $500 per acre foot for the amount of water we typically use in one year – approximately 5,000-acre feet. At costs above that amount, we would increase recycling and use of non-fresh water supplies.

Minimum Figure:
$100 per acre ft (price of water) * 5,000-acre feet (amount of water used) = $500,000

Maximum Figure:
$500 per acre ft (price of water) * 5,000-acre feet (amount of water used) = $2, 500,000

Cost of response to risk
1,629,988

Description of response and explanation of cost calculation
Water management is an essential part of our operations and is a method we implement to address the risks associated with groundwater mandates, such as the SGMA. For example, we treat and re-use water co-produced with oil and natural gas for vital activities. We also provide treated, reclaimed water to agricultural water districts while also using supplied water from various local and regional sources in our power plants and in support of operations. Through these investments, we have served for years as a net water supplier to agriculture. In 2022, CRC supplied 4.97 billion gallons of treated, reclaimed water to agricultural water districts, sustaining our role as a net water supplier.

In order to progress towards our Freshwater Usage Reduction Goal of 30% reduction by 2025 based on a 2022 baseline, we have installed meters at our Elk Hills Field and performed leak detection surveys to gather data and identify places where we can reduce our freshwater usage.

While most water for our operations is recycled water, we have invested in additional water treatment and recycling facilities to ensure our freshwater use does not affect the availability of water to local communities near our operations. For example, CRC already recycles 99 percent of our produced water at Elk Hills for pressure maintenance and waterflood projects to recover additional oil in place, up from zero percent when the U.S. Government operated the field. In 2022, CRC continued designing, investing, and expanding our water recycling at Elk Hills to recycle and transport an additional 5.5 million bbls per year for pressure maintenance and waterflood use and to prepare certain oil and gas formations for carbon capture and sequestration. Project start up is scheduled for 2023. Additionally, in 2022, nine water meters were installed at Elk Hills in an effort to identify any opportunities to reduce freshwater consumption.

The $1,629,988 total cost of response is based on the following 2021 expenditures:
-Staffing of 2.5 full-time employees: $500,000
-Design and permit resources required by water management team to reduce produced water disposal, maximize its reuse as our primary water source, and further reduce our use of freshwater resources: $300,000
-Engineering costs: $78,447
-Procurement costs: $47,736
-Construction costs: $418,805
- As well as the 2022 expenditure of $285,000 to install water meters at Elk Hills.

Comment

Identifier

Risk 3

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Current regulation

Mandates on and regulation of existing products and services

Primary potential financial impact

Decreased revenues due to reduced demand for products and services

Company-specific description

CRC is the largest oil and natural gas producer in California. In 2022, we supplied 118 thousand barrels of oil equivalent per day of crude oil, natural gas and natural gas

liquids. State policies that restrict the use of petroleum products and political measures to impose restrictions on the production of petroleum products or subsidize other forms of energy may affect the demand for our products and services resulting in up to $32.4 million in decreased revenues. For instance, the Inflation Reduction Act, signed into law in August 2022, could further accelerate the transition of the economy away from fossil fuels towards lower- or zero-carbon emission alternatives. This is a relevant risk to CRC because 97.6% of our total operating revenues were from oil, natural gas and NGL sales in 2022.

This risk is considered very unlikely and of medium magnitude because the company and its key customers make products with tremendous versatility. Currently, most of CRC's products and those of its customers are consumed locally due to high California demand. There are multiple markets globally for California products, as well as critical petroleum-based products that would be needed locally, even if California demand were artificially curtailed by state government action. In fact, in such a scenario, CRC's local production could become even more important to meet local needs.

Time horizon

Long-term

Likelihood

Very unlikely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

32,401,710.6

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

The maximum financial impact assumes curtailing of natural gas sales in certain locations, which we believe is a very unlikely scenario. Total 2022 natural gas production in our Sacramento Valley production operations was 8,437,945.48 MSCF. If 50% of our Sacramento Valley gas production operations were to shut in, at $7.68 per MSCF financial impact to sales, this would result in a potential $32.4 million in decreased revenues. (50% x 8,437,945.48 MSCF x $7.68/MSCF = 32,401,710.60)

The state’s continued vulnerability to power outages and power shutoffs make this risk very unlikely, with natural gas continuing to serve a pivotal role in electricity generation and heating, cooking and industrial applications.

Cost of response to risk

14,196,000

Description of response and explanation of cost calculation

CRC is constantly evaluating its operations to reduce carbon intensity production in order to mitigate potential risks related to potential state policies to restrict the use or production of petroleum. This includes our successful methane emission reduction projects, as well as our ongoing expansion of renewable energy at our operations and our Elk Hills carbon capture and storage project. For example, in 2019 CRC immediately implemented strategies to increase renewable energy consumption by entering several 20-year solar PPAs, four of which have been issued a Notice to Proceed in 2022 and are on track to be online in 2024. A total of 38.5 MW of solar power will be provided to four CRC oilfields to reduce the carbon intensity of those fields and a set of smaller back of the meter solar projects are being assessed in 2022 totalling approximately 10 additional MW of solar power. Additionally, the Carbon TerraVault JV project at the Elk Hills Power Plant, when permitted, funded, and installed, would reduce CRC's carbon dioxide emissions by 30%. In 2022, costs incurred by CRC for these projects include staffing, site preparation and permitting, as well as Carbon Management expenses such as lease cost for sequestration easements, advocacy, and other startup related costs. The implementation of these projects will allow us to diversify our energy mix to mitigate the impacts of state policies that impose restrictions on our petroleum products.

The cost of implementing these CCS and solar projects in 2022, which will help CRC reduce GHG allowances, is as follows:
-Internal staffing costs: $140,000
-Site preparation costs: $46,000
-Permitting (land easement costs): $10,000
-CCS development costs: $14,000,000

$140,000 + $46,000 + $10,000 + $17420,000,000 = $14,196,000.

Comment

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Opp1

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Energy source

Primary climate-related opportunity driver

Use of new technologies

Primary potential financial impact

Other, please specify

Avoided GHG Allowance costs

Company-specific description

CRC and its predecessor invested billions of dollars in acquiring the Elk Hills Field and consolidating the field and the surrounding fields CRC operates with integrated infrastructure for power generation and distribution, oil and natural gas gathering, natural gas and NGL processing and water management, all managed from a Consolidated Control Facility at Elk Hills. The 550 megawatt, combined-cycle Elk Hills Power Plant generates electricity for the Elk Hills Field and surrounding fields and supplies surplus electricity to a local utility and the grid sufficient to power over 300,000 homes. As part of CRC's Full-Scope 2045 Net Zero Goal, CRC's Carbon TerraVault has joined in a joint venture with Brookfield Global Transition Fund, called Carbon TerraVault JV, which is targeting 5 million metric tons per annum of CO2 injection by year end 2027. CRC is a supplier of the lowest carbon intensity oil production of the top 100 producers in the U.S. and one of the only E&P companies with a Full-Scope Net Zero Goal that is aligned with Paris Agreement. CRC is dedicated to being a significant part of the solution for reaching and maintaining carbon neutrality, and helping California meet its emissions reduction goals. CRC has successfully submitted about 120 million metric tons of CO2 Class VI storage permits to the EPA, completed multiple FEED studies and project cost evaluations of capture equipment, experienced subsurface, reservoir and injection management capabilities and developed a team of 39 individuals focused on all aspects of this Carbon Management Business. Carbon capture from the Elk Hills Power Plant or similar facilities in the area would reduce GHG allowance costs and generate Low Carbon Fuel Standard credits. With a 2022 price of carbon allowances of $30, the estimated savings to CRC from mitigated GHG allowance purchases is $49,760,728.50 annually.

Time horizon

Long-term

Likelihood

More likely than not

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

49,760,728.5

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Carbon capture from facilities, such as the Elk Hills Power Plant would reduce GHG allowance costs and could generate Low Carbon Fuel Standard credits. Calculated potential financial impact consists of avoided GHG allowance costs at Elk Hills Power Plant [$30 (2022 futures price) for 1.66 MM metric tons of CO2e].
$30 x 1,658,690.95 metric tons CO2e = $49,760,728.50

This figure does not include OPEX, oil production benefits, or monetization of other potential environmental benefits or credits (e.g., LCFS credits), or potential federal (45Q) or state tax credits, which depend on the final design, scope, permitting and timing of the Carbon TerraVault project.

Cost to realize opportunity

14,000,000

Strategy to realize opportunity and explanation of cost calculation

We have a dedicated CCS Team of 39 people focused on all aspects of CRC's Carbon Management Business including storage permits submitted to the EPA, FEED studies and project cost evaluations of capture equipment, and subsurface, reservoir and injection management skills and capabilities. In line with our Full-Scope 2045 Net Zero Goal, the Carbon TerraVault JV targets 5 million metric tons per annum of permanent CO2 storage by the end of 2027. We plan to design and permit the state's first CCS system at our Elk Hills Field. The CCS system, if permitted, funded and installed, would put the Elk Hills Power Plant on a path to serve as a carbon neutral source of base-load electricity for California. In 2022, CRC continued working towards the implementation of the CCS system by proceeding with refinement of the carbon capture facility design to increase energy efficiency, decrease water requirements and reduce capital expense estimates. Further, CRC evaluated its subsurface assets for use as carbon storage facilities including physical capacities, permitting and regulatory timelines and potential sources of captured CO2. Although the project is still underway, CRC expects the results of our TerraVault I CCS project to increase CRC's ESG leadership within our industry and once operational, save $49,760,728.50 annually in avoided GHG allowance costs.

CRC and its investment partners, including Brookfield, look to invest $2.5 billion over the next 5+ years to advance CCS projects. If permitting and investment timing targets are

met, this would mean an average of $500 million per year invested in the energy transition.

In 2022, as part of this investment in CCS, CRC has expended a total cost of approximately $14,000,000 on Carbon Management Expenses which consist of lease cost for sequestration easements, advocacy, and other startup related costs.

Comment

Identifier

Opp2

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Energy source

Primary climate-related opportunity driver

Use of lower-emission sources of energy

Primary potential financial impact

Other, please specify

Increased revenues through LCFS credits

Company-specific description

CRC has been actively pursuing opportunities to make our operations more efficient than those of our competitors. Over the last several years, we have implemented a number of emissions reduction and energy efficiency projects, such as the design of our Carbon TerraVault carbon capture and sequestration project at our Elk Hills Power Plant, which will allow us to sustainably provide energy to Californians and to provide local solutions to protect our environment and mitigate effects of climate change. For example, implementing CCS through CRC's Carbon TerraVault JV would put the Elk Hills Power Plant on a path to serve as a carbon neutral source of base-load electricity for California and would also result in cost savings from reduced GHG emissions as well as LCFS credits. The value proposition of these projects is also increased by the enhancements to the foundational 45Q tax credit increase from the Inflation Reduction Act of 2022 which increased the 45Q value for CO2 permanently stored in geological formations.

Opportunities to invest in renewables such as the Power Purchase Agreements to construct 45MW of solar capacity adjacent to one or more of its field operations located at North Shafter, Mount Poso, Kern Front, Yowlumne and Long Beach, could generate LCFS credits, leading to increased revenues, which estimated to be approximately $3.9 million.

Time horizon

Short-term

Likelihood

Very likely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

3,942,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

CRC has further developed its plan to develop 45MW of solar generating capacity to serve oil field operations behind the meter. The financial impact reflects estimated annual cost savings of $3.9 million per year. This was calculated by projecting a high value of $50 per MWh generated according to market projections for LCFS credits, along with an estimated 8,760 hours operating at a 20% capacity factor per year. The financial impact breakdown is as follows: 45 MW x 8,760 hours x 20% capacity x $50/MWh = $3,942,000.

Cost to realize opportunity

196,000

Strategy to realize opportunity and explanation of cost calculation

We evaluate all projects for operational efficiency, potential cost savings, and environmental attributes through Operations, HSE and our New Energy Team and have implemented a number of emissions reduction and energy efficiency projects that will help us realize the opportunity of lower emission sources of energy, as well as increased revenues through LCFS credits.

In 2022, CRC entered into a Power Purchase Agreement to construct 45MW of solar capacity adjacent to one or more of its field operations located at North Shafter, Mount Poso, Kern Front, Yowlumne and Long Beach. In 2022, the two larger back of the meter projects at Kern Front (22.8 MW DC) and Mt. Poso (11.7 MW DC) have both been issued a Notice to Proceed and are on track to be online in 2024. Investor due diligence and PPA milestone activities such as environmental and biological surveys, utility interconnection approval, grading permit approval, and Financial close have been completed for Mt. Poso. Advanced investor due diligence as well as PPA milestone activities of environmental and biological surveys, utility interconnection approval

processes, and electrical and civil engineering design have been completed for Kern Front. We are also proceeding with Tidelands – Pier A West (<1 MW) as an internally financed project which has been approved by operations and our partners in Long Beach who are now working on the development. Additionally, we are currently evaluating another set of smaller BTM projects which total of up to about 10 MW. These projects could also generate LCFS credits, leading to increased revenues.

The costs incurred by CRC in 2022 to advance these solar projects include staffing costs ($140,000) + site preparation costs ($46,000) + permitting (land easement) costs ($10,000) = $196,000.

In addition, CRC continued refinement of the carbon capture facility design to increase energy efficiency, decrease water requirements and reduce capital expense estimates. Further, CRC evaluated its subsurface assets for use as carbon storage facilities including physical capacities, permitting and regulatory timelines and potential sources of captured CO2.

Comment

Identifier

Opp3

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Resource efficiency

Primary climate-related opportunity driver

Use of recycling

Primary potential financial impact

Reduced indirect (operating) costs

Company-specific description

Even though CRC's water supply has not been curtailed, we are committed to conserving fresh water and expanding our supply of recycled and reclaimed water. In 2022, we supplied 4.97 billion gallons (15,256 acre-feet) of reclaimed produced water to agricultural water districts, which the districts blend with water from other sources and use for irrigation or recharge. As a result of our investments in water treatment and reclamation, CRC delivers three gallons of reclaimed water for every gallon of fresh water we purchase. This reduces our costs by $11.25 million annually and helps to ensure that our operations sustain the availability of freshwater resources for communities, the ecosystem, and habitat protection.

Time horizon

Short-term

Likelihood

Very likely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

11,252,380.95

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

In 2022, 112,523,809.48 barrels (15,256 acre-feet) of reclaimed produced water was supplied from CRC's Kern Front oil field to the Cawelo and North Kern Water Districts for use in agricultural irrigation or ground water recharge. Water disposal by subsurface injection costs roughly $0.10 per barrel, resulting in operating cost savings of $11.52 million dollars annually.

112,523,809.48 barrels x $0.10 per barrel = $11,252,380.95.

These districts pay a cost for the water that enables CRC to recoup its capital costs in the water reclamation and conveyance systems.

Cost to realize opportunity

440,000

Strategy to realize opportunity and explanation of cost calculation

CRC supports communities where we live and work, including helping local governments and agricultural water districts plan for and alleviate impacts of drought by supplying more treated, reclaimed water for agricultural irrigation. To do this, CRC’s Water Management Team works with local water districts and state agencies to implement conservation and recycling projects to sustain freshwater resources in the communities where we operate. We carefully manage water throughout our operations. For example, CRC recycles or reclaims approximately 90 percent of our produced water, significantly reducing our need to purchase fresh water and preserving freshwater resources. Since our launch in 2014, CRC has served as a net supplier of water, which sustained local farmers in Kern County during the drought when farmers in other areas had to fallow their land. This is an effort that CRC plans to continue as we reach our

Freshwater Usage Reduction Goal by 2025 (short-term time horizon), and to continue for the foreseeable future as water resources in the state of California are expected to maintain a high importance. In 2022, we delivered 4.97 billion gallons of reclaimed water to agricultural water districts. The cost to realize this opportunity is based on the costs associated with sampling and reporting for permit compliance ($340,000) and laboratory services ($100,000) for water analysis in compliance with our permits for the treatment and delivery of reclaimed water and testing of crops.

Sampling and reporting ($340,000) + laboratory services for water analysis and crop testing ($100,000) = $440,000.

Comment

C3. Business Strategy

C3.1

(C3.1) Does your organization's strategy include a climate transition plan that aligns with a 1.5°C world?

Row 1

Climate transition plan

Yes, we have a climate transition plan which aligns with a 1.5°C world

Publicly available climate transition plan

Yes

Mechanism by which feedback is collected from shareholders on your climate transition plan

Our climate transition plan is voted on at AGMs and we also have an additional feedback mechanism in place

Description of feedback mechanism

CRC's 1.5C transition plan is embedded in our overall business strategy as we seek to have the lowest carbon intensity of the top 100 oil and gas producers by 2045 through expanding renewable energy procurement and carbon capture and sequestration. We seek to permanently store captured or removed carbon emissions equal to CRC's scope 1, 2, and 3 emissions by 2045 to align with the State of California's Net Zero ambitions.

CRC provides our shareholders the opportunity to voice feedback on our transition plan and overall carbon management business strategy at our Annual General Meetings (AGMs), as well as during our quarterly earnings calls. This feedback can come in the form of voting on new carbon management-related agendas and/or leadership, letter writing, and participation in other shareholder events. At the conclusion of quarterly and annual report presentations, shareholders and investors are also invited to ask

questions to executives and senior management. These questions at times have related to CRC's net zero goal, overall carbon strategy and upcoming regulations on carbon emissions.

In October 2021 CRC hosted 'Carbon Day' where shareholders had an additional opportunity to listen and ask questions specifically related to CRC's long-term business strategy of carbon management, and associated risks and opportunities as an oil and gas operator. Since then, CRC's investor relations department fields these questions from stakeholders directly and holds conversations around CRC's carbon management business strategy on a regular basis. These topics are also discussed with shareholders during quarterly earnings calls.

Frequency of feedback collection

More frequently than annually

Attach any relevant documents which detail your climate transition plan (optional)

2022 CRC 10-k Annual Report (2).pdf

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

	Use of climate-related scenario analysis to inform strategy
Row 1	Yes, qualitative and quantitative

C3.2a

(C3.2a) Provide details of your organization's use of climate-related scenario analysis.

Climate-related scenario	Scenario analysis coverage	Temperature alignment of scenario	Parameters, assumptions, analytical choices
Physical climate scenarios RCP 4.5	Company-wide		Since CRC operates exclusively in California, we believe California-specific scenarios are most relevant to our business. Starting in late 2018 and continuing into 2022, we updated our scenario planning to incorporate California's Fourth Assessment and its 2018 update to Safeguarding California, in conjunction with Representative Concentration Pathway (RCP) 4.5 to provide climate-related input to our life-of-field planning. Key findings from the report that affect CRC's operations and staff safety are 1) a projected increase in ambient temperature of 5.6 to 8.8F by 2100, 2) a decrease by two-thirds in water supply from snowpack

			in the Sierra Range, which is the major source of freshwater inflow in the southern San Joaquin Valley where the majority of CRC's production is located. By 2050, under certain precipitation conditions, a study estimates California's agricultural production could face climate-related water shortages of up to 16 percent in certain regions 3) Hotter temperatures will increase annual electricity demand for homes, driven mainly by the increased use of air conditioning units. However, increases in peak hourly demand during the hot months of the year could be more pronounced than changes in annual demand. This is a critical finding, because electricity-generating capacity must match peak electricity demand.

C3.2b

(C3.2b) Provide details of the focal questions your organization seeks to address by using climate-related scenario analysis, and summarize the results with respect to these questions.

Row 1

Focal questions

Through the scenario analysis, CRC sought to understand: What is the extent to which our operations and staff safety would be impacted under California's Fourth Assessment and RCP 4.5?

Results of the climate-related scenario analysis with respect to the focal questions

Key findings from the report that affect CRC's operations and staff safety are that the regions in which CRC operates would experience a projected increase in ambient temperature of 5.6 to 8.8F by 2100 and a decrease by two-thirds in water supply from snowpack in the Sierra Range. The area is a major source of freshwater inflow in the southern San Joaquin Valley where approximately 68 percent of CRC's estimated proved reserves are located. In addition, any increases in temperature will significantly impact CRC workers in the field during summer months. By 2050, under certain precipitation conditions, a study estimates California's agricultural production could face climate-related water shortages of up to 16 percent in certain regions. Lastly, hotter temperatures will increase annual electricity demand for homes, driven mainly by the increased use of air conditioning units. However, increases in peak hourly demand during the hot months of the year could be more pronounced than changes in annual demand. This is a critical finding because electricity-generating capacity must match peak electricity demand. The United Nations has stated that carbon capture technology is necessary to meet the goal of the Paris Climate Accord to limit temperature rise to

less than 2 degrees Celsius by 2050, and the 2022 CARB Scoping Plan outlines CCS as a “necessary tool” for Net Zero. This is in part why CRC made the decision to develop our Strategic Carbon Management Partnership, a Joint Venture with Brookfield Renewable - to become a significant part of the solution for reaching and maintaining carbon neutrality. This partnership involves investments that validate the economic feasibility of CRC’s 2045 Net Zero Goal. With the help of this partnership, we have filed four project applications with a total of 200 million metric tons of permanent CO2 storage capacity. This Partnership aims to have 5 million metric tons per annum of CO2 injection by year end of 2027.

C3.3

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	CRC is a supplier of the lowest carbon intensity oil production of the top 100 producers in the U.S. and one of the only E&P companies with a Full-Scope Net Zero Goal aligned with the Paris Agreement. Class VI storage permits have been submitted to the EPA by CRC for permanent storage of approximately 120 million metric tons of CO2 in 2022, which is the most CO2 storage permits filed on record in the country. This installation is in part in response to existing and new regulations including the CARB 2022 Scoping Plan which emphasizes the need to deploy all viable tools including carbon capture and sequestration. In addition, we have a dedicated CCS Team of 39 people that are responsible for the design and implementation of projects that lower our carbon intensity or use lower-emission sources of energy. This would contribute to a substantial decrease in the Carbon Intensity of our production and may lead to increased revenue from increased demand of the low carbon energy source. The most substantial decision made in 2022 is the engagement in Carbon TerraVault JV, a joint venture with Brookfield for the further development of a carbon management business in California. Currently, the Carbon TerraVault JV is targeting the development of up to 5MMT of CO2 injection per annum by year end 2027 and first CO2 injection by year end 2025 and is therefore covered under a medium-term time horizon

		(3 – 10 years).
Supply chain and/or value chain	Yes	California's Cap-and-Trade program and its Methane Rule, as well as the Inflation Reduction Act (the Act) and its fees on methane, have affected the equipment selection we purchase from our suppliers and increased required monitoring and reporting. Much of this is performed by specialized contractors, which leads to an increase in operating and capital costs. In accordance with our Methane Reduction Goal for 2030, and to lower our costs under the Cap-and-Trade program, the Methane Rule and the Act, we have implemented Leak Detection and Repair (LDAR), changed out certain natural gas driven pneumatic devices (e.g., level controllers) to solar air driven units, and installed leak tight components for controllers. CRC performs its own enhanced monitoring of fugitives and exceeds the minimum required fugitive leak inspection frequency by approximately 25% more than what is mandated by LDAR rules from the EPA, California and local air districts in many of our fields. We also employ enhanced detection capabilities such as the FLIR cameras. By the end of 2022, CRC had a fleet of six FLIR cameras dispersed throughout our operations that assist in the screening of our assets for leaks. The cameras are strategically deployed throughout our operations to support our LDAR program as a quality assurance/quality control tool and for investigative purposes. To improve our emissions mitigation strategy, we regularly review innovative technologies to integrate into our operations. We have been continually investing in field-deployed methane detection technology since 2018 with over $1,100,000 invested. CRC has evaluated and implemented the use of fixed methane sensors, and drone/aerial/satellite technology to identify leaks. CRC retrofitted 8 pneumatic devices in 2022 as a pilot to capture methane into our gas collection systems at Elk Hills. CRC also allocated $2.0 MM to address approximately 134 gas driven pneumatic devices in 2023 via a combination of methods including installing zero bleed devices, using air compressors as the drive mechanism, install solar or electric driven devices, or permanently remove other devices. CRC has evaluated this risk of imposed methane fees and estimated it will have a low impact on the company in terms of increased costs,

		partially offset by a positive impact to our continued partnerships with technology developers and our suppliers.
Investment in R&D	Yes	CRC's investment in research and development is focused on exploration and production technology, as well as carbon capture and sequestration (CCS), which has been influenced by the opportunity to reduce emissions and increase water recycling through shifts towards low carbon sources of technology. CRC includes the state's cost of carbon for GHG allowances or offsets in the business decision associated with the development of new facilities and new R&D efforts. We have a dedicated CCS Team of 39 people that are responsible for the design and implementation of projects that lower our carbon intensity or use lower-emission sources of energy. In 2022, following CRC's capital investment in E&P, Corporate, and Carbon Management along with all necessary Carbon Management related startup expenses including (but not limited to) CO2 sequestration easements, FEED studies, permitting, commercial contracts and advocacy, CRC engaged in a joint venture with Brookfield for the further development of a carbon management business in California, called Carbon TerraVault JV. Currently, the Carbon TerraVault JV is targeting the development of up to 5MMT of CO2 storage per year by year end 2027 and first CO2 injection by year end 2025, and is therefore covered under a medium-term time horizon (3 – 10 years). In 2022, Class VI storage permits have been submitted to the EPA by CRC for permanent storage of approximately 120 million metric tons of CO2 in 2022, which is the most CO2 storage permits filed on record in the country. This would serve to close the lifecycle emissions, reducing CRC's scope 3 emissions from processing and use of CRC's products within our supply chain, which would also reduce CRC's operating costs and impact our supply chain strategy in the long term (10–50 years). As of 2023, we're still awaiting permit approval from the EPA.
Operations	Yes	Operations at CRC facilities are impacted by physical risks, such as heatwaves and freezes. In 2021, a heatwave curtailed the power available in California due to a surge in demand from increased air conditioning loads along the west coast and interior of Pacific Northwest states. Because some of California's imported electricity was being redirected to other states, CRC started its co-generation unit to help stabilize the grid and prevent rolling blackouts. This is not considered economically advantageous to our organization

		as this GHG-intensive co-generation requires CRC to purchase more GHG allowances compared to other forms of electricity generation. These heat wave and cold snap events are physical risks that continue to occur each year, causing CRC to run co-generation. Although CRC provides electricity back to California's grid to assist with stabilization efforts in these situations, there were 13 days of co-generation in 2022 which resulted in 3,300 MT CO2e leading to an additional unplanned carbon credit cost of $99,000. CRC expects the risk of future heatwaves to have future impacts on operations when further co-generation is needed to prevent blackouts. Additionally, because California imports over 90% of its natural gas from outside the state, the February 2021 extreme cold front in Texas disrupted power production in Texas, and the distribution of natural gas to other western states including California. CRC was able to quickly adjust operations and shut-in steaming operations at its Kern Front field and make that gas available for other uses within the state during this climate event.

C3.4

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Revenues Direct costs Capital expenditures Capital allocation Acquisitions and divestments Assets	CRC's participation in California's climate-related incentives and programs, as part of our life-of-field resilience planning, is expected to lead to increased revenues. A key example is the generation of credits from California's Low Carbon Fuel Standard (LCFS). LCFS credits will be essential to implement commercial-scale carbon capture and sequestration, including our Carbon TerraVault joint venture, and thereby substantially decrease the carbon intensity of California oil production, refining, use, and GHG emissions for natural gas power plants that remain essential to provide reliable power. In addition to the importance of LCFS credits to our ESG Goals including our Full-Scope 2045 Net Zero Goal, our projects that integrate solar and other renewable energy or energy storage directly with oil and gas operations may also warrant LCFS credits to expedite financing and installation. CRC's team has designed a solar project at a partner's field to provide electricity for steam generation which, if funded and installed, would generate future LCFS credits. Through the project planning phase CRC

		has factored in the generation of future LCFS credits, which would generate revenue over the project's lifetime. CRC estimates the value of LCFS credits for solar projects as $50 per MW (based on LCFS credits valued at $100/MT), which is projected to have a low impact to our revenues. By virtue of operating exclusively in California, CRC is subject to the State's GHG reduction and climate policies, including the Cap-and-Trade program, CARB 2022 Scoping Plan, the LCFS and the Methane Rule. CRC manages these costs through increased efficiency and integrated infrastructure. For example, CRC has invested in efficient natural gas power plants that generate electricity and steam for our oilfield operations and supply excess power to the electrical grid for communities and businesses near our operations. California's regulations are projected to have a medium impact on the company's operating costs, due to our significant self-generation of electricity, integrated infrastructure and other efficiency and mitigation efforts. California's Cap-and-Trade program represents a direct cost to CRC and is directly related to CRC's direct Scope 1 emissions. CRC is developing a carbon capture and storage project for our Elk Hills power plant along with several other major emissions reduction projects at other fields which, when constructed, will reduce significantly CRC's direct costs to comply with the Cap and Trade program. CRC has been actively pursuing opportunities to reduce our carbon intensity and use lower emission sources of energy to make our operations more efficient than that of our competitors. We developed and currently use a unique Value Creation Index (VCI) metric system for project selection and capital allocation across our portfolio of opportunities – calculating the VCI over the project's life and including the Renewable Energy Investment Value and carbon cost. CRC applies a VCI threshold of 1.3 for capital allocation and uses this and other factors to prioritize proposed projects including assumptions about product prices. Through the use of the VCI metric, we determined that the design and development of the CalCapture CCS project at our Elk Hills Field would reduce CRC's statewide CO2 emissions by 30%, put the Elk Hills Power Plant on a path to serve as a carbon neutral source of base-load electricity for California, reduce the carbon intensity of the project's oil by 50%, earn LCFS credits and maximize the productive life of our existing infrastructure while also resulting in cost savings from avoided GHG allowance costs. CRC also pursues other climate mitigation strategies that advance the state's 2045 carbon neutrality goal and CRC's own Full-Scope 2045 Net Zero Goal such as entering into a Power Purchase Agreement to construct 45MW of solar capacity and the facilitating the development of 5,700 acres of 1.4GW utility scale

		solar by others. In 2022, two of these PPAs received a Notice to Proceed and are on track to be online in 2024. A third solar project has been approved by internal operations and financing and is underway. CRC's facilities are impacted by California's Cap and Trade program, including existing and newly acquired facilities. When properties are acquired and CRC assumes operational control, CRC is required to report under Cap and Trade for the entire reporting year even if it has operational control for only a portion of that year. Therefore, acquisitions or dispositions of oil & gas operations affect the quantity of GHG allowances or offsets that CRC must obtain and retire each year and three-year compliance period under the Cap-and-Trade program. CRC's climate-related financial planning strategy puts a further emphasis on assessing our oil production fields to determine their carbon intensity. For example, our Lost Hills Field was entirely divested by 2021. This thermally enhanced production field requires steam injection, a higher natural gas purchase requirement, and therefore has a large carbon footprint. By divesting from this carbon-intensive production site and aligning to our strategy of low-carbon fields CRC's cost for GHG allowances or offsets at that field was reduced by 100%. Additionally, our Ventura basin was sold entirely in 2021 as it – along with the divested Lost Hills site – cannot sequester carbon which CRC sees as a major climate-related risk to our business. These climate-related divestment opportunities mitigate CRC's exposure to potential increases in carbon allowance costs. There were no further divestments or acquisitions in 2022. CRC's physical and property assets have not been significantly affected by climate change, but we have had electrical poles, flow lines and roads damaged and portions of field temporarily shut in due to acute physical events including wildfires, mudslides, and flash floods. As such, we have implemented and continually assess mitigation measures at our operations in areas susceptible to these risks. We assess climate-related impacts in our long range, life-of-field planning, applying state estimates such as the Fourth Assessment from the California Climate Change Center and the California Natural Resources Agency's 2018 Safeguarding California update for scenario analysis, in conjunction with RCP 4.5. We anticipate risks and opportunities may affect our assets in our long-range planning from 10-50 years.

C3.5

(C3.5) In your organization's financial accounting, do you identify spending/revenue that is aligned with your organization's climate transition?

	Identification of spending/revenue that is aligned with your organization's climate transition
Row 1	Yes, we identify alignment with our climate transition plan

C3.5a

(C3.5a) Quantify the percentage share of your spending/revenue that is aligned with your organization's climate transition.

Financial Metric

Other, please specify

Total CRC Capital combined with Total Carbon Management Start Up Expenses

Type of alignment being reported for this financial metric

Alignment with our climate transition plan

Taxonomy under which information is being reported

Objective under which alignment is being reported

Amount of selected financial metric that is aligned in the reporting year (unit currency as selected in C0.4)

Percentage share of selected financial metric aligned in the reporting year (%)

13

Percentage share of selected financial metric planned to align in 2025 (%)

13

Percentage share of selected financial metric planned to align in 2030 (%)

13

Describe the methodology used to identify spending/revenue that is aligned

Total CRC Capital plus Total Carbon Management Expenses encompasses the entire portion of CRC's capital investment in E&P, Corporate, and Carbon Management along with all necessary Carbon Management related startup expenses including (but not limited to) CO2 sequestration easements, FEED studies, permitting, commercial contracts and advocacy.

We forecast flat expenditures in the future.

This financial metric does not include our contributions to the Carbon TerraVault JV, a joint venture with Brookfield for the further development of a carbon management

business in California. We hold a 51% interest in the Carbon TerraVault JV and Brookfield holds a 49% interest. Currently, the Carbon TerraVault JV is targeting the development of up 200MMT of CO2 storage by 2027 and first CO2 injection by 2025. Development of carbon capture and sequestration projects could require over $600M in future contributions to the Carbon TerraVault JV by CRC.

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Absolute target

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number

Abs 1

Is this a science-based target?

Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next two years

Target ambition

1.5°C aligned

Year target was set

2021

Target coverage

Company-wide

Scope(s)

Scope 1
Scope 2
Scope 3

Scope 2 accounting method

Location-based

Scope 3 category(ies)

Category 1: Purchased goods and services
Category 2: Capital goods

Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2)
Category 4: Upstream transportation and distribution
Category 5: Waste generated in operations
Category 6: Business travel
Category 7: Employee commuting
Category 9: Downstream transportation and distribution
Category 10: Processing of sold products
Category 11: Use of sold products

Base year

2020

Base year Scope 1 emissions covered by target (metric tons CO2e)

2,845,818.2

Base year Scope 2 emissions covered by target (metric tons CO2e)

210,557.04

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)

9,362.701

Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)

16,165

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)

136,111

Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)

54,386

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)

83

Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)

3,891

Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)

2,194

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)

300,361

Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO2e)

1,318,410

Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)

15,826,764

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)

Base year Scope 3, Other (upstream) emissions covered by target (metric tons CO2e)

Base year Scope 3, Other (downstream) emissions covered by target (metric tons CO2e)

Base year total Scope 3 emissions covered by target (metric tons CO2e)

17,156,730

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

20,213,105.24

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

100

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

100

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)

100

Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO2e)

100

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

100

Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)

100

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)

100

Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)

100

Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)

100

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO2e)

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)

100

Base year Scope 3, Category 10: Processing of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 10: Processing of sold products (metric tons CO2e)

100

Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)

100

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e)

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 13: Downstream leased assets (metric tons CO2e)

Base year Scope 3, Category 14: Franchises emissions covered by target as % of total base year emissions in Scope 3, Category 14: Franchises (metric tons CO2e)

Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO2e)

Base year Scope 3, Other (upstream) emissions covered by target as % of total base year emissions in Scope 3, Other (upstream) (metric tons CO2e)

Base year Scope 3, Other (downstream) emissions covered by target as % of total base year emissions in Scope 3, Other (downstream) (metric tons CO2e)

Base year total Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

100

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

Target year

2045

Targeted reduction from base year (%)

100

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]

0

Scope 1 emissions in reporting year covered by target (metric tons CO2e)

2,517,281.97

Scope 2 emissions in reporting year covered by target (metric tons CO2e)

246,271.1

Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)

10,247.98

Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)

31,579.8

Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)

182,013

Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

72,727

Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)

58

Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)

3,292

Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)

2,334

Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

353,207

Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO2e)

1,170,945

Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)

13,866,367

Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Other (upstream) emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Other (downstream) emissions in reporting year covered by target (metric tons CO2e)

Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)

15,692,769

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

18,456,322.33

Does this target cover any land-related emissions?

No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

% of target achieved relative to base year [auto-calculated]

8.6913064032

Target status in reporting year

Underway

Please explain target coverage and identify any exclusions

The design and permit of the CalCapture carbon capture and sequestration (CCS) system at Elk Hills by 2030 would, if permitted, funded and installed, reduce CRC's statewide GHG emissions by 30% below our 2013 baseline, and put the Elk Hills Power Plant on a path to serve as a carbon neutral source of base-load electricity for California. This goal involves a multi-year effort to design a CCS system with capacity to achieve the absolute reduction target. Installation of the system and achieving desired GHG reduction would be subject to securing funding commitments and permits. The Elk Hills Field is California's largest in-state supplier of natural gas, The 550-MW Elk Hills Power Plant generates electricity from local natural gas to power the Elk Hills Field and surrounding fields and supply enough surplus electricity to a local utility and California's electric grid, increasing energy efficiency and reducing air emissions. In line with CRC's Full-Scope Net Zero Target, CRC aims to make Elk Hills a model of long-term CCS that can be applied in other oil and gas formations at Elk Hills and other fields CRC operates.

Note: CRC is interested in setting a target validated by the SBTi in the next few years but are waiting for the Oil & Gas sector SBTi methodology to be finalized.

Plan for achieving target, and progress made to the end of the reporting year

The emission reduction plans and targets are predicated on having an operating CalCapture carbon capture and sequestration system at Elk Hills. CRC is targeting full-scope Net Zero by 2045 and defines Net Zero as achieving permanent storage of captured or removed carbon emissions in a volume equal to all of their scope 1, 2 and 3 emissions by the target year of 2045. The CCS at Elk Hills is therefore essential in order to permanently store carbon. The design and permitting process for the carbon sequestration sites at CRC's assets is underway. CRC has applied for permits and the environmental review has begun for two initial permanent Carbon Capture and Storage (CCS) projects at the Elk Hills Field – which are collectively referred to as Carbon TerraVault I. CRC has also entered into a Carbon Dioxide Management Agreement (CDMA) between Carbon TerraVault JV Holdco, LLC (CTV JV) and Lone Cypress Energy Services, LLC (Lone Cypress), an independent energy company focused on the development of low-carbon hydrogen generation facilities and energy infrastructure, to sequester 100,000 metric tons of CO2 per annum from a newly constructed blue hydrogen plant at the Elk Hills Field in Kern County. Called the Lone Cypress Hydrogen Project, the project aims to be California's first blue hydrogen facility producing 30 tons per day and has the potential to expand to 60 tons per day of blue hydrogen with up to 200,000 metric tons of CO2 sequestration per annum. Finally, in May 2022, CRC applied for two Class VI permits for an additional 80 million metric tons of permanent carbon dioxide (CO2) storage for two new Carbon TerraVault carbon capture and storage (CCS) projects in the Sacramento basin, which, subject to approval, brings its total potential permitted storage to 120 million metric tons. This puts CRC over halfway to its target of applying for 200 million metric tons of permanent CO2 storage for Carbon TerraVault CCS projects by the end of 2022.

Our efforts to reduce methane leaks and overall to reduce our methane emissions by

30% by 2030 based on a 2020 baseline, are also in line with our goal to achieve full-scope Net Zero by 2045.

List the emissions reduction initiatives which contributed most to achieving this target

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?

Target(s) to reduce methane emissions
Net-zero target(s)

C4.2b

(C4.2b) Provide details of any other climate-related targets, including methane reduction targets.

Target reference number

Oth 1

Year target was set

2022

Target coverage

Company-wide

Target type: absolute or intensity

Absolute

Target type: category & Metric (target numerator if reporting an intensity target)

Methane reduction target
Other, please specify
Total methane emissions metric tons CH4

Target denominator (intensity targets only)

Base year

2020

Figure or percentage in base year

3,900

Target year

2030

Figure or percentage in target year

2,730

Figure or percentage in reporting year

3,285

% of target achieved relative to base year [auto-calculated]

52.5641025641

Target status in reporting year

New

Is this target part of an emissions target?

NZ1

This target is part of CRC's goal to reach Full-Scope Net Zero by 2045. In 2022, methane was approximately 3.3% of CRC's Scope 1 emissions.

Is this target part of an overarching initiative?

Other, please specify

State of California's 2030 40% Methane Emissions Reduction Goal under Senate Bill 1383 (2016)

Please explain target coverage and identify any exclusions

Both the state and CRC have set aggressive goals to reduce methane emissions. The state's goal under Senate Bill 1383 (2016) is to reduce methane emissions in 2030 by 40 percent below the statewide 2013 level. CRC's Methane Reduction Goal targets a 30 percent reduction in methane emissions company-wide by 2030 from 2020 levels, applying the state's applicable estimation protocols. Through our investments in methane capture, CRC already achieved our previous 2030 Methane ESG Goal to reduce emissions from methane by 50% from our 2013 baseline. In 2021, we surpassed that figure, and had reduced methane emissions by 76.3 percent since 2013 and thus have created a new Methane Reduction Goal by 2030 which is underway to continue reducing our methane emissions. Our emissions reports were verified by an independent third party approved by the state.

Plan for achieving target, and progress made to the end of the reporting year

To achieve this goal, CRC performs its own enhanced monitoring of fugitives by exceeding the minimum required fugitive leak inspection frequency in many of our fields and employing enhanced detection capabilities such as the FLIR cameras. CRC estimates our leak detection and repair (LDAR) survey rate is 25% more frequent than mandated by LDAR rules from the U.S. Environmental Protection Agency (EPA), California and local air districts.

In addition, we regularly review innovative technologies to integrate into our operations. We have been continually investing in field-deployed methane detection technology since 2018 with over $1,100,000 invested. CRC has evaluated and implemented the

use of fixed methane sensors, and drone/aerial/satellite technology to identify leaks. Including satellites in our technology mix gives us an immediate notification for potential larger leaks whereas participation in aerial flight detection programs allow us to identify smaller leaks to immediately mobilize a crew to administer repairs. In 2022 alone, we invested $400,000 for program improvements. We deployed the use of four Tunable Diode Laser (TDL) 300 handheld methane laser units. The units can detect methane up to 100 meters away at volumes from 0 ppm.m to 100,000 ppm.m for operators to use during their daily rounds. CRC installed a fixed continuous methane detection system with 10 sensors at our Tideland Z1-2 production facility and acquired software and a Pergam Falcon methane laser for use via drone flights. CRC retrofitted 8 pneumatic devices in 2022 as a pilot to capture methane into our gas collection systems at Elk Hills.

It is important to note that CRC and its predecessors have for years invested significant resources to produce natural gas for beneficial use and minimize emissions, both in design and construction of new facilities and in retrofitting existing facilities. Our construction of integrated gas gathering, compression and processing facilities near our fields has helped us to ensure a reliable local supply of natural gas for our utility customers and California communities, particularly when interstate pipelines and utility storage facilities undergo inspection and maintenance.

List the actions which contributed most to achieving this target

Target reference number

Oth 2

Year target was set

2022

Target coverage

Company-wide

Target type: absolute or intensity

Absolute

Target type: category & Metric (target numerator if reporting an intensity target)

Resource consumption or efficiency

Other, please specify

Gallons of water

Target denominator (intensity targets only)

Base year

2022

Figure or percentage in base year

106,213

Target year

2025

Figure or percentage in target year

138,076

Figure or percentage in reporting year

118,168

% of target achieved relative to base year [auto-calculated]

37.5200075322

Target status in reporting year

New

Is this target part of an emissions target?

No

Is this target part of an overarching initiative?

No, it's not part of an overarching initiative

Please explain target coverage and identify any exclusions

CRC's Freshwater Usage Reduction Goal aims to reduce freshwater usage in our low carbon intensity fuel production by 30% from our 2022 baseline by 2025 – exceeding California's voluntary 15% water use reduction target.

CRC consistently produces more water for California water districts (approximately 5 billion gallons of treated, reclaimed water in 2022) than we consume for our own operations, which means we are a net water provider. Given the water challenges California faces, CRC will continue to provide water safely and reliably for the state while we advance our focus on further reducing our consumption.

This goal is important because it reflects the beneficial use of produced water from underground oil and gas formations that is only accessible to the state's agricultural or industrial water supply through in-state production. This goal builds on our annual water conservation metric, which measures the volume of our delivery of treated, reclaimed water to agriculture against the volume of fresh water we purchase. CRC's 2030 Water ESG Goal investment in water treatment and conveyance systems by our dedicated hydrologists, environmental scientists, engineers and operations personnel and is subject to the company's liquidity and its value creation index investment threshold, as well as securing funding commitments and permits. Part of this project focuses on re-routing water from our Elk Hills Power Plant that is currently disposed through deep well injection to use in other operations.

Plan for achieving target, and progress made to the end of the reporting year

With new senior company leadership and the backing of the Board of Directors, CRC has evaluated new ESG Goals that are focused on freshwater use reductions, which ranks higher in importance to the communities we serve. A new goal for freshwater use reduction was adopted by the Board of Directors in 2022 to reduce freshwater usage by 30% from a 2022 baseline by 2025. To achieve this goal, CRC installed nine new water meters throughout facilities at Elk Hills to better identify leaks and inefficiencies in water usage in 2022. CRC is evaluating and scoping the installation of water meters at numerous other sites in the LA basin as well.

List the actions which contributed most to achieving this target

Target reference number

Oth 3

Year target was set

2017

Target coverage

Company-wide

Target type: absolute or intensity

Absolute

Target type: category & Metric (target numerator if reporting an intensity target)

Energy consumption or efficiency

Other, please specify

Renewable energy generation capacity (MW)

Target denominator (intensity targets only)

Base year

2013

Figure or percentage in base year

0.1

Target year

2030

Figure or percentage in target year

10

Figure or percentage in reporting year

0.1

% of target achieved relative to base year [auto-calculated]

0

Target status in reporting year

Underway

Is this target part of an emissions target?

Yes, NZ1

Is this target part of an overarching initiative?

Other, please specify

California's Renewable Portfolio Standard

Please explain target coverage and identify any exclusions

CRC aims to increase CRC's renewable generation of electricity or steam by at least 10 megawatts from 2013 levels by 2030. This will help us to integrate renewable energy directly with oil and gas operations where feasible. With new senior company leadership and the backing of the Board of Directors, CRC has evaluated and decided to renew our commitment to this goal.

Plan for achieving target, and progress made to the end of the reporting year

CRC has a dedicated team focused on developing renewable projects at our fields and buildings to maximize efficient energy production. California law provides that the owner of mineral rights can prevent inconsistent surface uses that would interfere with efficient access to underlying oil and natural gas formations. Despite having these controlling legal rights, CRC has collaborated closely with renewable developers. For years, we have enabled solar developers to build 640 megawatts over our mineral properties through surface waiver or mutual use agreements. CRC and our predecessor have voluntarily facilitated 10 large-scale solar projects through such agreements. Under those agreements, CRC relinquished control over significant portions of the surface, while reserving access to underlying minerals through designated surface drilling locations. This provides solar developers with the contiguous large-scale surface footprints they need. In 2022, we proceeded with behind-the-meter projects at Kern Front (22.8 MW DC) and Mt. Poso (11.7 MW DC) under Power Purchase Agreements (PPAs). Both Mt. Poso and Kern Front projects have been issued a Notice to Proceed, but only Mt. Poso has reached financial close, as advanced investor due diligence milestone activities are underway for Kern front. Both projects are on track to begin construction in 2023. We are also proceeding with the Tidelands - Pier A West (<1 MW) project as an internally financed project and are evaluating another set of smaller BRM projects totalling up to ~10 MW.

The New Energy team is also evaluating other renewable projects that complement our operations and utilize our substantial acreage in California. Consistent with our other

ESG Goals, this target is subject to the company's liquidity and its value creation index investment threshold, as well as securing funding commitments and permits. Currently, we have about 30 KW of ancillary solar projects that are used to run instrumentation at our various facilities.

List the actions which contributed most to achieving this target

C4.2c

(C4.2c) Provide details of your net-zero target(s).

Target reference number

NZ1

Target coverage

Company-wide

Absolute/intensity emission target(s) linked to this net-zero target

Abs1

Target year for achieving net zero

2045

Is this a science-based target?

Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next two years

Please explain target coverage and identify any exclusions

Building upon the company's carbon management strategy, in November 2021, CRC adopted a 2045 full-scope Net Zero goal for scope 1, 2 and 3 emissions. This goal places CRC among a select few industry peers to include scope 3 emissions in their Net Zero goal. In addition, CRC's 2045 goal puts the company on a timeframe five years sooner than most other companies' Net Zero goals and aligns CRC with the state of California's 2045 net zero ambitions.

CRC defines Net Zero as achieving permanent storage of captured or removed carbon emissions in a volume equal to all of our scope 1, 2, and 3 emissions by 2045. There are no exclusions to this target coverage.

Do you intend to neutralize any unabated emissions with permanent carbon removals at the target year?

Yes

Planned milestones and/or near-term investments for neutralization at target year

We intend to achieve this goal by prioritizing 50% of our free cash flow to invest in projects that reduce our direct and indirect emissions or achieve sequestration of carbon in volumes necessary to offset these emissions. In addition, the design and permitting process for the carbon sequestration sites at CRC's assets is underway. CRC has applied for permits and the environmental review has begun for two initial permanent Carbon Capture and Storage (CCS) projects at the Elk Hills Field – which are collectively referred to as Carbon TerraVault I. CRC has also entered into a Carbon Dioxide Management Agreement (CDMA) between Carbon TerraVault JV Holdco, LLC (CTV JV) and Lone Cypress Energy Services, LLC (Lone Cypress), an independent energy company focused on the development of low-carbon hydrogen generation facilities and energy infrastructure, to sequester 100,000 metric tons of CO2 per annum from a newly constructed blue hydrogen plant at the Elk Hills Field in Kern County. Called the Lone Cypress Hydrogen Project, the project aims to be California's first blue hydrogen facility producing 30 tons per day and has the potential to expand to 60 tons per day of blue hydrogen with up to 200,000 metric tons of CO2 sequestration per annum. Finally, in May 2022, CRC applied for two Class VI permits for an additional 80 million metric tons of permanent carbon dioxide (CO2) storage for two new Carbon TerraVault carbon capture and storage (CCS) projects in the Sacramento basin, which, subject to approval, brings its total potential permitted storage to 120 million metric tons. This puts CRC over halfway to its target of applying for 200 million metric tons of permanent CO2 storage for Carbon TerraVault CCS projects by the end of 2022.

Our efforts to reduce methane leaks and overall to reduce our methane emissions by 30% by 2030 based on a 2020 baseline, are also in line with our goal to achieve full-scope Net Zero by 2045.

Planned actions to mitigate emissions beyond your value chain (optional)

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	5	34,500

To be implemented*	1	8,100
Implementation commenced*	1	1,700
Implemented*	7	124,000
Not to be implemented	0	0

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Non-energy industrial process emissions reductions

Other, please specify

Oil/natural gas methane leak capture/prevention

Estimated annual CO2e savings (metric tonnes CO2e)

55,000

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 1

Voluntary/Mandatory

Mandatory

Annual monetary savings (unit currency – as specified in C0.4)

100,000

Investment required (unit currency – as specified in C0.4)

2,500,000

Payback period

11-15 years

Estimated lifetime of the initiative

Ongoing

Comment

LDAR and pneumatic device replacement

Initiative category & Initiative type

Energy efficiency in production processes

Reuse of water

Estimated annual CO2e savings (metric tonnes CO2e)

1,000

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 1

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

10,300,000

Investment required (unit currency – as specified in C0.4)

4,500,000

Payback period

<1 year

Estimated lifetime of the initiative

Ongoing

Comment

Reclaimed produced water to agriculture. 0.88 MTCO2e/AF

Initiative category & Initiative type

Non-energy industrial process emissions reductions

Other, please specify

Natural gases

Estimated annual CO2e savings (metric tonnes CO2e)

39,000

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 1

Voluntary/Mandatory

Mandatory

Annual monetary savings (unit currency – as specified in C0.4)

970,000

Investment required (unit currency – as specified in C0.4)

9,750,000

Payback period

11-15 years

Estimated lifetime of the initiative

Ongoing

Comment

When a natural gas customer in Huntington Beach converted to episodic operation and reduced its demand, our operations were required to flare. To avoid long-term flaring, CRC contracted with a local utility to build a natural gas sales pipeline that commenced operation in 2018 to ensure a dependable outlet for our natural gas and has significantly reduced flaring.

Initiative category & Initiative type

Non-energy industrial process emissions reductions

Other, please specify

Natural gas

Estimated annual CO2e savings (metric tonnes CO2e)

29,000

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 1

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

1,200,000

Investment required (unit currency – as specified in C0.4)

200,000

Payback period

<1 year

Estimated lifetime of the initiative

Ongoing

Comment

After a third party ceased providing gas transmission from one of our fields, we partnered with another company in 2017 to compress natural gas that would have required flaring for use in our steam generation at another field. This project significantly reduced flaring in the originating field and our electricity demand from the grid for steam generation in the receiving field.

Initiative category & Initiative type

Energy efficiency in production processes

Other, please specify

Reuse of water

Estimated annual CO2e savings (metric tonnes CO2e)

100,000

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 1

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

14,010,073

Investment required (unit currency – as specified in C0.4)

0

Payback period

<1 year

Estimated lifetime of the initiative

Ongoing

Comment

Optimized steaming patterns to rationalize production versus fuel use.

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Compliance with regulatory requirements/standards	As a company based entirely in California with a 100 percent California workforce, we are committed to developing affordable, reliable and local oil and gas resources, in compliance with regulatory requirements/standards that reduce the State's dependency on imported energy from places that do not meet California's world-leading environmental, labor and safety standards.
Employee engagement	At CRC, a Sustainability Team comprised of Operations, Corporate Development, HSE and Production Technology personnel is dedicated to identifying potential GHG reduction and energy efficiency projects, conducting economic analysis and implementing projects where and when they are economically feasible. Our workforce is encouraged to identify ideas to increase our efficiency and reduce our emissions. The Sustainability Team analyzes these ideas, as well as operating procedures for our assets to maximize methane capture and beneficial use of methane and improve energy efficiency.
Financial optimization calculations	All projects are subject to market conditions. As such, the fixed-capital investment for a given project is not the only aspect of determining if a project will be economically viable based on CRC's value creation index investment criteria. In addition to the required capital investment, we evaluate operating costs and taxes or fees, including the cost of

	GHG allowances to determine if the project will meet our investment criteria.
Internal price on carbon	Given that GHG allowance prices are expected to increase over time, our long-term capital projects are reviewed and updated in our life-of-field planning to reflect the costs and options for energy efficiency and reliability, operating scenarios and alternative fuel choices such as electrification, use of natural gas in lieu of diesel engines, and use of renewable energy sources, along with other management and economic alternatives. The Sustainability Team actively supports these efforts, as well as frequently monitoring the market price of GHG allowances, which sets a price of carbon emissions in California.
Internal incentives/recognition programs	CRC's Executive Pay Goal links 30% of executive annual incentive pay related to company performance to ESG metrics, among the highest ESG weighting in the industry, underscoring the commitment of CRC's leadership to achieving our ESG goals.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products?

Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products.

Level of aggregation

Product or service

Taxonomy used to classify product(s) or service(s) as low-carbon

No taxonomy used to classify product(s) or service(s) as low carbon

Type of product(s) or service(s)

Power

Other, please specify

Electricity generation from natural gas

Description of product(s) or service(s)

Electricity generation from natural gas

Have you estimated the avoided emissions of this low-carbon product(s) or service(s)

Yes

Methodology used to calculate avoided emissions

The Avoided Emissions Framework (AEF)

Life cycle stage(s) covered for the low-carbon product(s) or services(s)

Use stage

Functional unit used

MT CO2e per MWh

Reference product/service or baseline scenario used

Electricity production from burning coal

Life cycle stage(s) covered for the reference product/service or baseline scenario

Use stage

Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario

0.6101

Explain your calculation of avoided emissions, including any assumptions

We generate all of our electricity needs at our Elk Hills operations, which utilizes approximately a third of the output of the 550-megawatt combined-cycle power plant located adjacent to our Elk Hills processing facilities, and we sell surplus power to a local utility and the grid sufficient to power over 300,000 homes. We also operate a 46-megawatt cogeneration facility at Elk Hills that provides resource diversity and additional reliability in support field of operations. Within our Long Beach operations, we operate a 45-megawatt power generating facility that provides over 40 percent of our electricity requirements in the Wilmington Field, reducing operating costs and our demand on the grid. This electricity is generated from natural gas-fired power plants, which emit approximately 40 to 60 percent of the GHGs of comparable coal-fired power plants widely used in other states and other countries. Furthermore, Elk Hills Power reduces the energy necessary to transport gas via interstate or intrastate pipelines or the utility distribution system. Additionally, line losses associated with transmission are reduced significantly through local power generation.

The Elk Hills plant produces power at a carbon intensity of 0.3999 MT CO2e/MWh. According to the EIA (https://www.eia.gov/tools/faqs/faq.php?id=74&t=11), a standard coal plant produces power at 1.01 MT CO2e/MWh. Our Elk Hills Power Plant produced 3,686,885.68 MWh in 2022. Using these intensity factors and applying the Avoided Emissions Framework, if a standard coal plant were to produce the same amount of power, this would be equivalent to 3,723,754.54 MT CO2e (Business-as-usual scenario). While at Elk Hills plant, this would be equivalent to 1,474,385.58 MT CO2e (low carbon solution). As such, the amount of emissions avoided would be equivalent to 2,249,368.95 MT CO2e, with the carbon abatement factor being the net avoided emissions (2,249,368.95 MT CO2e) per MWh production at Elk Hills facility (3,686,885.68 MWh) or 0.6101 MT CO2e/MWh.

Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year

9.6

C-OG4.6

(C-OG4.6) Describe your organization's efforts to reduce methane emissions from your activities.

CRC operates exclusively in California and is governed by the California Air Resources Board's stringent world-leading climate-related regulations. These regulations include CARB's Methane Rule, which expands leak detection and repair (LDAR) programs. In addition to routinely conducting all LDAR inspections to levels at least 25% more stringent than regulatory requirements, CRC increased monitoring even before the Methane Rule was issued such that substantial compliance was achieved six months ahead of regulatory deadlines. CRC's updated Methane Emissions Reduction Goal commits the company to further reducing its methane emissions by 30% from our 2020 baseline by 2030. This goal builds on our previous methane reduction goal to lower methane emissions by 50% from our 2013 baseline by 2030, which we surpassed in 2018 (12 years ahead of schedule). Our updated methane goal now significantly exceeds California's own 2030 methane reduction goal.

CRC's current focus for methane reduction is on pneumatics and Leak Detection and Repair programs (LDAR). We have been continually investing in field-deployed methane detection technology since 2018 with over $1,100,000 invested. CRC has evaluated and implemented the use of fixed methane sensors, and drone/aerial/satellite technology to identify leaks. Including satellites in our technology mix gives us an immediate notification for potential larger leaks whereas participation in aerial flight detection programs allow us to identify smaller leaks to immediately mobilize a crew to administer repairs. In late 2022, we began testing the best technology for completing these surveys and monitoring methane leaks. This has included purchasing drones and 8 TDL methane detection lasers to make detection easier as cameras are no longer needed. Two pilot fence-line monitoring programs have also been established at the Tidelands Z1 and Huntington Beach facilities, with two additional pilots recently installed in Huntington Beach with a different vendor and technology to do a side-by-side comparison of the monitoring. So far, the system providing the most accurate results involves using 18 censors, but we are still refining the best monitoring system for our sites. We also have a partnership with the Lawrence-Livermore National Laboratory (which began in 2022) to complete a summation survey at Elk Hills.

In 2022 alone, we invested $400,000 for program improvements. We deployed the use of four Tunable Diode Laser (TDL) 300 handheld methane laser units. The units can detect methane up to 100 meters away at volumes from 0 ppm.m to 100,000 ppm.m for operators to use during their daily rounds. CRC installed a fixed continuous methane detection system with 10 sensors at our Tideland Z1-2 production facility and acquired software and a Pergam Falcon methane laser for use via drone flights. CRC has also retained a satellite detection company to survey our core assets on a quarterly basis and purchased one more FLIR camera, an additional methane sensing equipped drone, and nine (9) handheld TDL 300 methane lasers. CRC retrofitted 8 pneumatic devices in 2022 as a pilot to capture methane into our gas collection

systems at Elk Hills. As a result of these investments, emissions of methane from CRC's operations have decreased by 36.8% between 2018 and 2022 and 52.6% of our updated methane reduction target achieved. Our annual methane emissions reports have received successful third-party verification in accordance with state regulations in 2021, with the 2022 report underway.

C-OG4.7

(C-OG4.7) Does your organization conduct leak detection and repair (LDAR) or use other methods to find and fix fugitive methane emissions from oil and gas production activities?

Yes

C-OG4.7a

(C-OG4.7a) Describe the protocol through which methane leak detection and repair or other leak detection methods, are conducted for oil and gas production activities, including predominant frequency of inspections, estimates of assets covered, and methodologies employed.

CRC has a leak detection and repair program (LDAR) currently in place at all facilities addressing components at a level 25% more stringent than regulatory mandates in components subject to leak detection, count of leaks allowed, and leak detection thresholds. Our LDAR program covers all gas service components without regard to exemption from VOC related programs based on methane content of streams. This program uses EPA Method 21 on a quarterly basis to inspect components for methane leaks, identify any leaks, and schedule repairs within specific regulatory timeframes to reduce leak rates. In addition, we also use our more stringent internal monitoring to initiate repairs. In the past, we used FLIR methane cameras to visually identify leaks. However, we recently purchased 8 TDL cameras and drones fitted with an optical gas imaging technology to enhance our ability to locate methane emissions for our remote operations. These new methods have decreased the use of slower screening FLIR cameras. FLIR cameras still have a place in our program when the laser cameras cannot distinguish leaking components in concentrated areas. As a result of our frequent inspections, proactive identification of components needing maintenance, and overall rapid response, our LDAR program contributed to emissions of methane from CRC's operations decreasing by 36.8% between 2018 and 2022. CRC's LDAR program has helped us simultaneously reduce emissions and costs while helping to maintain natural gas sales volumes.

We have continued to strengthen and enhance this program to meet CARB's new Methane Rule that took effect in 2018 and expanded requirements for leak detection and repair. Even before the rule was issued, CRC increased monitoring such that substantial compliance was achieved six months ahead of regulatory deadlines.

C-OG4.8

(C-OG4.8) If flaring is relevant to your oil and gas production activities, describe your organization's efforts to reduce flaring, including any flaring reduction targets.

CRC flares natural gas under permits issued by regulatory agencies. Flaring allows us to maintain wells and reservoirs at our fields in a steady state of operation. The flaring equipment and emissions are regulated by federal and state agencies, and we have reduced flaring volumes by 25% since 2013.

It is important to note that flaring currently represents only 2.4% of our GHG emissions, which is considered not relevant and not viewed as a significant source to our operations. This is due to high utilization and capture of associated gas and low gas to oil ratios in the fields that CRC operates.

C5. Emissions methodology

C5.1

(C5.1) Is this your first year of reporting emissions data to CDP?

No

C5.1a

(C5.1a) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

Row 1

Has there been a structural change?

No

C5.1b

(C5.1b) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

	Change(s) in methodology, boundary, and/or reporting year definition?
Row 1	No

C5.2

(C5.2) Provide your base year and base year emissions.

Scope 1

Base year start

January 1, 2020

Base year end

December 31, 2020

Base year emissions (metric tons CO2e)

2,845,818.2

Comment

Third party verified emissions

Scope 2 (location-based)

Base year start

January 1, 2020

Base year end

December 31, 2020

Base year emissions (metric tons CO2e)

210,557.04

Comment

Third party verified electricity purchases

Scope 2 (market-based)

Base year start

January 1, 2020

Base year end

December 31, 2020

Base year emissions (metric tons CO2e)

214,441.312

Comment

CRC uses grid electricity and published carbon intensity of that grid to calculate scope 2 emissions.

Scope 3 category 1: Purchased goods and services

Base year start

January 1, 2020

Base year end

December 31, 2020

Base year emissions (metric tons CO2e)

9,362.701

Comment

Contractor Fuel

Scope 3 category 2: Capital goods

Base year start

January 1, 2020

Base year end

December 31, 2020

Base year emissions (metric tons CO2e)

31,579.8

Comment

Steel and concrete

Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)

Base year start

January 1, 2020

Base year end

December 31, 2020

Base year emissions (metric tons CO2e)

182,013

Comment

Production and processing emissions from gas purchased

Scope 3 category 4: Upstream transportation and distribution

Base year start

January 1, 2020

Base year end

December 31, 2020

Base year emissions (metric tons CO2e)

72,727

Comment

Transportation of gas purchased

Scope 3 category 5: Waste generated in operations

Base year start

January 1, 2020

Base year end
December 31, 2020

Base year emissions (metric tons CO2e)
58

Comment
Hazardous and non-hazardous waste transport

Scope 3 category 6: Business travel

Base year start
January 1, 2020

Base year end
December 31, 2020

Base year emissions (metric tons CO2e)
3,292

Comment
Flights and fleet purchases

Scope 3 category 7: Employee commuting

Base year start
January 1, 2020

Base year end
December 31, 2020

Base year emissions (metric tons CO2e)
2,194

Comment
Employee commuting

Scope 3 category 8: Upstream leased assets

Base year start
January 1, 2020

Base year end
December 31, 2020

Base year emissions (metric tons CO2e)
0

Comment
No leased assets included

Scope 3 category 9: Downstream transportation and distribution

Base year start
January 1, 2020

Base year end
December 31, 2020

Base year emissions (metric tons CO2e)
353,207

Comment
Crude transport to refinery, refined products transport, NGL transport, and Gas transport

Scope 3 category 10: Processing of sold products

Base year start
January 1, 2020

Base year end
December 31, 2020

Base year emissions (metric tons CO2e)
1,318,410

Comment
Refinery emissions + NGL Processing

Scope 3 category 11: Use of sold products

Base year start
January 1, 2020

Base year end
December 31, 2020

Base year emissions (metric tons CO2e)
15,826,764

Comment
Refinery products + NGLs + NG

Scope 3 category 12: End of life treatment of sold products

Base year start
January 1, 2020

Base year end
December 31, 2020

Base year emissions (metric tons CO2e)
0

Comment

Included in use of sold products

Scope 3 category 13: Downstream leased assets

Base year start

January 1, 2020

Base year end

December 31, 2020

Base year emissions (metric tons CO2e)

0

Comment

No downstream assets

Scope 3 category 14: Franchises

Base year start

January 1, 2020

Base year end

December 31, 2020

Base year emissions (metric tons CO2e)

0

Comment

No franchises

Scope 3 category 15: Investments

Base year start

January 1, 2020

Base year end

December 31, 2020

Base year emissions (metric tons CO2e)

0

Comment

No investments

Scope 3: Other (upstream)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3: Other (downstream)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

C5.3

(C5.3) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

US EPA Mandatory Greenhouse Gas Reporting Rule
Other, please specify
California GHG MRR

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)

2,517,281.97

Comment

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

We are reporting a Scope 2, market-based figure

Comment

Since CRC is located in California, we purchase electricity from utilities with significant renewable sources, including PG&E and Southern California Edison. CRC uses third party verified electricity purchase totals and California grid carbon intensity as published by US EPA.

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based

246,271.101

Scope 2, market-based (if applicable)

252,094.419

Comment

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1, Scope 2 or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure?

No

C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

10,247.98

Emissions calculation methodology

Fuel-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0.07

Please explain

Calculated based on reported fuel use by contractors.

Capital goods

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

31,579.76

Emissions calculation methodology

Spend-based method

Average product method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0.2

Please explain

Calculated using custom emission factors focused on steel and concrete used in capital projects.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

40,530

Emissions calculation methodology

Average product method

Fuel-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0.26

Please explain

Based on natural gas purchased and upstream emission factors from EPA lifecycle analysis.

Upstream transportation and distribution

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

16,195

Emissions calculation methodology

Average product method

Fuel-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0.1

Please explain

Based on natural gas purchased and upstream emission factors from EPA lifecycle analysis.

Waste generated in operations

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

57.63

Emissions calculation methodology

Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Based trucking emission factor along with waste volumes produced.

Business travel

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

3,291.87

Emissions calculation methodology

Fuel-based method

Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0.02

Please explain

Based on estimated flight count, actual distances and emission factors for commercial airline travel.

Employee commuting

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

2,334.13

Emissions calculation methodology

Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0.02

Please explain

Based on estimated commute distances, frequencies, fuel efficiencies and actual employee count.

Upstream leased assets

Evaluation status

Not relevant, explanation provided

Please explain

CRC has no upstream leased assets

Downstream transportation and distribution

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

353,206.59

Emissions calculation methodology

Average product method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

2.28

Please explain

Based on actual production volumes of oil, natural gas liquids, and natural gas along with emission factors from EPA and CARB contained in life cycle analyses.

Processing of sold products

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

1,170,944.55

Emissions calculation methodology

Average data method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

7.56

Please explain

Substantially all of our crude oil production is connected to California markets via our crude oil gathering pipelines, which are used almost entirely for our production. We currently sell all of our crude oil into the California refining markets. We do not transport, refine or process the crude oil we produce and do not have any significant long-term crude oil transportation arrangements in place.

This calculation uses the Average Data Method which provides emissions based on actual emissions from California refineries and actual crude throughput to develop a per barrel emission factor. This factor is multiplied by actual crude production.

Use of sold products

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

13,866,366.86

Emissions calculation methodology

Average product method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

89.49

Please explain

The calculation uses the volume of end product. Using this approach, an emissions factor is applied to an end product volume. The end product volume is also estimated based on volume of raw product (i.e. crude) sold to refinery if unknown. Refinery throughputs are estimates based on national or international production ratios. Examples of agencies providing emissions factors, and production ratios include American Petroleum Institute, and the U.S. Energy Information Administration.

End of life treatment of sold products

Evaluation status

Not relevant, explanation provided

Please explain

This is not a relevant source because GHG life cycle assessments of our products do not include an end-of-life stage, due to the fact that petroleum fuels are consumed during use and petroleum feedstocks are consumed or transformed during manufacturing processes.

Downstream leased assets

Evaluation status

Not relevant, explanation provided

Please explain

Currently, CRC does not have any downstream leased assets.

Franchises

Evaluation status

Not relevant, explanation provided

Please explain

Currently, CRC does not have any franchises.

Investments

Evaluation status

Not relevant, explanation provided

Please explain

Currently, CRC does not have any Scope 3 emissions from other investments.

Other (upstream)

Evaluation status

Not relevant, explanation provided

Please explain

Currently, CRC does not have any other significant upstream leased assets.

Other (downstream)

Evaluation status

Not relevant, explanation provided

Please explain

Currently, CRC does not have any other downstream leased assets.

C6.7

(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?

No

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure

0.001

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

2,763,553.07

Metric denominator

unit total revenue

Metric denominator: Unit total

2,707,000,000

Scope 2 figure used

Location-based

% change from previous year

37.5

Direction of change

Decreased

Reason(s) for change

Change in renewable energy consumption
Other emissions reduction activities

Please explain

In the 2022 reporting year, there was a gross total scope 1 + 2 emissions of 2,763,553.07 and a total revenue of 2,707,000,000 USD, leading to an intensity figure of 0.0010. This year, CRC has seen a 37.5% decrease in their intensity figure due an increase in product revenue along with decreases in emissions led by a change in operation in our power plants in Long Beach. This plant reduced production during peak solar production and ramped up output during peak demand. This resulted in a decreased total output and emissions and increased consumption of electricity

purchased. contributing to Scope 1 emissions reductions in addition to increased revenue due to market conditions.

Intensity figure

0.0730729

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

2,763,553.07

Metric denominator

barrel of oil equivalent (BOE)

Metric denominator: Unit total

37,819,120

Scope 2 figure used

Location-based

% change from previous year

1.51

Direction of change

Decreased

Reason(s) for change

Change in renewable energy consumption
Other emissions reduction activities

Please explain

The intensity figure decreased by approximately 1.51% due to CRC's decreased production caused by natural field decline. The majority of CRC's emissions come from electricity production, which is not affected by oil production.

C-OG6.12

(C-OG6.12) Provide the intensity figures for Scope 1 emissions (metric tons CO2e) per unit of hydrocarbon category.

Unit of hydrocarbon category (denominator)

Other, please specify
Thousand BOE

Metric tons CO2e from hydrocarbon category per unit specified

66.56

% change from previous year

4

Direction of change

Decreased

Reason for change

In 2022, we produced less of our own electricity and consumed more from the grid than compared to 2021 which resulted in a decrease in Scope 1 emission per thousand BOE intensity. In 2022 we emitted 2.517MM MTCO2 to produce 37,819 MBOE for a Scope 1 intensity of 66.56 MT/MBOE. In 2021, we emitted 2.451MM MTCO2e to produce 40,069 MBOE for a scope 1 intensity of 69.38 MT/MBOE. This is a decrease of 4.06%.

Comment

C-OG6.13

(C-OG6.13) Report your methane emissions as percentages of natural gas and hydrocarbon production or throughput.

Oil and gas business division

Upstream

Estimated total methane emitted expressed as % of natural gas production or throughput at given division

0.07

Estimated total methane emitted expressed as % of total hydrocarbon production or throughput at given division

0.01

Details of methodology

We had decreases in CO2 and CH4 emissions due to ongoing fluctuations in our business.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?

Yes

C7.1a

(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

Greenhouse gas	Scope 1 emissions (metric tons of CO2e)	GWP Reference
CO2	2,433,876.38	Other, please specify California Code of Regulations, Title 17, Division 3, Chapter 1, Subchapter 10, Article 2, Mandatory Greenhouse Gas Reporting Regulation (MRR)
CH4	3,285.28	Other, please specify California Code of Regulations, Title 17, Division 3, Chapter 1, Subchapter 10, Article 2, Mandatory Greenhouse Gas Reporting Regulation (MRR)
N2O	4.28	Other, please specify California Code of Regulations, Title 17, Division 3, Chapter 1, Subchapter 10, Article 2, Mandatory Greenhouse Gas Reporting Regulation (MRR)

C-OG7.1b

(C-OG7.1b) Break down your total gross global Scope 1 emissions from oil and gas value chain production activities by greenhouse gas type.

Emissions category

Fugitives

Other (please specify)

Total

Value chain

Upstream

Product

Oil

Gross Scope 1 CO2 emissions (metric tons CO2)

18,300.92

Gross Scope 1 methane emissions (metric tons CH4)

1,299.38

Total gross Scope 1 emissions (metric tons CO2e)

50,792.15

Comment

Emissions category

Venting

Fugitives

Value chain

Upstream

Product

Oil

Gross Scope 1 CO2 emissions (metric tons CO2)

6,687.57

Gross Scope 1 methane emissions (metric tons CH4)

1,153.42

Total gross Scope 1 emissions (metric tons CO2e)

35,523.09

Comment

Emissions category

Flaring

Fugitives

Value chain

Upstream

Product

Oil

Gross Scope 1 CO2 emissions (metric tons CO2)

11,522.94

Gross Scope 1 methane emissions (metric tons CH4)

60.65

Total gross Scope 1 emissions (metric tons CO2e)

13,045.31

Comment

Emissions category

Fugitives

Other (please specify)

E&P, excluding venting & flaring, and all other

Value chain

Upstream

Product

Oil

Gross Scope 1 CO2 emissions (metric tons CO2)

90.41

Gross Scope 1 methane emissions (metric tons CH4)

85.31

Total gross Scope 1 emissions (metric tons CO2e)

2,223.75

Comment

Emissions category

Fugitives

Other (please specify)

Total

Value chain

Upstream

Product

Gas

Gross Scope 1 CO2 emissions (metric tons CO2)

20.54

Gross Scope 1 methane emissions (metric tons CH4)

1,495.36

Total gross Scope 1 emissions (metric tons CO2e)

37,404.71

Comment

Emissions category

Venting

Fugitives

Value chain

Upstream

Product

Gas

Gross Scope 1 CO2 emissions (metric tons CO2)

19.17

Gross Scope 1 methane emissions (metric tons CH4)

1,494.56

Total gross Scope 1 emissions (metric tons CO2e)

37,383.28

Comment

Emissions category

Flaring

Fugitives

Value chain

Upstream

Product

Gas

Gross Scope 1 CO2 emissions (metric tons CO2)

0

Gross Scope 1 methane emissions (metric tons CH4)

0

Total gross Scope 1 emissions (metric tons CO2e)

0

Comment

Emissions category

Fugitives

Other (please specify)

E&P, excluding venting and flaring, and all other

Value chain

Upstream

Product

Gas

Gross Scope 1 CO2 emissions (metric tons CO2)

1.37

Gross Scope 1 methane emissions (metric tons CH4)

0.8

Total gross Scope 1 emissions (metric tons CO2e)

21.43

Comment

Emissions category

Fugitives

Value chain

Midstream

Product

Gas

Gross Scope 1 CO2 emissions (metric tons CO2)

24,375.63

Gross Scope 1 methane emissions (metric tons CH4)

181.42

Total gross Scope 1 emissions (metric tons CO2e)

28,923.14

Comment

Emissions category

Combustion (excluding flaring)

Value chain

Upstream

Product

Oil

Gross Scope 1 CO2 emissions (metric tons CO2)

115,726.86

Gross Scope 1 methane emissions (metric tons CH4)

11.1

Total gross Scope 1 emissions (metric tons CO2e)

116,068.59

Comment

Emissions category

Combustion (excluding flaring)

Other (please specify)

Refining

Value chain

Upstream

Product

Gas

Gross Scope 1 CO2 emissions (metric tons CO2)

0

Gross Scope 1 methane emissions (metric tons CH4)

0

Total gross Scope 1 emissions (metric tons CO2e)

0

Comment

Emissions category

Combustion (excluding flaring)

Other (please specify)

Electricity generation

Value chain

Midstream

Product

Gas

Gross Scope 1 CO2 emissions (metric tons CO2)

1,658,441.55

Gross Scope 1 methane emissions (metric tons CH4)
184.18

Total gross Scope 1 emissions (metric tons CO2e)
1,663,895.49

Comment

Emissions category
Combustion (excluding flaring)

Value chain
Other (please specify)
Other

Product
Oil

Gross Scope 1 CO2 emissions (metric tons CO2)
627,223.83

Gross Scope 1 methane emissions (metric tons CH4)
114.25

Total gross Scope 1 emissions (metric tons CO2e)
630,445.87

Comment

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/area/region.

Country/area/region	Scope 1 emissions (metric tons CO2e)
United States of America [1]	2,517,281.97

[1] All of CRC's operations occur within California, USA.

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.
By activity

C7.3c

(C7.3c) Break down your total gross global Scope 1 emissions by business activity.

Activity	Scope 1 emissions (metric tons CO2e)
Combustion	2,400,161.83
Fugitive	3,698.17
Mobile	0.14
Flaring	40,393.14
Venting	73,028.69

C-CE7.4/C-CH7.4/C-CO7.4/C-EU7.4/C-MM7.4/C-OG7.4/C-ST7.4/C-TO7.4/C-TS7.4

(C-CE7.4/C-CH7.4/C-CO7.4/C-EU7.4/C-MM7.4/C-OG7.4/C-ST7.4/C-TO7.4/C-TS7.4) Break down your organization's total gross global Scope 1 emissions by sector production activity in metric tons CO2e.

	Gross Scope 1 emissions, metric tons CO2e	Comment
Oil and gas production activities (upstream)	2,517,281.97	
Oil and gas production activities (midstream)	0	
Oil and gas production activities (downstream)	0	

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/area/region.

Country/area/region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
United States of America	246,271.101	252,094.419

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By business division

C7.6a

(C7.6a) Break down your total gross global Scope 2 emissions by business division.

Business division	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Corporate office	12,313.56	12,604.72
Field offices/operations	233,957.55	239,489.7

C7.7

(C7.7) Is your organization able to break down your emissions data for any of the subsidiaries included in your CDP response?

No

C-CE7.7/C-CH7.7/C-CO7.7/C-MM7.7/C-OG7.7/C-ST7.7/C-TO7.7/C-TS7.7

(C-CE7.7/C-CH7.7/C-CO7.7/C-MM7.7/C-OG7.7/C-ST7.7/C-TO7.7/C-TS7.7) Break down your organization's total gross global Scope 2 emissions by sector production activity in metric tons CO2e.

	Scope 2, location-based, metric tons CO2e	Scope 2, market-based (if applicable), metric tons CO2e	Comment
Oil and gas production activities (upstream)	246,271.101	252,094.419	
Oil and gas production activities (midstream)	0	0	
Oil and gas production activities (downstream)	0	0	

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Decreased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change in emissions	Emissions value (percentage)	Please explain calculation

Change in renewable energy consumption	54,721	Decreased	28	Renewable energy consumption decreased by 28% in the reporting year due to an increase in the overall amount of electricity purchased from utilities, of which renewable resources is a part of their portfolio. The increased electricity consumption resulted in an increase in scope 2 emissions of 54,271 MTCO2e, which was offset by a decrease in scope 1 emissions, including emissions from electricity generation, of 262,718 MTCO2e. Scope 1+2 emissions for 2022 were 2,763,553 MTCO2e, a decrease of 7.0% from 2021.
Other emissions reduction activities	262,718.03	Decreased	9.45	We had a decrease of 9.45% in scope 1 GHG emissions from our operations due to lower generation of electricity in 2022 due to market factors.
Divestment				
Acquisitions				
Mergers				
Change in output				
Change in methodology				
Change in boundary				
Change in physical operating conditions				
Unidentified				
Other				

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Location-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 15% but less than or equal to 20%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	Yes

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)	0	11,262,292.42	11,262,292.42
Consumption of purchased or acquired electricity		363,336.28	689,812.37	1,053,148.65

Consumption of self-generated non-fuel renewable energy		0.03		0.03
Total energy consumption		363,336.28	11,952,104.79	12,315,441.1

C8.2b

(C8.2b) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	Yes
Consumption of fuel for the generation of heat	No
Consumption of fuel for the generation of steam	Yes
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	Yes

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Sustainable biomass

Heating value

Unable to confirm heating value

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

0

MWh fuel consumed for self- cogeneration or self-trigeneration

0

Comment

Other biomass

Heating value

Unable to confirm heating value

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

0

MWh fuel consumed for self- cogeneration or self-trigeneration

0

Comment

Other renewable fuels (e.g. renewable hydrogen)

Heating value

Unable to confirm heating value

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

0

MWh fuel consumed for self- cogeneration or self-trigeneration

0

Comment

Coal

Heating value

Unable to confirm heating value

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

0

MWh fuel consumed for self- cogeneration or self-trigeneration

0

Comment

Oil

Heating value

HHV

Total fuel MWh consumed by the organization

40,469.32

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

0

MWh fuel consumed for self- cogeneration or self-trigeneration

0

Comment

Diesel

Emissions from liquid fuels are estimated using emission factors in tables 2-3 of California Air Resource Board" Mandatory Report Regulation.

Gas

Heating value

HHV

Total fuel MWh consumed by the organization

11,221,823.11

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

2,862,316.87

MWh fuel consumed for self- cogeneration or self-trigeneration

8,354,997.06

Comment

Natural Gas + Propane Gas

Emissions from gaseous fuels are estimated using emission factors in tables 2-3 of California Air Resource Board Mandatory Report Regulation.

Other non-renewable fuels (e.g. non-renewable hydrogen)

Heating value

HHV

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

0

MWh fuel consumed for self- cogeneration or self-trigeneration

0

Comment

Emissions from liquid fuels are estimated using emission factors in tables 2-3 of California Air Resource Board Mandatory Report Regulation.

Total fuel

Heating value

HHV

Total fuel MWh consumed by the organization

11,262,292.43

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

2,862,316.87

MWh fuel consumed for self- cogeneration or self-trigeneration

8,354,997.06

Comment

Emissions from liquid fuels are estimated using emission factors in tables 2-3 of California Air Resource Board Mandatory Report Regulation.

C8.2d

(C8.2d) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

	Total Gross generation (MWh)	Generation that is consumed by the organization (MWh)	Gross generation from renewable sources (MWh)	Generation from renewable sources that is consumed by the organization (MWh)
Electricity	3,990,940.77	1,424,732.25	0	0
Heat	0	0	0	0
Steam	2,862,316.87	2,862,316.87	0	0
Cooling	0	0	0	0

C8.2e

(C8.2e) Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero or near-zero emission factor in the market-based Scope 2 figure reported in C6.3.

Country/area of low-carbon energy consumption

United States of America

Sourcing method

Other, please specify

Green electricity products (e.g. green tariffs) from an energy supplier, not supported by energy attribute certificates

Energy carrier

Electricity

Low-carbon technology type

Low-carbon energy mix, please specify

Electricity generation from Natural gas

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

1,053,148.65

Tracking instrument used

No instrument used

Country/area of origin (generation) of the low-carbon energy or energy attribute

United States of America

Are you able to report the commissioning or re-powering year of the energy generation facility?

Yes

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

2021

Comment

All of our sites are located in California and as a result the generation mix that we purchase from utilities relies much less on coal and relatively more on both natural gas and renewables than what our counterparts in other states are using. Unlike many other states, the bulk of California electricity is generated from natural gas-fired power plants (including the Elk Hills Power Plant that CRC owns and operates), which emit approximately 40 to 60 percent of the GHGs of comparable coal-fired power plants widely used in other states and other countries. In addition, California requires utilities to increase the amount of renewable energy that they sell to retail customers as part of the California Renewable Portfolio Standards (RPS) Program. As part of the RPS, utilities are required to sell at least 33 percent renewable energy by 2020 and 50 percent renewable energy by 2050.

C8.2g

(C8.2g) Provide a breakdown by country/area of your non-fuel energy consumption in the reporting year.

Country/area

United States of America

Consumption of purchased electricity (MWh)

1,053,148.65

Consumption of self-generated electricity (MWh)

1,424,732.25

Consumption of purchased heat, steam, and cooling (MWh)

0

Consumption of self-generated heat, steam, and cooling (MWh)

2,862,316.87

Total non-fuel energy consumption (MWh) [Auto-calculated]

5,340,197.77

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

Description

Other, please specify

Methane

Metric value

82,132

Metric numerator

metric tonnes CO2e

Metric denominator (intensity metric only)

% change from previous year

1.88

Direction of change

Increased

Please explain

The increase in methane emissions is due to a change in emission calculation method required by a change in gas quality. We continue our leak detection and repair program and change out methane pneumatic devices, which will contribute to the expected decrease in our methane emissions in the future.

C-OG9.2a

(C-OG9.2a) Disclose your net liquid and gas hydrocarbon production (total of subsidiaries and equity-accounted entities).

	In-year net production	Comment
Crude oil and condensate, million barrels	35.07	
Natural gas liquids, million barrels	6.01	
Oil sands, million barrels (includes bitumen and synthetic crude)	0	
Natural gas, billion cubic feet	139.5	

C-OG9.2b

(C-OG9.2b) Explain which listing requirements or other methodologies you use to report reserves data. If your organization cannot provide data due to legal restrictions on reporting reserves figures in certain countries/areas, please explain this.

The engineering and geological professionals of California Resources Corporation (CRC) estimate the proved reserves, volumes, and economic evaluations and determining the reserves classifications based on the definitions and disclosure guidelines of the United States Securities and Exchange Commission (SEC) Title 17, Code of Federal Regulations, Modernization of Oil and Gas Reporting, Final Rule released January 14, 2009 in the Federal Register (SEC regulations). The results are disclosed by CRC in filings made with the SEC in accordance with the disclosure requirements set forth under Section 229.1202(a) (8) of the SEC regulations. Our process is reviewed, according to Paragraph 2.2(h) contained in the Society of Petroleum Engineers (SPE) Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserves Information (SPE auditing standards) by independent third-party auditors. We use deterministic methods to estimate probable reserve quantities, and when deterministic methods are used, it is as likely as not that actual remaining quantities recovered will exceed the sum of estimated proved plus probable reserves. The estimation of reserves involves two distinct determinations. The first determination results in the estimation of the quantities of recoverable oil and gas and the second determination results in the estimation of the uncertainty associated with those estimated quantities in accordance with the definitions set forth by the SEC's Regulations in Part 210.4-10(a). The process of estimating the quantities of recoverable oil and gas reserves relies on the use of certain analytical procedures fall into three broad categories or methods: (1) performance-based methods; (2) volumetric-based methods; and (3) analogy.

C-OG9.2c

(C-OG9.2c) Disclose your estimated total net reserves and resource base (million boe), including the total associated with subsidiaries and equity-accounted entities.

	Estimated total net proved + probable	Estimated total net proved + probable + possible reserves (3P) (million BOE)	Estimated net total resource base (million BOE)	Comment

	reserves (2P) (million BOE)			
Row 1	0	0	417	

C-OG9.2d

(C-OG9.2d) Provide an indicative percentage split for 2P, 3P reserves, and total resource base by hydrocarbon categories.

	Net proved + probable reserves (2P) (%)	Net proved + probable + possible reserves (3P) (%)	Net total resource base (%)	Comment
Crude oil/ condensate/ natural gas liquids	72	72	72	
Natural gas	28	28	28	
Oil sands (includes bitumen and synthetic crude)	0	0	0	

C-OG9.2e

(C-OG9.2e) Provide an indicative percentage split for production, 1P, 2P, 3P reserves, and total resource base by development types.

Development type

Onshore

In-year net production (%)

100

Net proved reserves (1P) (%)

100

Net proved + probable reserves (2P) (%)

100

Net proved + probable + possible reserves (3P) (%)

100

Net total resource base (%)

100

Comment

Development type

Tight/shale

In-year net production (%)

0

Net proved reserves (1P) (%)

0

Net proved + probable reserves (2P) (%)

0

Net proved + probable + possible reserves (3P) (%)

0

Net total resource base (%)

0

Comment

C-OG9.5a/C-CO9.5a

(C-OG9.5a/C-CO9.5a) Break down, by fossil fuel expansion activity, your organization's CAPEX in the reporting year and CAPEX planned over the next 5 years.

	CAPEX in the reporting year for this expansion activity (unit currency as selected in C0.4)	CAPEX in the reporting year for this expansion activity as % of total CAPEX in the reporting year	CAPEX planned over the next 5 years for this expansion activity as % of total CAPEX planned over the next 5 years	Explain your CAPEX calculations, including any assumptions
Exploration of new oil fields	0	0	0	We do not have expansion activities this year, and we have not set plans yet.
Exploration of new natural gas fields	0	0	0	We do not have expansion activities this year, and we have not set plans yet.
Expansion of existing oil fields	0	0	0	We do not have expansion activities this year, and we

				have not set plans yet.
Expansion of existing natural gas fields	0	0	0	We do not have expansion activities this year, and we have not set plans yet.

C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6

(C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6) Does your organization invest in research and development (R&D) of low-carbon products or services related to your sector activities?

	Investment in low-carbon R&D	Comment
Row 1	Yes	

C-CO9.6a/C-EU9.6a/C-OG9.6a

(C-CO9.6a/C-EU9.6a/C-OG9.6a) Provide details of your organization's investments in low-carbon R&D for your sector activities over the last three years.

Technology area	Stage of development in the reporting year	Average % of total R&D investment over the last 3 years	R&D investment figure in the reporting year (unit currency as selected in C0.4) (optional)	Average % of total R&D investment planned over the next 5 years	Explain how your R&D investment in this technology area is aligned with your climate commitments and/or climate transition plan
Carbon capture, utilization, and storage (CCUS)	Applied research and development	95	14,000,000	99	In 2022, CRC continued the implementation and development of CCS in company-owned fields to reach CRC's goal of storing 200 million metric tons of CO2e by 2045 through CCS. An important joint venture (JV) with Brookfield Renewable began in August of 2022 to focus on CCS development

					opportunities. Brookfield has committed an initial $500 million to invest in CCS projects that are jointly approved through the JV. The investment from Brookfield will be allocated through the Brookfield Global Transition Fund (BGTF), the world's largest fund dedicated to facilitating the global transition to a net zero carbon economy. The initial Brookfield commitment of $500 million provides CRC with additional capital to advance the Company's carbon management strategy, de-risks its CCS projects and aims to significantly progress the decarbonization of California. CRC and its investment partners, including Brookfield, look to invest $2.5 billion over the next 5+ years to advance CCS projects. If permitting and investment timing targets are met, this would mean an average of $500 million per year invested in the energy transition. In 2022, as part of this investment in CCS, CRC has expended a total cost of approximately $14,000,000 on Carbon

					Management Expenses which consist of lease cost for sequestration easements, advocacy, and other startup related costs. The investments made by CRC and BGTF in 2022 and moving forward for the CCS projects will be key in achieving 200 million metric tons of CO2e and CRC's Full-Scope Net Zero Goal by 2045.
Other, please specify Solar energy generation	Applied research and development	5	696,000	0	We are investing in both Behind the Meter (BTM) solar with battery storage and Front of the Meter (FTM) solar in order to achieve our Full Scope Net-Zero goal by 2045. We will complete these projects in 2023, therefore we won't be investing additional funds into solar projects in the next 5 years. We plan to bring up to 45 megawatts (MW) of renewable energy online by installing several behind-the-meter (BTM) solar projects. Our BTM solar projects are used solely to power our business operations and will help reduce our total Scope 2 emissions. CRC invested approximately $196,000

					in 2022 to advance these projects. CRC is also actively repurposing our surface holdings space to enable third party partners to develop utility-scale solar projects on our properties that contribute generation capacity to the state's grid. As a result, while we continually lower our carbon intensity through operational improvements and our BTM projects, we are also helping the state meet its net-zero carbon grid target by providing opportunities for front-of-the-meter (FTM) solar development locations with energy storage systems. CRC invested approximately $500,000 in 2022 to advance these projects.

C-OG9.7

(C-OG9.7) Disclose the breakeven price (US$/BOE) required for cash neutrality during the reporting year, i.e. where cash flow from operations covers CAPEX and dividends paid/ share buybacks.

19.16

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status

Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	No third-party verification or assurance

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Reasonable assurance

Attach the statement

CRC+-+Los+Angeles+Basin+Statement+-+RY2022.pdf
2022 - CREH - Verification+Statement-104014-2022.pdf
CRC+-Sacramento+Valley+Basin+Statement+-+RY2022.pdf
2022 - SJV - Verification+Statement-104030-2022.pdf

Page/ section reference

See Attached 2022 CRC GHG verification statements. Includes both Scope 1 and 2 emissions verification statements and full report. Each document represents verification statement and report of one covered CRC facility' emissions or one covered product.

Relevant standard

California Mandatory GHG Reporting Regulations (CARB)

Proportion of reported emissions verified (%)

100

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach

Scope 2 location-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Reasonable assurance

Attach the statement

CRC+-+Los+Angeles+Basin+Statement+-+RY2022.pdf
2022 - CREH - Verification+Statement-104014-2022.pdf
CRC+-Sacramento+Valley+Basin+Statement+-+RY2022.pdf
2022 - SJV - Verification+Statement-104030-2022.pdf

Page/ section reference

See Attached 2022 CRC GHG verification statements. Includes both Scope 1 and 2 emissions verification statements and full report. Each document represents verification statement and report of one covered CRC facility' emissions or one covered product.

Relevant standard

California Mandatory GHG Reporting Regulations (CARB)

Proportion of reported emissions verified (%)

100

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

Yes

C10.2a

(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C6. Emissions data	Year on year change in	California Mandatory GHG	Under the California GHG Reporting program, our emissions are verified annually.

	emissions (Scope 1)	Reporting Regulations (CARB)	As part of this process, our verifier compares our emissions to past years by reviewing year over year data. Covered product data verification is also completed annually.
C8. Energy	Year on year change in emissions (Scope 2)	California Mandatory GHG Reporting Regulations (CARB)	Under the California GHG Reporting program, our emissions are verified annually. As part of this process, our verifier compares our emissions to past years by reviewing year over year data. Covered product data verification is also completed annually.
C8. Energy	Product footprint verification	California Mandatory GHG Reporting Regulations (CARB)	Under the California GHG Reporting program, our emissions are verified annually. As part of this process, our verifier compares our emissions to past years by reviewing year over year data. Covered product data verification is also completed annually.

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

Yes

C11.1a

(C11.1a) Select the carbon pricing regulation(s) which impacts your operations.

California CaT - ETS

C11.1b

(C11.1b) Complete the following table for each of the emissions trading schemes you are regulated by.

California CaT - ETS

% of Scope 1 emissions covered by the ETS

100

% of Scope 2 emissions covered by the ETS

100

Period start date

January 1, 2022

Period end date

December 31, 2022

Allowances allocated

645,311

Allowances purchased

1,325,662

Verified Scope 1 emissions in metric tons CO2e

2,517,281.97

Verified Scope 2 emissions in metric tons CO2e

508,365.511

Details of ownership

Facilities we own and operate

Comment

California's Cap and Trade program uses a 3-year compliance period. A new 3-year compliance period started in 2019, in accordance with California's Cap and Trade program. In 2022, CRC retired 30% of its compliance obligation for the 2021 production year which for direct emissions totals 902,898 MT CO2e of credits. CRC also generates a compliance obligation for sales of products such as NGLs within the state that is equal to emissions from the use of sold products.

C11.1d

(C11.1d) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?

The California Air Resources Board (CARB) regulations have required the oil and gas industry to obtain GHG emissions allowances corresponding to reported GHG emissions from operations since 2013 and, starting in 2015, from the sale of certain products to customers for use in California as part of the Cap-and-Trade program. Under the program, the CARB set a state-wide maximum limit on total GHG emissions, and this cap declines annually through 2030. We are required then to obtain allowances or qualifying offset credits for each metric ton of GHGs emitted from our operations and from the sale of certain products to customers for use in California. The availability of allowances will decline over time, and the cost to acquire such allowances is expected to increase. CRC has been participating in the California Cap-and-Trade program since its inception in 2013. CRC's key strategy for cost-effective compliance with the California Cap-and-Trade program is to routinely monitor the futures price of GHG emissions allowances in California, which effectively set a price for carbon emissions in the state. In 2022, the futures price was $30 which is the most applicable price for CRC to use. Given that carbon prices are expected to increase over time, within our strategy, long-term capital projects are reviewed and updated in our life-of-field planning to reflect costs and opportunities for energy efficiency and reliability. We applied this strategy at our proposed CalCapture carbon capture and sequestration project at Elk Hills, operating scenarios and

alternative fuel choices such as electrification, use of natural gas, or natural gas liquids in lieu of diesel engines, and use of renewable energy sources along with other management and economic alternatives. In 2022, with a futures price of $30, we avoided GHG allowance costs at Elk Hills Power Plant of $49.8 MM. Costs of such allowances per metric ton of GHG emissions are expected to increase in the future as CARB expands program requirements. These cost triggers also provide opportunities to purchase or sell GHG allowances in transactions with third parties.

C11.2

(C11.2) Has your organization canceled any project-based carbon credits within the reporting year?

Yes

C11.2a

(C11.2a) Provide details of the project-based carbon credits canceled by your organization in the reporting year.

Project type

Forest ecosystem restoration

Type of mitigation activity

Emissions reduction

Project description

For the 2022 reporting year, CRC cancelled 36,114 offsets from US Forest Projects. A forest offset project is a planned set of activities that increases carbon storage in trees or prevents the loss of carbon stored in trees, compared to what would have occurred in the forest absent project activities.

Credits canceled by your organization from this project in the reporting year (metric tons CO2e)

36,114

Purpose of cancellation

Compliance with a carbon pricing system

Are you able to report the vintage of the credits at cancellation?

Yes

Vintage of credits at cancellation

2022

Were these credits issued to or purchased by your organization?

Purchased

Credits issued by which carbon-crediting program

California Air Resources Board Compliance Offset Program

Method(s) the program uses to assess additionality for this project

Not assessed

Approach(es) by which the selected program requires this project to address reversal risk

Monitoring and compensation

Potential sources of leakage the selected program requires this project to have assessed

Ecological leakage

Provide details of other issues the selected program requires projects to address

N/A

Comment

C11.3

(C11.3) Does your organization use an internal price on carbon?

Yes

C11.3a

(C11.3a) Provide details of how your organization uses an internal price on carbon.

Type of internal carbon price

Other, please specify

Futures price

How the price is determined

Alignment with the price of allowances under an Emissions Trading Scheme

Objective(s) for implementing this internal carbon price

Change internal behavior
Drive energy efficiency
Drive low-carbon investment
Other, please specify

Life-of-field planning to provide decision-makers with accurate cost data so that metrics can be evaluated.

Scope(s) covered

Scope 1

Pricing approach used – spatial variance

Uniform

Pricing approach used – temporal variance

Evolutionary

Indicate how you expect the price to change over time

We anticipate that the futures price of California Carbon Allowances (CCA) will increase over time as they are bound by the floor and ceiling prices by regulation and increase each year by 5% plus the consumer price index. Currently, we use the pricing of futures for California Carbon Allowances (CCA) rather than the floor or ceiling prices to evaluate projects and emissions changes. Futures pricing more accurately reflect true costs of carbon emissions under the cap and trade scheme. We align the price of carbon in our project evaluations to the futures price and may escalate based on the 5% and CPI specified by regulation for projects with time horizons that exceed futures markets. In addition, a price for methane has been imposed due to the methane fee contained in the Inflation Reduction Act of 2022. This methane fee escalates to $1600 per ton of methane in 2026.

Actual price(s) used – minimum (currency as specified in C0.4 per metric ton CO2e)

30

Actual price(s) used – maximum (currency as specified in C0.4 per metric ton CO2e)

30

Business decision-making processes this internal carbon price is applied to

Opportunity management

Mandatory enforcement of this internal carbon price within these business decision-making processes

Yes, for some decision-making processes, please specify

Explain how this internal carbon price has contributed to the implementation of your organization's climate commitments and/or climate transition plan

CRC uses the futures price for carbon as opposed to the actual California Cap-and-Trade floor price for the calendar year/quarter because the futures price more accurately reflects the true costs of carbon emissions under the cap and trade scheme. This allows CRC to continue to manage our GHG obligations proactively and provides greater incentives to justify reduction projects. For example, we assess the potential GHG allowance costs of proposed acquisitions and major equipment purchases, and the potential savings and LCFS credits from proposed emission reduction or renewable energy projects as an integral part of our life-of-field planning. We also use the GHG allowance costs of proposed acquisitions and major equipment purchases, as well as LCFS credits, to determine whether projects meet financial expectations. The cost of carbon is escalated each year in the analysis at 5% plus inflation.

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers

Yes, our customers/clients

Yes, other partners in the value chain

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement

Information collection (understanding supplier behavior)

Details of engagement

Collect GHG emissions data at least annually from suppliers

Collect targets information at least annually from suppliers

Collect climate-related risk and opportunity information at least annually from suppliers

Collect climate transition plan information at least annually from suppliers

Collect other climate related information at least annually from suppliers

% of suppliers by number

100

% total procurement spend (direct and indirect)

100

% of supplier-related Scope 3 emissions as reported in C6.5

0

Rationale for the coverage of your engagement

CRC uses a supply chain management program, Veriforce, to qualify all of our suppliers. 100% of our suppliers (597 in total) report annually on their environmental performance (including climate change) in our supplier questionnaire. This provides a critical screening process to identify the best suppliers for us to work with based on their environmental performance, as well as other measures of safety and quality. Most of our suppliers are private enterprises that currently do not focus on ESG metrics for their operations and performance. In 2022, the goal of the Veriforce program is to spread knowledge and awareness of the valuable effect of ESG on suppliers' and our own operations. Since CRC only operates in California, the State's AB32 program already comprehensively regulates GHG emissions from our operations and those of most of our major suppliers and customers through the California-Cap and-Trade program, Low Carbon Fuel Standard, Renewable Portfolio Standard and associated regulations.

Impact of engagement, including measures of success

We measure the success of our Veriforce supply chain management program if 100% of our suppliers is reached by our questionnaire. Most of our suppliers are private enterprises that currently do not focus on ESG metrics for their operations and performance. In 2022, the goal of the Veriforce program is to spread knowledge and awareness of the valuable effect of ESG on our operations to all our suppliers.

Due to our supply chain management program, CRC has been able to work with suppliers who are compliant with state and federal regulations and committed to improving their environmental performance. For example, CRC currently contracts with qualified suppliers for the use of two drilling rigs, at our Huntington Beach and THUMS locations, that are powered by electricity instead of diesel engines. In line with our measure of success, 100% of our contractors were engaged through our Veriforce program. From the responses we obtained from the suppliers through Veriforce, we became aware that future in-depth education campaigns and further engagement with our suppliers are needed to further expand their ESG knowledge.

Comment

CRC actively engages its suppliers to comply with the AB32 Cap-and Trade-Program. Suppliers are managed through the portable combustion equipment (PCE) reporting portal and the Veriforce program which collect information on HSE programs and environmental performance. The suppliers are regularly, and emissions data is collected as applicable. Data is analyzed with other measures of quality and safety to determine preferred suppliers and to further engage suppliers on improving environmental performance indicators.

Type of engagement

Information collection (understanding supplier behavior)

Details of engagement

Collect GHG emissions data at least annually from suppliers
Collect targets information at least annually from suppliers
Collect other climate related information at least annually from suppliers

% of suppliers by number

100

% total procurement spend (direct and indirect)

6

% of supplier-related Scope 3 emissions as reported in C6.5

0

Rationale for the coverage of your engagement

CRC engages with our suppliers through information collection because our suppliers are legally and contractually required to comply with environmental regulations,

including the GHG emission reports as applicable. Suppliers are required to report to CRC any GHG emissions generated at our facilities, which CRC incorporates as applicable into emissions reporting to regulatory agencies as direct Scope 1 emissions. For example, in 2022 CRC required all contractors using fuel burning portable equipment to register in CRC's portable combustion equipment (PCE) reporting portal and other methods of tracking data to report monthly fuel usage. Compliance with GHG and fuel use requirements is mandatory, satisfying requirements under several environmental programs including GHG reporting and failure to report subjects the contractor to suspension or termination of its contract with the company, among other remedies. It is critical that our suppliers report their fuel usage so CRC can accurately report our scope 1 emissions and therefore remain compliant ourselves.

The percentage of suppliers is represented by the number of suppliers that are required to register under CRC's portable combustion equipment reporting portal and to report monthly fuel usage, which is 100% of CRC's fuel suppliers and represents 6% of supplier spend.

Impact of engagement, including measures of success

CRC measures the success of our supplier engagement strategy if 100% of our fuel suppliers are found to be in compliance with applicable federal and state regulations and register in our PCE reporting portal. Since we only engage with suppliers that meet the 100% compliance rate, we consider this supplier engagement strategy a success.

We utilize supplier emissions data and other measures of quality and safety to select preferred suppliers. In addition, the data allows CRC to engage further with our contractors and suppliers regarding their environmental and sustainability planning, including energy efficiency in buildings, vehicles and equipment, recycling, reduced freshwater consumption, and use of recyclable packaging. Engaging with our contractors and suppliers has led to CRC contracting with two drilling rigs, at our Huntington Beach and THUMS locations, that are powered by electricity instead of diesel engines to reduce emissions.

Comment

CRC actively engages its suppliers to comply with the AB32 Cap-and Trade-Program. Suppliers are managed through the portable combustion equipment (PCE) reporting portal and the Veriforce program which collect information on HSE programs and performance. The suppliers are regularly trained, and emissions data is collected as applicable. Data is analyzed with other measures of quality and safety to determine preferred suppliers and to further engage suppliers on improving environmental performance indicators.

C12.1b

(C12.1b) Give details of your climate-related engagement strategy with your customers.

Type of engagement & Details of engagement

Education/information sharing

Share information about your products and relevant certification schemes (i.e. Energy STAR)

% of customers by number

100

% of customer - related Scope 3 emissions as reported in C6.5

100

Please explain the rationale for selecting this group of customers and scope of engagement

Our customers include major utilities and major refineries in California, who in turn supply virtually all California residents and businesses, community members, and stakeholders, such as our shareholders. We are committed to informing our customers, community leaders and other stakeholders about our ambitious environmental goals with the intent to replace our state's dependence on imported energy with locally produced energy from multiple and complementary traditional and renewable in-state resources to increase affordability, reliability and resilience and ensure that energy consumed by Californians is produced under California's leading safety, labor, human rights, climate and environmental standards. For this reason, we engage with 100% of our customers and seek to engage with end users of our products by publicly reporting details of our HSE and sustainability performance and our efforts to address climate change, such as our Carbon TerraVault project at Elk Hills, Net Zero and methane emissions reduction goals, annual milestones to achieve these goals, annual GHG emissions and emissions reductions achieved in our Proxy Statement, annual Sustainability Report and in the Sustainability section of our website. In addition, we heavily market to industries in the power and refineries sectors our Carbon Dioxide Management Agreements (CDMAs). We engage with our customers through CDMAs to share information about our permanent carbon storage services.

We intend to continue to build our carbon management business through Carbon TerraVault. Our efforts will build on the progress made in 2022, including the formation of the Carbon TerraVault JV with Brookfield. We also executed two carbon management service agreements with Lone Cypress Energy Services, LLC, LLC to provide permanent carbon storage. We are focused on signing up for additional emitter projects and submitting additional Class VI permit applications with the EPA for permanent carbon capture and sequestration.

Impact of engagement, including measures of success

As California proposes and implements significant changes in its energy portfolio, we believe that our engagement on the importance of maintaining an affordable, reliable and resilient energy supply from diverse, in-state sources helps to ensure a constructive public policy discussion. One measure of success for this engagement strategy is the amount of Scope 3 emissions that could be decreased from downstream processing of sold products. CRC has engaged with several California refineries that use our products

to evaluate opportunities for CRC to provide carbon sequestration services for their emission sources. These carbon sequestration services to our customers would decrease CRC's Scope 3 emissions by 1.1 million metric tons CO2e per year. In 2022, we executed two carbon dioxide management agreements (CDMAs) with companies from the power and refineries sector to provide permanent carbon storage. With the two CDMAs, it is planned to sequester 470,000 metric tons (MT) of carbon dioxide (CO2) which is in line with our 2045 Full-Scope Net Zero Goal.

Another measure of success is the successful submittal of EPA Class VI permit applications for our Carbon TerraVault projects. To date, we have successfully submitted Class VI permit applications to the EPA for two permanent sequestration projects at our Elk Hills field. We have also submitted permit applications for two permanent sequestration projects in the Sacramento Basin.

C12.1d

(C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.

CRC considers industry groups and government officials as other partners in the value chain.

Industry Groups: CRC engages with industry groups in our value chain on topics related to the oil and gas industry. Specifically, CRC is a member of the California Decarbonization Partnership, a think tank comprised of representatives from organized labor, national labs, power production, cement manufacturers, technology providers and upstream oil producers specifically emphasizing the expansion of carbon capture and sequestration throughout California. CRC chose to engage with the California Decarbonization Partnership because of the opportunity carbon capture and sequestration presents CRC in terms of business profitability while being a climate-mitigation strategy and reducing climate-related risks. The primary method of engagement with this partnership is through industry meetings, the drafting of written letters to government officials, and the identification of eight common principles that members of California Decarbonization Partnership and CRC include in regular business and sustainability operations. They are:

1. Cultivate awareness and understanding of the need for technologies that capture, transport, utilize and permanently store carbon ("carbon capture" technologies) for attaining mid-century climate goals in California and beyond.
2. Promote and inform the development of a technology-neutral policy landscape that affords carbon capture an opportunity to compete in a least-cost climate change mitigation portfolio in California.
3. Facilitate, through stakeholder engagement and information sharing, the development of carbon capture projects at a scale that makes a meaningful contribution to California's climate goals.
4. Promote operations and practices that ensure that projects: have environmental integrity, store carbon dioxide securely and permanently, are transparent, and provide meaningful opportunities for public engagement consistently across jurisdictions.
5. Harness existing jobs and seek to create new ones to facilitate carbon capture deployment and achieve the state's decarbonization goals.
6. Seek to collaborate with new stakeholders that can benefit from the application of carbon capture technologies.

7. Promote research and development that supports the deployment of carbon capture projects through further expanding the existing knowledge base and the range and effectiveness of technologies and practices.
8. Disseminate accurate and scientifically sound information on all aspects of carbon capture technologies and practices.

Government Officials: With the establishment of the eight common principles that promote California's decarbonization through carbon capture and sequestration, CRC engages with California government officials because of the large influence policy has on business operations. This engagement occurs through written letters regarding climate-related and carbon capture and sequestration policy. On December 15th, 2022, for example, CRC co-signed a letter with other industrial, environmental, labor, and research sectors to CARB regarding the final 2022 Scoping Plan Update to achieve Carbon Neutrality by 2045. Within the letter, it is noted that strategies to implement CCS and carbon dioxide removal (CDR) technologies will be necessary to meet these carbon neutrality goals in California. In 2022, we are also evaluating our Elk Hills Power Plant as a potential emissions source for carbon capture and sequestration and are working with a consortium of industry participants to advance the development of a direct air capture (DAC) hub to be located in Kern County. According to the Intergovernmental Panel on Climate Change (IPCC), carbon removal methods such as Direct Air Capture plus Storage (DAC+S) hubs are key to mitigation pathways aimed at keeping global warming to below 1.5 degrees Celsius. California DAC Hub, combined with permanent geological storage, will be essential to executing on those ambitions and helping build a clean and equitable energy economy that benefits all California communities.

C12.2

(C12.2) Do your suppliers have to meet climate-related requirements as part of your organization's purchasing process?

Yes, climate-related requirements are included in our supplier contracts

C12.2a

(C12.2a) Provide details of the climate-related requirements that suppliers have to meet as part of your organization's purchasing process and the compliance mechanisms in place.

Climate-related requirement

Complying with regulatory requirements

Description of this climate related requirement

CRC suppliers are legally and contractually required to comply with environmental regulations, including the GHG emission reports as applicable. Suppliers are required to report to CRC any GHG emissions generated at our facilities, which CRC incorporates as applicable into emissions reporting to regulatory agencies as direct Scope 1 emissions. For example, in 2022 CRC required all contractors using fuel burning portable equipment to register in CRC's portable combustion equipment (PCE) reporting

portal and other methods of tracking data to report monthly fuel usage. Compliance with GHG and fuel use requirements is mandatory, satisfying requirements under several environmental programs including GHG reporting and failure to report subjects the contractor to suspension or termination of its contract with the company, among other remedies. It is critical that our suppliers report their fuel usage so CRC can accurately report our scope 1 emissions and therefore remain compliant ourselves.

100% of the fuel contractors are required to satisfy the GHG and fuel use requirements in 2022. CRC's spending with complying contractors comprised 6% of CRC's total spending on such outside services.

% suppliers by procurement spend that have to comply with this climate-related requirement

100

% suppliers by procurement spend in compliance with this climate-related requirement

6

Mechanisms for monitoring compliance with this climate-related requirement

Supplier self-assessment
Supplier scorecard or rating

Response to supplier non-compliance with this climate-related requirement

Exclude

C12.3

(C12.3) Does your organization engage in activities that could either directly or indirectly influence policy, law, or regulation that may impact the climate?

Row 1

External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact the climate

Yes, we engage directly with policy makers
Yes, our membership of/engagement with trade associations could influence policy, law, or regulation that may impact the climate

Does your organization have a public commitment or position statement to conduct your engagement activities in line with the goals of the Paris Agreement?

Yes

Attach commitment or position statement(s)

Carbon Terravault.pdf

Describe the process(es) your organization has in place to ensure that your external engagement activities are consistent with your climate commitments and/or climate transition plan

We use several internal systems to ensure that our approach to California state climate change policy is consistent. CRC's public statements on climate change are reviewed and vetted by our technical experts (both internal and with outside experts as warranted) and our management team and discussed with the Sustainability - Health, Safety, Environment and Community Committee of our Board of Directors. These statements are then used by our Operations, Corporate Development, HSE and Sustainability teams as the foundation for their work in implementing and updating company policies, risk management analyses and strategic plans and designing specific projects. CRC's engagement with trade associations, labor, agricultural and business groups, policymakers, community organizations and other stakeholders also occurs with ongoing management and Board oversight. The EVP Public Affairs and VP HSE and Sustainability determine whether the engagement is consistent with CRC's overall climate adaptation strategy, have the authority to reject any engagement that is inconsistent, and report on engagement to the CEO and the Sustainability Committee of the Board of Directors.

C12.3a

(C12.3a) On what policy, law, or regulation that may impact the climate has your organization been engaging directly with policy makers in the reporting year?

Specify the policy, law, or regulation on which your organization is engaging with policy makers

CARB has adopted regulations to require monitoring, leak detection, repair and reporting of methane emissions from oil and gas production operations beginning in 2018 and additional controls such as vapor recovery to capture methane emissions in subsequent years. CRC has implemented the applicable monitoring, LDAR and reporting requirements of this regulation.

Category of policy, law, or regulation that may impact the climate

Climate change mitigation

Focus area of policy, law, or regulation that may impact the climate

Emissions – methane

Policy, law, or regulation geographic coverage

Regional

Country/area/region the policy, law, or regulation applies to

United States of America

Your organization's position on the policy, law, or regulation

Support with no exceptions

Description of engagement with policy makers

As a company and through various trade associations we support such as the Western States Petroleum Association (WSPA), it is at times necessary and prudent to interact constructively with legislative and regulatory policy makers. This helps ensure that CRC can continue to provide key energy resources to California in a safe, environmentally sound and cost-effective manner. In this particular case, CRC has been working with regulators and legislators to ensure these rules meet the state's objectives without disrupting our operations and our essential in-state energy supplies.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation

Have you evaluated whether your organization's engagement on this policy, law, or regulation is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Please explain whether this policy, law or regulation is central to the achievement of your climate transition plan and, if so, how?

The Methane Emissions Reduction Goal commits the company to further reduce methane emissions by 30% from our 2020 baseline by 2030. This goal builds on our previous methane reduction goal to lower methane emissions by 50% from our 2013 baseline by 2030, which we surpassed in 2018. Because we have achieved significant methane reductions to date, our updated methane goal significantly exceeds California's 2030 methane reduction goal. To stay on pace with our targets we are currently in the process of changing out methane pneumatic devices to use technologies that do not vent methane, such as solar-powered compressed air. To improve our emissions mitigation strategy, we regularly review innovative technologies to integrate into our operations. Most recently, we implemented the use of optical gas imaging Forward-Looking InfraRed (FLIR) cameras to enhance traditional methane leak detection via handheld portable monitors. These FLIR cameras allow operators to easily detect leaks from difficult-to-monitor locations. We have been continually investing in field-deployed methane detection technology since 2018 with over $500,000 invested. We are currently evaluating the use of handheld methane detection laser units, fixed methane sensors, and drone/aerial/satellite technology to identify leaks. Including satellites in our technology mix would give us an immediate notification for potential larger leaks whereas participation in aerial flight detection programs would allow us to see smaller leaks to immediately mobilize a crew to administer repairs. As of 2022, we have allocated $300,000 to remote sensing methane leak technology. In addition, CRC performs its own enhanced monitoring of fugitives by exceeding the minimum required fugitive leak inspection frequency in many of our fields and employing enhanced detection capabilities such as the FLIR cameras. CRC estimates our leak detection and repair (LDAR) survey rate is 25% more frequent than mandated by LDAR rules from the U.S. Environmental Protection Agency (EPA), California and local air districts. CRC has a current fleet of six FLIR cameras dispersed throughout our operations that assist in the screening of our assets. The cameras are strategically deployed throughout our operations to support our LDAR program as a quality assurance/quality control tool and

for investigative purposes. We have also installed or expanded vapor recovery at tanks storage in the Buena Vista Hills, Kern Front and Mount Poso fields.

Specify the policy, law, or regulation on which your organization is engaging with policy makers

Mandatory Reporting Rule, Cap-and-Trade and Low Carbon Fuel Standard regulations.

Category of policy, law, or regulation that may impact the climate

Climate change mitigation

Focus area of policy, law, or regulation that may impact the climate

Other, please specify

Emissions trading schemes

Policy, law, or regulation geographic coverage

Regional

Country/area/region the policy, law, or regulation applies to

United States of America

Your organization's position on the policy, law, or regulation

Support with major exceptions

Description of engagement with policy makers

As a company and through various trade associations we support such as WSPA, it is at times necessary and prudent to interact constructively with legislative and regulatory policy makers. This helps us ensure that CRC can continue to provide affordable, reliable and local energy resources to California in a safe, environmentally sound and cost-effective manner. CRC is an active participant in the WSPA AB-32 work group, which reviews and addresses proposed modifications to the Mandatory Reporting Rule, Cap-and-Trade and Low Carbon Fuel Standard regulations.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation

CRC supports market-based programs like properly designed cap-and-trade programs as the most cost-effective way to reduce GHG emissions. The California cap-and-trade auction program as currently designed, which is the first of its kind in the United States, requires some companies, including CRC, to purchase allowances to cover GHG emissions they emit. Companies purchase and receive allowances for their emissions, but those allowances will decrease over time. However, as currently implemented, carbon capture and sequestration provide no reduction in compliance obligation (i.e., credits required) and as such, there is an economic disconnect that will decrease the availability of CO2 to store.

Have you evaluated whether your organization's engagement on this policy, law, or regulation is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Please explain whether this policy, law or regulation is central to the achievement of your climate transition plan and, if so, how?

Building upon the Company's previous carbon management strategy, in November 2021, CRC adopted a 2045 Full-Scope Net Zero Goal that targets a timeframe five years sooner than most other companies' net-zero goals and aligns CRC with California's 2045 net-zero ambitions. In 2022, we adopted specific objectives to advance our 2045 goal. We continue to focus our carbon strategy on actionable projects to provide measurable reductions in lieu of targeting offsets or other carbon trading opportunities that use reductions outside California or from non-related sources like forestry. CRC's Sustainability Team evaluates marketing or beneficial use of allowances and offsets under California's Cap-and-Trade program and credits under California's Low Carbon Fuel Standard or GHG reductions. The associated emissions and the cost of carbon under California's Cap-and-Trade program and measures to increase energy efficiency, and opportunities to reduce emissions or releases, and mitigate physical risks associated with climate are included in this evaluation.

Specify the policy, law, or regulation on which your organization is engaging with policy makers

CARB Scoping Plan Update to reach Carbon Neutrality by 2045

Category of policy, law, or regulation that may impact the climate

Climate change mitigation

Focus area of policy, law, or regulation that may impact the climate

Other, please specify

Carbon Capture and Sequestration

Policy, law, or regulation geographic coverage

Regional

Country/area/region the policy, law, or regulation applies to

United States of America

Your organization's position on the policy, law, or regulation

Support with major exceptions

Description of engagement with policy makers

As a company and through various trade associations we support such as WSPA, it is at times necessary and prudent to interact constructively with legislative and regulatory policy makers. This helps us ensure that CRC can continue to provide affordable, reliable and local energy resources to California in an environmentally sound, safe, and cost-effective manner. CRC is an active participant in an ad hoc group of companies which reviews and addresses proposed regulations addressing carbon capture and sequestration, including associated Cap and Trade and Low Carbon Fuel Standard regulations.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation

CRC supports market-based programs like properly designed cap-and-trade programs as the most cost-effective way to reduce GHG emissions. The California cap-and-trade auction program as currently designed, which is the first of its kind in the United States, requires some companies, including CRC, to purchase allowances to cover GHG emissions they emit. Companies purchase and receive allowances for their emissions, but those allowances will decrease over time. However, as currently implemented, carbon capture and sequestration provide no reduction in compliance obligation (i.e., credits required) and as such, there is an economic disconnect that will decrease the availability of CO2 to store.

The exclusion of CCS under Cap and Trade represents a disconnect between the major implementing regulations of AB32 (LCFS, Cap and Trade) and California's carbon neutrality goals. Currently under Cap and Trade, there is no mechanism to allow an entity to subtract captured and geologically sequestered carbon dioxide from its compliance obligation, even when the entity satisfies the requirements of CARB's CCS Protocol to generate LCFS credits. This disconnect means that a CCS project would be treated under Cap and Trade as an uncontrolled source and have to account and acquire allowances or offsets for all captured CO2 as though it were emitted into the atmosphere. Inclusion of CCS under Cap and Trade will facilitate development of a broad spectrum of CCS projects within California's borders, especially for natural gas fired power plants.

Have you evaluated whether your organization's engagement on this policy, law, or regulation is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Please explain whether this policy, law or regulation is central to the achievement of your climate transition plan and, if so, how?

CRC supports the use of carbon capture and storage (CCS) as an integral aspect of California's future GHG reduction goals. Without CCS, these goals may not be attainable. CRC will continue working individually, through trade associations, and with this ad hoc group and other stakeholders in an effort to minimize volatility in the Cap-and-Trade market and to ensure that California retains affordable, reliable in-state energy production to reduce our State's dependency on imported energy which is not produced under California's leading safety, labor, human rights, climate or environmental standards.

To further emphasize our commitment to Environmental, Social and Governance (ESG) leadership, CRC announced a 2045 Full-Scope Net Zero Goal in November 2021 to achieve permanent storage of captured or removed carbon emissions in a volume equal to all of our Scope 1, 2 and 3 emissions by 2045 (2045 Full-Scope Net Zero). This means that CRC will permanently store carbon in amounts equal to our direct emissions (Scope 1), emissions from energy we use and that is produced by others (Scope 2) and emissions from upstream and downstream processing and use of our products (Scope

3) by 2045. CRC has made strides on our emissions reducing projects through continued investment in our carbon management business and the advancement of our solar initiatives. In 2022, we are evaluating our Elk Hills Power Plant as a potential emissions source for carbon capture and sequestration and are working with a consortium of industry participants to advance the development of a direct air capture (DAC) hub to be located in Kern County. According to the Intergovernmental Panel on Climate Change (IPCC), carbon removal methods such as Direct Air Capture plus Storage (DAC+S) hubs are key to mitigation pathways aimed at keeping global warming to below 1.5 degrees Celsius. In the 2022 Scoping Plan For Achieving Carbon Neutrality, CARB quoted the IPCC saying, “The deployment of CDR [carbon dioxide removal] to counterbalance hard-to-abate residual emissions is unavoidable if net zero CO2 or GHG [greenhouse gas] emissions are to be achieved.” California DAC Hub, combined with permanent geological storage, will be essential to execute those ambitions and help build a clean and equitable energy economy that benefits all California communities.

C12.3b

(C12.3b) Provide details of the trade associations your organization is a member of, or engages with, which are likely to take a position on any policy, law or regulation that may impact the climate.

Trade association

Other, please specify

Western States Petroleum Association

Is your organization’s position on climate change policy consistent with theirs?

Consistent

Has your organization attempted to influence their position in the reporting year?

Yes, we publicly promoted their current position

Describe how your organization’s position is consistent with or differs from the trade association’s position, and any actions taken to influence their position

WSPA supports market-based programs like properly designed cap and trade programs as the most cost-effective way to reduce carbon emissions. The California Cap and Trade auction program as currently designed -- the first in the nation -- requires some companies such as CRC to purchase allowances to cover the carbon dioxide they emit. Companies receive certain allowances for their emissions, but those allowances will decrease over the years. Cap-and-Trade auctions are expected to raise the cost of doing business for companies with carbon emissions and could create volatility in California’s energy markets and increase energy prices for California consumers. WSPA

and other industry representatives believe that California's Cap-and-Trade program as currently designed creates competitive disadvantages for some California businesses, including in-state oil and gas producers, manufacturers and refiners, since companies in other states and other countries are not subject to the same environmental regulations and associated costs. As a result, foreign oil producing governments and energy producers in other state have a competitive advantage in selling their products in California, exacerbating the state's chronic dependence on imported energy for places that do not apply California's leading standards.

In addition, through WSPA, CRC assisted the CA government develop the scoping plan for carbon neutrality in 2045. The roadmap for regulatory changes was passed in December 2022 outlining carbon neutrality.

A majority of CRC and WSPA's positions are well-aligned. However, CRC and WSPA differ in how oil in CA is treated under the low carbon fuel standard. The current low carbon fuel standard does not delineate between low carbon and high carbon oil, but CRC believes there should be a distinction between the two to drive reductions in carbon intensity. We are working towards changing this position.

Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)

Describe the aim of your organization's funding

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication

In mainstream reports

Status

Complete

Attach the document

2022 CRC 10-k Annual Report (2).pdf

Page/Section reference

p. 1-168

Content elements

Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics

Comment

Publication

In mainstream reports

Status

Complete

Attach the document

2023-crc-proxy-final.pdf

Page/Section reference

p 2-55

Content elements

Governance
Strategy
Emission targets
Other metrics

Comment

Publication

In mainstream reports

Status

Underway – previous year attached

Attach the document

2021-CRC-Sustainability-Report.pdf

Page/Section reference

4-77

Content elements

Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics

Comment

When completed, CRC's 2022 Sustainability report can be accessed through our website at https://www.crc.com/esg/default.aspx

Publication

In voluntary communications

Status

Complete

Attach the document

Carbon Terravault.pdf

Page/Section reference

Pg. 1

Content elements

Strategy
Emissions figures
Emission targets

Comment

Complete information about Carbon Terravault is at https://www.crc.com/carbon-terravault/default.aspx .

C12.5

(C12.5) Indicate the collaborative frameworks, initiatives and/or commitments related to environmental issues for which you are a signatory/member.

	Environmental collaborative framework, initiative and/or commitment
Row 1	We are not a signatory/member of any collaborative framework, initiative and/or commitment related to environmental issues

C15. Biodiversity

C15.1

(C15.1) Is there board-level oversight and/or executive management-level responsibility for biodiversity-related issues within your organization?

	Board-level oversight and/or executive management-level responsibility for biodiversity-related issues	Description of oversight and objectives relating to biodiversity
Row 1	Yes, board-level oversight	We currently communicate and discuss biodiversity matters throughout HSE and ESG operations and at committee meetings, including minimizing our impact and improving conservation efforts. The HSE committee effectively reports to the Board on these matters. Our objectives relating to biodiversity are guided by our Biodiversity Management Plan, which includes a Habitat conservation Plan. They include continuing to conduct biological assessments in our fields to support and research native flora and fauna in our operating locations minimize disruption to these native species, conserve and restore habitat and reduce surface area needed for oil and gas production. We plan on eventually sending these bio-maps to a 3rd party biodiversity assessment agency for review. We will also continue to support California's biodiversity goals based on CA's 2017 Biodiversity Initiative (specifically by practicing no take and avoidance policies) and conduct company-wide, project-related and area-related trainings that teach our employees how and when to stop working when biodiversity issues arise and other proper conservation procedures.

C15.2

(C15.2) Has your organization made a public commitment and/or endorsed any initiatives related to biodiversity?

	Indicate whether your organization made a public commitment or endorsed any initiatives related to biodiversity	Biodiversity-related public commitments	Initiatives endorsed
Row 1	Yes, we have made public commitments and publicly	Commitment to avoidance of negative	Other, please specify We have public commitments and efforts with the Wildlife Habitat Council, have public conservation efforts with

	endorsed initiatives related to biodiversity	impacts on threatened and protected species	our partners California Department of Fish and WIldlife, Wind Wolves, and Water conservation in the Sacramento Basin.

C15.3

(C15.3) Does your organization assess the impacts and dependencies of its value chain on biodiversity?

Impacts on biodiversity

Indicate whether your organization undertakes this type of assessment

No and we don't plan to within the next two years

Dependencies on biodiversity

Indicate whether your organization undertakes this type of assessment

No and we don't plan to within the next two years

C15.4

(C15.4) Does your organization have activities located in or near to biodiversity-sensitive areas in the reporting year?

Yes

C15.4a

(C15.4a) Provide details of your organization's activities in the reporting year located in or near to biodiversity -sensitive areas.

Classification of biodiversity -sensitive area

Other biodiversity sensitive area, please specify

Natural Community Conservation Plans and Areas of Conservation Emphasis (CDFW)

Country/area

United States of America

Name of the biodiversity-sensitive area

Elk Hills (EH) and Non-Unit Elk Hills areas

Proximity

Adjacent

Briefly describe your organization's activities in the reporting year located in or near to the selected area

CRC primarily uses California Conservation Plan Boundaries which identify areas involved in Natural Community Conservation Plans (NCCP). CRC also uses Areas of Conservation Emphasis, a California Department of Fish and Wildlife effort to gather spatial data on wildlife, vegetation and habitats and synthesize this information into maps to inform discussions on conservation of biodiversity, habitat connectivity and climate change resiliency.

In reference to the Habitat Conservation Plan from the CA Department of Fish and Game, the Elk Hills Oil and Gas Field is not in conflict with any HCP or NCCPs but 3 HCPs or NCCPs are located adjacent to the EHOF (including the Kern Water Bank HCP/NCCP, Kern County Waste Management Department's HCP, and the Plains Exploration and Production Company HCP).We conducted biological monitoring in this area in order to comply with the Conservation Management Agreement with the USFWS and CDFW for the establishment and management of a conservation area in the EHOF. As part of this agreement, we conducted biological surveys, submitted a yearly report to the USFWS and CDFW, monitored San Joaquin kit foxes, blunt-nosed leopard lizards and all other listed species, completed a floristic survey and conducted pre-activity surveys for all threatened or endangered species.

Indicate whether any of your organization's activities located in or near to the selected area could negatively affect biodiversity

Yes, but mitigation measures have been implemented

Mitigation measures implemented within the selected area

Operational controls

Other, please specify

Partnerships with biodiversity organizations

Explain how your organization's activities located in or near to the selected area could negatively affect biodiversity, how this was assessed, and describe any mitigation measures implemented

The EH HCP and Non Unit HCP both have established biodiversity management plans, and as reported in the 2022 EHOF Annual Report, our activities at this site may have negatively affected biodiversity. This impact is assessed by different types of surveys including spotlighting surveys, foot surveys and road surveys. These surveys have revealed that since 2018 the populations of a variety of species have decreased. For example, the number of Leporids observed during spotlighting surveys has decreased significantly (474 in 2018 to 167 in 2022). The same is true with the San Joaquin Kit Fox (185 in 2018 and 79 in 2022) and Kangaroo Rats (211 in 2018 and 85 in 2022). The same trends were observed with side-blotched lizards and the San Joaquin antelope squirrel via road surveys. However, it's important to note that based on the method used to assess these populations, the findings are different. When using a foot survey, there was a 99% increase in side-blotched lizard observations in 2022 compared to 2021. The general trend with almost all surveyed species, however, are experiencing a decrease in population at the EHOF.

It is also important to note that at the same time populations were decreasing, the State

was experiencing significant drought conditions. Therefore, because of this external factor, we cannot definitively say CRC's activities in the area negatively affected biodiversity. Early 2023 indications are that the Leproid activity has increased given the wet winter and spring.

The primary mitigation methods involve keeping compliance with the CMA and operating under two incidental take permits (EH 11Z and EH). We have also partnered with the Wildlife Habitat Council to maintain the Elk Hills Conservation Area under their certification. In addition, we conduct company-wide, project-related and area-related trainings that teach our employees how and when to stop working when biodiversity issues arise and other proper conservation procedures.

Classification of biodiversity -sensitive area

Other biodiversity sensitive area, please specify

California Conservation Plan Boundaries which identify areas involved in Natural Community Conservation Plans (NCCP); Areas of Conservation Emphasis, California Department of Fish and Wildlife effort

Country/area

United States of America

Name of the biodiversity-sensitive area

Coles Levee

Proximity

Briefly describe your organization's activities in the reporting year located in or near to the selected area

Coles Levee is located in the San Joaquin Valley (SJV), where CRC works under a migratory bird relocation plan. We also support biodiversity work by following training, operational and biological guidance.

Indicate whether any of your organization's activities located in or near to the selected area could negatively affect biodiversity

Yes, but mitigation measures have been implemented

Mitigation measures implemented within the selected area

Operational controls

Explain how your organization's activities located in or near to the selected area could negatively affect biodiversity, how this was assessed, and describe any mitigation measures implemented

Through habitat destruction, our activities at this site could negatively affect biodiversity. We assess the impacts on biodiversity through the Western Energy HCP that was assumed by the American Educational Research Association (AERA) in 2017. South

Valley Biology Consulting LLC conducts the HCP obligations for the American Educational Resource Association, and CDFW holds a Conservation Easement over the land, which permanently limits the use of the land to protect its conservation value.

We also assess the effects on biodiversity via biological pre-activity surveys to ensure our activities do not impact any listed or threatened species. In addition, we conduct company-wide, project-related and area-related trainings that teach our employees how and when to stop working when biodiversity issues arise and other proper conservation procedures and established partnerships in this area with organizations focused on biodiversity.

Classification of biodiversity -sensitive area

Other biodiversity sensitive area, please specify

California Conservation Plan Boundaries which identify areas involved in Natural Community Conservation Plans (NCCP); Areas of Conservation Emphasis, California Department of Fish and Wildlife effort

Country/area

United States of America

Name of the biodiversity-sensitive area

Bolsa Chica Ecological Reserve

Proximity

Overlap

Briefly describe your organization's activities in the reporting year located in or near to the selected area

CRC supports the biodiversity work in Bolsa Chica by following training, operational and biological guidance every year. In 2022, we partnered with the Wildlife Habitat Council to maintain a conservation certification in the Bolsa Chica Wetlands and this Bolsa Chica Partnership was recognized with the WHC's Invasive Species Project award for 2023 (based on 2022 activities).

Indicate whether any of your organization's activities located in or near to the selected area could negatively affect biodiversity

Yes, but mitigation measures have been implemented

Mitigation measures implemented within the selected area

Operational controls

Other, please specify

Partnerships with biodiversity organizations

Explain how your organization's activities located in or near to the selected area could negatively affect biodiversity, how this was assessed, and describe any mitigation measures implemented

Through habitat destruction, our activities at this site could negatively affect biodiversity, While there is no formal habitat management plan in this area, we still assess the effects on biodiversity via biological pre-activity surveys to ensure our activities do not impact any listed or threatened species. In addition, we conduct company-wide, project-related and area-related trainings that teach our employees how and when to stop working when biodiversity issues arise and other proper conservation procedures.

Classification of biodiversity -sensitive area

Other biodiversity sensitive area, please specify

California Conservation Plan Boundaries which identify areas involved in Natural Community Conservation Plans (NCCP); Areas of Conservation Emphasis, California Department of Fish and Wildlife effort

Country/area

United States of America

Name of the biodiversity-sensitive area

Landslide and Pleito areas

Proximity

Up to 25 km

Briefly describe your organization's activities in the reporting year located in or near to the selected area

CRC supports the biodiversity work in these areas by following training, operational and biological guidance every year.

Indicate whether any of your organization's activities located in or near to the selected area could negatively affect biodiversity

Yes, but mitigation measures have been implemented

Mitigation measures implemented within the selected area

Operational controls

Other, please specify

Partnerships with biodiversity organizations

Explain how your organization's activities located in or near to the selected area could negatively affect biodiversity, how this was assessed, and describe any mitigation measures implemented

Through habitat destruction, our activities at this site could negatively affect biodiversity, While there is no formal habitat management plan in this area, we still assess the effects on biodiversity via biological pre-activity surveys to ensure our activities do not impact any listed or threatened species. In addition, we conduct company-wide, project-related and area-related trainings that teach our employees how and when to stop working when biodiversity issues arise and other proper conservation procedures and established partnerships in this area with organizations focused on biodiversity.

C15.5

(C15.5) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?

	Have you taken any actions in the reporting period to progress your biodiversity-related commitments?	Type of action taken to progress biodiversity- related commitments
Row 1	Yes, we are taking actions to progress our biodiversity-related commitments	Land/water protection Land/water management Species management Education & awareness

C15.6

(C15.6) Does your organization use biodiversity indicators to monitor performance across its activities?

	Does your organization use indicators to monitor biodiversity performance?	Indicators used to monitor biodiversity performance
Row 1	Yes, we use indicators	Other, please specify Disturbances and available conservation credits used. Ex: Elk Hills: 128.95-acres were used out of 7,000 acres (1.84%) and 354.77 out of 576 credits were used (61.59%). 11Z (Gunslinger): 24.06 out of 53.1-acres and 45.31% of credits were used.

C15.7

(C15.7) Have you published information about your organization's response to biodiversity-related issues for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Report type	Content elements	Attach the document and indicate where in the document the relevant biodiversity information is located
In voluntary sustainability report or other voluntary communications	Content of biodiversity-related policies or commitments Governance Risks and opportunities Biodiversity strategy	Pg 50 of 2022 sustainability report 1

[1]2021-CRC-Sustainability-Report.pdf

C16. Signoff

C-FI

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

C16.1

(C16.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	CEO	Chief Executive Officer (CEO)

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public