Welcome to your CDP Water Security Questionnaire 2023

W0. Introduction

W0.1

(W0.1) Give a general description of and introduction to your organization.

California Resources Corporation (CRC) is an independent oil and natural gas company committed to energy transition in the sector. CRC has some of the lowest carbon intensity production in the US, and we are focused on maximizing the value of our land, mineral and technical resources for 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 totaled 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.

CRC also has made strides on our emissions reducing projects through continued investment in our carbon management business, Carbon TerraVault, and the advancement of our solar initiatives. To further 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.

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.

In 2022, CRC supplied 4.97 billion gallons (15,256-acre feet) of treated, reclaimed produced water to agricultural water districts, about 12% of the company's produced water. This delivery was almost triple the 2013 volume. For every gallon of freshwater purchased in 2022 for statewide operations, CRC supplied more than three gallons of reclaimed water to agriculture. This water is essential for Central Valley farmers since it reduces their demand for groundwater pumping and uses of surface water delivered through state and federal water projects.

CRC consistently produces more water for California water districts A than the company consumes for its own operations, which means CRC is net water positive. Given the water challenges California faces, CRC will continue to provide water safely and reliably for the state while advancing our focus on further reducing our consumption.

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.

We are among the few E&P companies to announce a Net-Zero goal, and we already have assets and scalable projects to make a meaningful impact.

W-OG0.1a

(W-OG0.1a) Which business divisions in the oil & gas sector apply to your organization?

Upstream

W0.2

(W0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date
Reporting year	January 1, 2022	December 31, 2022

W0.3

(W0.3) Select the countries/areas in which you operate.

United States of America

W0.4

(W0.4) Select the currency used for all financial information disclosed throughout your response.

USD

W0.5

(W0.5) Select the option that best describes the reporting boundary for companies, entities, or groups for which water impacts on your business are being reported.

Companies, entities or groups over which operational control is exercised

W0.6

(W0.6) Within this boundary, are there any geographies, facilities, water aspects, or other exclusions from your disclosure?

No

W0.7

(W0.7) 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

W1. Current state

W1.1

(W1.1) Rate the importance (current and future) of water quality and water quantity to the success of your business.

	Direct use importance rating	Indirect use importance rating	Please explain
Sufficient amounts of good quality freshwater available for use	Vital	Vital	CRC requires access to sufficient amounts of good quality freshwater across all operating areas for various uses (drilling, well completions, steam production and power generation at Elk Hills Power Plant and Long Beach Power Plant). CRC's primary use for freshwater in direct operations is to produce steam for enhanced oil

			recovery (EOR). The vast majority of this freshwater for EOR is co-produced with oil as produced water. After separation from oil, the produced water is treated to remove hydrocarbons and salts to make it suitable feedwater for steam generation units. Having sufficient access to freshwater is vital for CRC in order to maintain daily operations. In indirect operations, CRC's primary use for freshwater is for generation of power at Elk Hills and Long Beach. This is also vital to the company as power generation is a major aspect of CRC's operations and without freshwater access for process cooling, power generation is not possible. For both indirect and direct operations, the importance of freshwater access is expected to remain vital in the future as water rationing and restrictions due to drought conditions within the State are expected to increase in frequency and severity due to climate change.
Sufficient amounts of recycled, brackish and/or produced water available for use	Vital	Important	CRC requires access to recycled, brackish and/or produced water for direct operations, particularly for injection, enhanced oil recovery (EOR) as discussed above, and waterflood to maintain reservoir pressure and efficient operation of oil extraction. It is therefore vital to the operations at CRC. Injection to areas far below the groundwater table (6,000 ft below the surface) is considered the primary direct use for CRC's produced water and is anticipated to always remain vital as efficient oil extraction is not possible without it. CRC's primary indirect use for treated, reclaimed produced water is to supply it to California water districts for agricultural use. Although it constitutes a small proportion of total agricultural water use throughout the state, this safe and reliable water supply (4.97 billion gallons in 2022) is important to the specific agricultural users in CRC's value chain given the state's water challenges. The importance of this supply is expected to increase as water rationing and restrictions due to drought conditions within the State are expected to increase in frequency and severity due to climate change, chronic overdraft of aquifers for

			agricultural uses and domestic uses as population has increased in areas of low rainfall in the state.

W1.2

(W1.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?

	% of sites/facilities/operations	Frequency of measurement	Method of measurement	Please explain
Water withdrawals – total volumes	76-99	Daily	The total volume of water withdrawals in CRC's operations is measured daily by metering and allocations.	The total volume of water withdrawals in CRC's oil and gas operations is measured daily by metering and allocations. A small amount of water is used for agricultural purposes and is not directly metered.
Water withdrawals – volumes by source	76-99	Daily	Water withdrawal volumes are metered by source continuously and by delivery on a daily basis. This includes freshwater purchasing, produced water withdrawals and reclaimed non-fresh water.	Water withdrawal volumes are metered by source continuously and by delivery on a daily basis. This includes freshwater purchasing, produced water withdrawals and reclaimed non-fresh water.
Produced water associated with your oil & gas sector activities - total volumes	76-99	Daily	The total volume of water withdrawals in CRC's operations is measured daily by	Despite being an Oil and Gas company, CRC is a net water producer. We actively monitor

[only oil and gas sector]			metering and allocations.	the water we use, recycle and reclaim to ensure efficient management practices among our operations throughout the state. This monitoring enables us to maintain a high level of operational efficiency and responsible water utilization across our operations.
Water withdrawals quality	76-99	Daily	The quality of water withdrawals is measured daily by metering and allocations for each source. Particularly as the State Water Resources Control Board (State Water Board) and the Regional Water Quality Control Boards (Regional Boards) have expressly encouraged the use of recycled water to reduce demand on potable (i.e., drinking water) supplies and other freshwater sources. CRC ensures on a daily basis that the quality of this non-	The quality of water withdrawals is measured daily by metering and allocations for each source. Particularly as the State Water Resources Control Board (State Water Board) and the Regional Water Quality Control Boards (Regional Boards) have expressly encouraged the use of recycled water to reduce demand on potable (i.e., drinking water) supplies and other freshwater sources. CRC

			fresh water being used meets standards applicable to the use.	ensures on a daily basis that the quality of this non-fresh water being used meets standards applicable to the use. Additionally, we conduct regular water sampling within our operations.
Water discharges – total volumes	76-99	Daily	The total volume of water discharges is measured daily by metering and allocations. CRC aims to recycle/reclaim a large percentage of water withdrawn each year.	The total volume of water discharges is measured daily by metering and allocations. CRC aims to recycle/reclaim a large percentage of water withdrawn each year. CRC's daily monitoring via metering and allocations allows us to focus on our discharges within our operations.
Water discharges – volumes by destination	100%	Daily	Water discharge volumes by destination are measured daily by metering and allocations. In 2022, we recycled or reclaimed nearly 100 percent of the produced water from our Kern Front Field for	Water discharge volumes by destination are measured daily by metering and allocations. In 2022, we recycled or reclaimed nearly 100 percent of the produced water from our

			stream flood operations or agricultural use, for example.	Kern Front Field for stream flood operations or agricultural use, for example.
Water discharges – volumes by treatment method	76-99	Daily	Water discharge volumes are measured daily by metering and allocations, according to each treatment method. The reclaimed water and blended irrigation water are sampled and analyzed on a monthly and quarterly basis by an independent state-certified laboratory for up to 120 compounds and reported in a publicly accessible format to the Regional Board to ensure the water used for irrigation or recharge meets water quality permit requirements.	Water discharge volumes are measured daily by metering and allocations, according to each treatment method. The reclaimed water and blended irrigation water are sampled and analyzed on a monthly and quarterly basis by an independent state-certified laboratory for up to 120 compounds and reported in a publicly accessible format to the Regional Board to ensure the water used for irrigation or recharge meets water quality permit requirements.
Water discharge quality – by standard effluent parameters	76-99	Monthly	Our reclaimed water is blended with water that agricultural water districts obtain from other sources. The reclaimed water and blended irrigation water are	The 10% of produced water which is not recycled for agriculture was disposed of via reinjection into zones permitted by regulatory

			sampled and analyzed on a monthly and quarterly basis by an independent state-certified laboratory for up to 120 compounds and reported in a publicly accessible format to the Regional Board to ensure the water used for irrigation or recharge meets water quality permit requirements.	agencies under the Safe Drinking Water Act. California Senate Bill 1281 requires California oil and gas producers to submit detailed reports on sources and disposal of water used in their operations, which are publicly accessible through CalGEM's water use reporting website. Additionally, as of 2019 all discharge injection wells are required to be monitored and samples collected for analysis.
Water discharge quality – emissions to water (nitrates, phosphates, pesticides, and/or other priority substances)	Not relevant			CRC does not emit nitrates, phosphates, and other priority substances to water. Therefore, this is irrelevant to CRC. CRC is part of the Central Valley Salinity Coalition (CV-SALTS) and is in discussion to participate in the Operational Prioritization & Optimization and

				the SAMP (Surveillance & Monitoring Program) wherein the evaluation will include TDS and salt loading to groundwater. Overall, CRC has a low number of active ponds (mainly those associated with the Water to Ag projects).
Water discharge quality – temperature	76-99	Daily	Temperature is part of the quality of water discharge which is measured daily by metering and allocations. CRC does not discharge any water to surface water bodies.	Temperature is part of the quality of water discharge which is measured daily by metering and allocations. CRC does not discharge any water to surface water bodies. In addition to the monthly and quarterly samples, CRC's independent state-certified laboratory measures multiple parameters, including temperature, prior to the sample collection.
Water consumption – total volume	76-99	Daily	Total volume of water consumption is measured daily	Unlike most oil and gas producers, CRC

			by metering and allocations, via each withdrawal and discharge source.	produces more fresh water for beneficial uses than it uses. As such, CRC's net freshwater consumption is negative. For every gallon of fresh water, we purchased in 2021 for our statewide operations, we supplied more than three gallons of reclaimed water to agriculture which helps reduce groundwater pumping and use of water from surface sources such as the state and federal water projects and effectively makes more fresh water use available for other uses. We continue to evaluate projects to replace freshwater with recycled water in our operations wherever feasible and reclaim even more water for beneficial uses.
Water recycled/reused	76-99	Daily	In 2022, 90% of our produced water	The 10% of produced water

			was recycled, either directly in our improved or enhanced recovery operations or, after reclamation, by agricultural water districts for use in irrigation and recharge. Recycled/reused water is measured daily by metering and allocations.	which is not recycled for agriculture or used in our own EOR was disposed of via reinjection into zones permitted by regulatory agencies. California Senate Bill 1281 requires California oil and gas producers to submit detailed reports on sources and disposal of water used in their operations, which are publicly accessible through CalGEM's water use reporting website.
The provision of fully-functioning, safely managed WASH services to all workers	100%	Daily	The provision of fully-functioning, safely managed WASH services to all CRC workers is measured daily by onsite safety personnel (contractors and CRC health, safety, and environmental (HSE) Team), as we follow CRC's standard health and safety protocols. WASH services are a critical aspect of	CRC's investments in water conservation and recycling directly advance the state's policy under California State Water Code Section 106.5 that every human being, including all CRC workers at CRC facilities, has the right to safe, clean, affordable and accessible water adequate

			safe work practices.	for human consumption, cooking and sanitary purposes.

W1.2b

(W1.2b) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, how do they compare to the previous reporting year, and how are they forecasted to change?

	Volume (megaliters/year)	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Five-year forecast	Primary reason for forecast	Please explain
Total withdrawals	153,875	Lower	Increase/decrease in business activity	About the same	Increase/decrease in efficiency	The total water withdrawals are lower this reporting year compared to last reporting year due to a decrease in business activity. Water withdrawals are measured daily through metering and allocations. In the reporting year of 2022, the total water that was withdrawn includes all produced water, Tidelands

						source wells, and freshwater withdrawals including agricultural supply. CRC's goal is to keep withdrawals relatively stable year over year. However, we do anticipate a slight increase per year as produced water withdrawals due to increases of oil to water ratio decreasing as our fields age, which is still well within our "About the same" threshold. To manage field oil to water ratios, CRC routinely evaluates individual wells to determine whether the water handling costs

						outweigh the economic value of the hydrocarbons produced. CRC considers changes 5% or less to be "About the same", 5%-20% to be "Higher/Lower," and changes greater than 20% is considered as "Much Higher/Lower."
Total discharges	148,495	Lower	Increase/decrease in business activity	About the same	Increase/decrease in efficiency	The total water discharges are lower this reporting year compared to last reporting year due to a decrease in business activity. Water discharges are measured daily through metering and allocations. All water injected in the reporting year includes produced

						water, as well as reclaimed produced water supplied to agriculture. CRC's goal is to keep withdrawals and discharges relatively stable year over year. However, we do anticipate a slight increase per year as produced water withdrawals due to increases of oil to water ratio decreasing as our fields age, which is still well within our 'About the same' threshold. CRC considers changes 5% or less to be "About the same", 5%-20% to be "Higher/Lower," and changes greater than

						20% is considered as "Much Higher/Lower."
Total consumption	5,380	About the same	Increase/decrease in business activity	Lower	Other, please specify Freshwater Reduction Goal	Total consumption of water is measured daily by metering and allocation. The total consumption of water by CRC in the reporting year is equal to the total withdrawals (153,875) - the total discharges (148,495) = 5,380. In future years, we expect our water consumption to decrease in alignment with our freshwater reduction goals. Unlike most oil and gas producers, CRC produces more fresh water for

						beneficial uses than it uses. As such, CRC's net freshwater consumption is negative. CRC considers changes 5% or less to be "About the same", 5%-20% to be "Higher/Lower," and changes greater than 20% is considered as "Much Higher/Lower."

W-OG1.2c

(W-OG1.2c) In your oil & gas sector operations, what are the total volumes of water withdrawn, discharged, and consumed (by business division), how do they compare to the previous reporting year, and how are they forecasted to change?

	Volume (megaliters/year)	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Five-year forecast	Primary reason for forecast	Please explain
Total withdrawals - upstream	18,818.89	This is our first year of measurement	Other, please specify First year of measurement	Lower	Increase/decrease in efficiency	In the last reporting year, CRC responded to the minimum version of the CDP Water

						Security Questionnaire. This is our first year of reporting measurement for this question. Total withdrawals are metered, and volumes are measured daily. CRC's commitment to its water goals is underscored by our ongoing optimization efforts and operational improvements. These initiatives ensure responsible water management practices and enhance the efficiency in our forecast. CRC considers changes 5% or less to be "About the same", 5%-20% to be "Higher/Lower," and

						changes greater than 20% is considered as "Much Higher/Lower. ”
Total discharges – upstream	18,291.54	This is our first year of measurement	Other, please specify First year of measurement	Lower	Increase/decrease in efficiency	In the last reporting year, CRC responded to the minimum version of the CDP Water Security Questionnaire. This is our first year of reporting. Total discharges are metered, and volumes are measured daily. CRC's commitment to its water goals is underscored by our ongoing optimization efforts and operational improvements. These initiatives ensure responsible water management

						practices and enhance the efficiency in our forecast. CRC considers changes 5% or less to be "About the same", 5%-20% to be "Higher/Lower," and changes greater than 20% is considered as "Much Higher/Lower. "
Total consumption – upstream	527.35	This is our first year of measurement	Other, please specify First year of measurement	Lower	Increase/decrease in efficiency	In the last reporting year, CRC responded to the minimum version of the CDP Water Security Questionnaire. This is our first year of reporting Total consumptions are metered, and volumes are measured daily. CRC's commitment to its water goals is

						underscored by our ongoing optimization efforts and operational improvements. These initiatives ensure responsible water management practices and enhance the efficiency in our forecast. CRC considers changes 5% or less to be "About the same", 5%-20% to be "Higher/Lower," and changes greater than 20% is considered as "Much Higher/Lower. ”

W1.2d

(W1.2d) Indicate whether water is withdrawn from areas with water stress, provide the proportion, how it compares with the previous reporting year, and how it is forecasted to change.

	Withdrawals are from areas with	% withdrawn from areas with	Comparison with previous reporting year	Primary reason for comparison with previous	Five-year forecast	Primary reason for forecast	Identification tool	Please explain

	water stress	water stress		reporting year				
Row 1	Yes	76-99	About the same	Increase/decrease in business activity	About the same	Increase/decrease in business activity	WRI Aqueduct	All CRC operations which lie south of San Jose, CA are located in areas with water stress, and this accounts for over 90% of CRC's operations. This was assessed using the WRI Aqueduct's visual mapping tool under current state and baseline scenarios. CRC's gas production operations in the Sacramento basin are generally not in

								areas of water stress.

W1.2h

(W1.2h) Provide total water withdrawal data by source.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Please explain
Fresh surface water, including rainwater, water from wetlands, rivers, and lakes	Relevant	50	About the same	Increase/decrease in efficiency	Fresh surface water as rainwater is captured for injection at CRC's THUMS Islands to help prevent sea water intrusion into aquifers due to non-CRC water withdrawals on land for other beneficial uses. CRC considers changes 5% or less to be "About the same", 5%-20% to be "Higher/Lower, " and changes greater than 20% is considered as "Much Higher/Lower."
Brackish surface water/Seawater	Relevant	526	Lower	Increase/decrease in business activity	A lower volume of brackish surface water

					is withdrawn this reporting year compared to last reporting year. Brackish groundwater is withdrawn at Tidelands Source wells and measures a TDS of over 10,000 ppm. CRC considers changes 5% or less to be "About the same", 5%-20% to be "Higher/Lower, " and changes greater than 20% is considered as "Much Higher/Lower."
Groundwater – renewable	Not relevant				The data for renewable groundwater is not being tracked because renewable groundwater is not used at CRC. All groundwater used is non-renewable.
Groundwater – non-renewable	Relevant but volume unknown				While we acknowledge that non-renewable groundwater is relevant due to

					the compliance to the Sustainable Groundwater Management Act (SGMA), the data for this is not currently tracked.
Produced/Entrained water	Relevant	132,758	Lower	Increase/decrease in business activity	CRC supplies produced water to the agriculture industry in a meaningful quantity and at a rate unaffected by seasonal variations. CRC consistently produces more water for California water districts (4.97 billion gallons of treated, reclaimed water in 2022) than we consume for our own operations, which means we are a net water producer. CRC considers changes 5% or less to be "About the same", 5%-

					20% to be "Higher/Lower, " and changes greater than 20% is considered as "Much Higher/Lower."
Third party sources	Relevant	4,806	Lower	Increase/decrease in business activity	A lower volume of freshwater from third part sources was withdrawn this reporting year compared to last reporting year. Other sources of water withdrawal from third-party sources are purchased freshwater for upstream and midstream operations, such as process cooling for power generation and gas processing. This figure excludes CRC-owned wells, in Wilmington, agricultural operations on CRC-owned surface locations and Tidelands for

					example. CRC considers changes 5% or less to be "About the same", 5%-20% to be "Higher/Lower, " and changes greater than 20% is considered as "Much Higher/Lower."

W1.2i

(W1.2i) Provide total water discharge data by destination.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Please explain
Fresh surface water	Not relevant				CRC has no discharges to fresh surface water. Custody transfer for water to agriculture is to mixing ponds.
Brackish surface water/seawater	Not relevant				None of CRC's operations discharge to seawater and brackish surface water. Most discharges of CRC's operations involve the injection of produced water far below the groundwater

					table (i.e., 6000 ft below the surface).
Groundwater	Relevant	18,292	About the same	Increase/decrease in business activity	CRC injects produced water and other process waters in compliance with permits issued under the Clean Water Act's Class I and Class II injection programs. Injection occurs into specific formations that are deemed to be void of water that has a beneficial use and with strict well construction and operational controls designed to protect groundwater that does have characteristics of beneficial use.
Third-party destinations	Relevant	1,300	This is our first year of measurement	Increase/decrease in business activity	In the last reporting year, CRC responded to the minimum version of the CDP Water Security Questionnaire, which did not request for this information. This is our first year of reporting this

					data. CRC supplies water to Valley Water Management (VWM) Corporation for responsible irrigation in agricultural applications. Ownership and responsibility are transferred to VWM as soon as the custody transfer enters their pipeline.

W1.2j

(W1.2j) Within your direct operations, indicate the highest level(s) to which you treat your discharge.

	Relevance of treatment level to discharge	Volume (megaliters/year)	Comparison of treated volume with previous reporting year	Primary reason for comparison with previous reporting year	% of your sites/facilities/operations this volume applies to	Please explain
Tertiary treatment	Not relevant					CRC does not incorporate tertiary treatment in its current water operations as it is not relevant. CRC only conducts

						primary treatment of water discharges and anticipates to only do primary treatments in the future.
Secondary treatment	Not relevant					The majority of the treatments conducted in CRC's operations are oil and water separation, which is our primary treatment. Secondary and other treatments are only required for discharges with biological components, and our discharges do not contain those since we obtain our water from deep underground sources. Pathogens are scarce

						in the underground as this environmental compartment has inadequate conditions for life to flourish. CRC only conducts primary treatment of water discharges and anticipates to only do primary treatments in the future.
Primary treatment only	Relevant	148,495	This is our first year of measurement	Other, please specify First year of measurement	100%	In the last reporting year, CRC responded to the minimum version of the CDP Water Security Questionnaire, which did not request for this information. This is our first year of reporting this data.

						The majority of the treatments conducted in the CRC's operations are oil and water separation. CRC only conducts primary treatment of water discharges and anticipates to only do primary treatments in the future. CRC follows the water standards of the Safe Drinking Water Act. California Senate Bill 1281 for all our treatments and discharges.
Discharge to the natural environment without treatment	Not relevant					The majority of the treatments conducted in CRC's operations

						are oil and water separation, which is our primary treatment. CRC only conducts primary treatment of water discharges and anticipates to only do primary treatments in the future. As a net water producer, CRC aims for efficiency in both our water and oil operations. CRC is committed to responsible water manageme nt by ensuring our discharge water is recycled, reclaimed and reused. Our operations prioritize Primary

						Treatment as our key focus on water quality.
Discharge to a third party without treatment	Not relevant					The majority of the treatments conducted in CRC's operations are oil and water separation, which is our primary treatment. CRC only conducts primary treatment of water discharges and anticipates to only do primary treatments in the future. As a net water producer, CRC aims for efficiency in both our water and oil operations. CRC is committed to responsible water

						management by ensuring our discharge water is recycled, reclaimed and reused. Our operations prioritize Primary Treatment as our key focus on water quality. CRC follows the water standards of the Safe Drinking Water Act. California Senate Bill 1281 for all our treatments and discharges.
Other	Not relevant					The majority of the treatments conducted in CRC's operations are oil and water separation, which is our primary treatment.

						CRC only conducts primary treatment of water discharges and anticipates to only do primary treatments in the future. As a net water producer, CRC aims for efficiency in both our water and oil operations. CRC is committed to responsible water management by ensuring our discharge water is recycled, reclaimed and reused. Our operations prioritize Primary Treatment as our key focus on water quality.

W1.3

(W1.3) Provide a figure for your organization's total water withdrawal efficiency.

	Revenue	Total water withdrawal volume (megaliters)	Total water withdrawal efficiency	Anticipated forward trend
Row 1	2,707,000,000	141,345	19,151.7209664297	We anticipate our total water withdrawals to be about the same or lower in the future. CRC is actively anticipating enhanced water withdrawal efficiency in the coming years. Optimization of our water usage and practices remains a top priority for the organization.

W-OG1.3

(W-OG1.3) Do you calculate water intensity for your activities associated with the oil & gas sector?

Yes

W-OG1.3a

(W-OG1.3a) Provide water intensity information associated with your activities in the oil & gas sector.

Business division

Upstream

Water intensity value (m3/denominator)

0.14

Numerator: water aspect

Freshwater withdrawals

Denominator

Barrel of oil equivalent

Comparison with previous reporting year

Lower

Please explain

The calculated water intensity value is 891 barrels/thousand BOE. It is converted to m3/BOE using this calculation:

1m3 = 6.29 barrels

(891/6.29)/1000 = 0.14

The value above is both for our upstream and midstream operations.

The water intensity value in 2021 was calculated to be 919 barrels/thousand BOE, which is higher than the current reporting year's water intensity value. The current reporting year's water intensity value may be higher due to the fact that the sold agricultural land was included in the 2021 calculations. CRC used to own avocado farmland but was sold.

The water intensity value is expected to decrease in the future due to CRC's Freshwater Usage Reduction Goal. As indicated in our strategy, our plan is to be able to measure and manage water usage by conducting leakage surveys and installing meters and new pipeline at Elk Hills Field.

CRC considers changes 5% or less to be "About the same", 5%-20% to be "Higher/Lower," and changes greater than 20% is considered as "Much Higher/Lower."

W1.4

(W1.4) Do any of your products contain substances classified as hazardous by a regulatory authority?

	Products contain hazardous substances
Row 1	Yes

W1.4a

(W1.4a) What percentage of your company's revenue is associated with products containing substances classified as hazardous by a regulatory authority?

Regulatory classification of hazardous substances	% of revenue associated with products containing substances in this list	Please explain
Federal Water Pollution Control Act / Clean Water Act (United States Regulation)	More than 80%	CRC is an independent oil and natural gas company operating in California. Due to the nature of our business, over 80% of our revenue is associated with oil and gas products, which contain hazardous substances as listed in the Federal Water Pollution Control Act and Clean Water Act. In compliance with these regulations, CRC continues to expand its

		automated process, pipeline and well monitoring, and control systems to minimize the potential for releases and to rapidly detect and mitigate oil spills that occur. Our asset integrity program prioritizes facilities, pipelines and gathering lines for evaluation, inspection, and maintenance. We also invest to prevent corrosion, provide secondary containment, train operators on release prevention and response, and audit and inspect operations. We were the first oil and natural gas company in California to sign a statewide Project Labor Agreement with the California State Building and Construction Trades Council to ensure that our facilities are built and maintained by a highly qualified California workforce. Our operations and mechanical integrity teams inspect and maintain our pipelines and facilities, which are routinely assessed by internal and third-party risk engineers and audited by multiple regulatory agencies. We also have an emergency response program that is staffed year-round to report and address security or environmental incidents and dispatch company personnel, environmental contractors, and local emergency responders.

W1.5

(W1.5) Do you engage with your value chain on water-related issues?

	Engagement	Primary reason for no engagement	Please explain
Suppliers	No	We are planning to do so within the next two years	CRC's program for supplier engagement, Veriforce, is currently focused on climate-related metrics. CRC is planning to include water-related metrics in the Veriforce program within the next two years.
Other value chain partners (e.g., customers)	Yes		

W1.5e

(W1.5e) Provide details of any water-related engagement activity with customers or other value chain partners.

Type of stakeholder

Customers

Type of engagement

Innovation & collaboration

Details of engagement

Collaborate with stakeholders on innovations to reduce water impacts in products and services

Rationale for your engagement

We directly reuse or recycle 90% of our produced water in our improved or enhanced recovery operations, typically in a closed loop system by reinjecting it into the same oil and gas reservoirs from which it came. Even though recycled produced water is already our primary water source for our operations, we have continued to evaluate additional water recycling technologies to ensure that our freshwater use does not affect the availability of high-quality water to cities, towns, farms and ranches near our operations. These investments have enabled CRC to expand our role as a net water supplier to farmers and agricultural districts since our formation.

Impact of the engagement and measures of success

In 2022, CRC supplied 4.97 billion gallons (15,256-acre feet) of treated, reclaimed produced water to agricultural water districts, 12% of the company's produced water. This delivery was almost triple the 2013 volume. For every gallon of freshwater purchased in 2022 for statewide operations, CRC supplied more than three gallons of reclaimed water to agriculture. This water is essential for Central Valley farmers since it reduces their demand for groundwater pumping and uses of surface water delivered through state and federal water projects.

We measure our success by increasing the volume of treated, reclaimed produced water we deliver to agricultural districts annually and by maintaining a freshwater supply to use ratio above 3. In 2021, 14,990-acre feet of treated, reclaimed produced water was delivered to agricultural districts. In 2022, 15,256-acre feet were delivered. We consider this a success due to the increase in volume delivered to farmers. In both years, CRC supplied 3 gallons of water to agriculture for every gallon of freshwater consumed in operations.

W2. Business impacts

W2.1

(W2.1) Has your organization experienced any detrimental water-related impacts?

No

W2.2

(W2.2) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?

	Water-related regulatory violations	Fines, enforcement orders, and/or other penalties	Comment
Row 1	Yes	Enforcement orders or other penalties but none that are considered as significant	In 2022, the California State Water Resources Control Board issued violations to CRC for unpermitted discharges due to incidental spills. No penalties or fines were imposed, and it was not considered significant since less than $20 million worth of damages were incurred. Only clean-up orders were enforced by the Water Board and the California Office of Spill Response.

W3. Procedures

W3.1

(W3.1) Does your organization identify and classify potential water pollutants associated with its activities that could have a detrimental impact on water ecosystems or human health?

	Identification and classification of potential water pollutants	How potential water pollutants are identified and classified
Row 1	Yes, we identify and classify our potential water pollutants	Groundwater monitoring is done by the state of California and CRC complies with the entirety of the process. Internally, we conduct potable water sampling. We have also secured industrial storm water permits to test our water discharge for potential water pollutants and this includes water discharge from our water injections process that include subsurface and groundwater.

W3.1a

(W3.1a) Describe how your organization minimizes the adverse impacts of potential water pollutants on water ecosystems or human health associated with your activities.

Water pollutant category

Other physical pollutants

Description of water pollutant and potential impacts

The primary stormwater pollutant at our construction sites is sediment. Excessive amounts of sediment can cloud water thus reducing the amount of sunlight reaching

aquatic life, habitat, and spawning areas. Although stormwater runoff is a natural occurrence, sediments in construction sites contribute to more sediments deposited in streams at a faster rate.

Value chain stage

Direct operations

Actions and procedures to minimize adverse impacts

Beyond compliance with regulatory requirements

Please explain

CRC has prevention measures in place such as stormwater pollution prevention plans (SWPPP) and spill prevention control and countermeasures (SPCC) to mitigate potential threats. CRC conducted monthly inspections and routine monitoring discharges to ensure compliance with regulatory threshold of discharges.

W3.3

(W3.3) Does your organization undertake a water-related risk assessment?

Yes, water-related risks are assessed

W3.3a

(W3.3a) Select the options that best describe your procedures for identifying and assessing water-related risks.

Value chain stage

Direct operations

Coverage

Full

Risk assessment procedure

Water risks are assessed as part of an established enterprise risk management framework

Frequency of assessment

Annually

How far into the future are risks considered?

More than 6 years

Type of tools and methods used

Enterprise risk management

Tools and methods used

Other, please specify

Internal company methods and scenario analysis

Contextual issues considered

Water availability at a basin/catchment level
Water quality at a basin/catchment level
Stakeholder conflicts concerning water resources at a basin/catchment level
Implications of water on your key commodities/raw materials
Water regulatory frameworks
Status of ecosystems and habitats
Access to fully-functioning, safely managed WASH services for all employees

Stakeholders considered

Customers
Employees
Local communities
Regulators
Water utilities at a local level

Comment

CRC evaluates risk assessments on protecting water bodies, and waters of the US by performing process risk hazard assessments to ensure safe operations of our pipelines. In addition, CRC has external Safety and Spill Prevention Assessments completed by State Lands Commission and SWISS RE for the operations that are located near the state waters (Pacific Ocean).

W3.3b

(W3.3b) Describe your organization's process for identifying, assessing, and responding to water-related risks within your direct operations and other stages of your value chain.

	Rationale for approach to risk assessment	Explanation of contextual issues considered	Explanation of stakeholders considered	Decision-making process for risk response
Row 1	CRC's multi-disciplinary and company-wide health, safety, and environmental (HSE) Risk Management Program prioritizes identifying, assessing, and responding to water-related risks within CRC's direct operations that could impact various CRC stakeholders. Per CRC's HSE Risk	CRC considers the water availability and quality at a basin/catchment level to be an important part of our HSE Risk Evaluation and Response Procedure because in the event of water quality/quantity changes, CRC may need to identify alternative water supplies and/or further expand our produced	CRC includes customers, employers, local communities, regulators, and water utilities at a local level in its HSE Risk Evaluation and Response Procedure. If we do not engage with these stakeholders, it could potentially cause a financial impact of $20 million	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

	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. Risks are evaluated covering short term (0-3 years), medium term (3-10 years), and long-term issues (10-50 years).	water treatment and recycling. We also consider stakeholder conflicts concerning water resources at a basin/catchment level as we provide water to agricultural districts for irrigation through local utilities and small suppliers. Our investments in water conservation and recycling directly advance the state's policy, under the water regulatory framework, California State Water Code Section 106.5, that every human being, including all CRC and contract workers at CRC facilities, has the right to safe, clean, affordable and accessible water adequate for human consumption, cooking and sanitary purposes. The provision of fully-functioning, safely managed WASH services to all CRC workers is measured daily by onsite safety personnel (contractors and CRC HSE Team), as we follow CRC's standard health and safety protocols. WASH services are a critical aspect of safe work practices.	or more to direct operations (this figure is reevaluated on an annual basis).	in place at all operating locations to identify, prioritize, and apply appropriate risk mitigation options. CRC's Risk Management Community of Practice leverages the expertise of company engineers and scientists to share opportunities for improvement.

W4. Risks and opportunities

W4.1

(W4.1) Have you identified any inherent water-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes, only within our direct operations

W4.1a

(W4.1a) 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, including water-related 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. Through this risk management process, CRC has identified water-related issues that have the potential to cause a substantive financial impact to our direct operations.

W4.1b

(W4.1b) What is the total number of facilities exposed to water risks with the potential to have a substantive financial or strategic impact on your business, and what proportion of your company-wide facilities does this represent?

	Total number of facilities exposed to water risk	% company-wide facilities this represents	Comment
Row 1	1	1-25	Elk Hills Power Plant has been identified as one of CRC's facilities which is exposed to substantive water-related risk. CRC defines facilities as any operations in a geologic field, and we have operations in approximately 97 facilities in total. The majority of these facilities are within a region of water stress, however only one is identified to be exposed to water risks that have a substantive financial or strategic impact on CRC's business.

W4.1c

(W4.1c) By river basin, what is the number and proportion of facilities exposed to water risks that could have a substantive financial or strategic impact on your business, and what is the potential business impact associated with those facilities?

Country/Area & River basin

United States of America

Other, please specify

Kern River

Number of facilities exposed to water risk

1

% company-wide facilities this represents

1-25

% company's global oil & gas production volume that could be affected by these facilities

26-50

% company's total global revenue that could be affected

51-60

Comment

CRC has identified our Elk Hills CGP1 facility as being exposed to a substantive water-related risk in the event of a loss of water supply occurring in our Fire Water Storage Tank. This would be substantial only if a fire occurred at the plant and there was a loss of water supply to our fire extinguishing systems. However, during normal operation, production is not dependent upon the availability of water in the Fire Water Tank. In a rare severe fire event, CRC could bring online another gas plant at the Elks Hills facility to provide partial gas to reduce the impact form losing facility CGP1.

W4.2

(W4.2) Provide details of identified risks in your direct operations with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.

Country/Area & River basin

United States of America

Other, please specify

Kern River

Type of risk & Primary risk driver

Technology

Other, please specify

Failure of company infrastructure

Primary potential impact

Impact on company assets

Company-specific description

CRC assesses some acute water-related risks against our internal HSE Risk Matrix. The Risk Matrix plots the probability of specific undesired event scenarios against their level of consequence and considers various consequence types (including onsite human injury, facility/property damage/loss of revenue, and environmental impact). The matrix is utilized when CRC performs a Process Hazard Analysis (PHA) to evaluate specific risks.

Based on a recent PHA, a water-related risk that could have a substantive financial impact to CRC could be caused by a loss of water supply in the Fire Water Storage Tank at the major gas plant facility at Elk Hills, CGP1. Although water in this tank is not required during normal operation of the plant; if a loss of water supply occurred in the fire water system during a fire, there could be incremental impact from the reduced inability to suppress the fire from escalating in size and severity.

The CGP1 PHA covered a range of acute causes of loss of water supply such as tank water level failure, pump failure, and pipe failure. Additionally, slowly developing and chronic causes of water supply loss such as severe drought or utility water rationing were NOT specifically considered in the PHA, but CRC expects these systematic risks to be recognized and addressed before there is an impact. A loss of water supply in the Fire Water Storage Tank due to an acute infrastructure failure resulting in fire escalation and significant incremental financial impact was determined to have a probability level of 3 in the CRC Risk Matrix, corresponding to a frequency of less than once per year–deeming this risk very unlikely to occur in the next six years. The risk of loss of water supply in the Fire Water Storage Tank due to a slow onsetting water restriction resulting in fire risk escalation has not been evaluated via a PHA or CRC Risk Matrix, but would likely be deemed non-credible.

However, because 54% of CRC's revenue and 42% of CRC's BOE oil and gas product volume is dependent on the Elk Hills CGP1 gas plant, the PHA determined that if a fire occurred and was not able to be extinguished due to a loss of water supply, a financial impact could range from $5 million to $20 million. It is important to note that it is very unlikely a fire with this severe of a magnitude would occur at all at this facility.

Timeframe

More than 6 years

Magnitude of potential impact

Medium

Likelihood

Very unlikely

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)

5,000,000

Potential financial impact figure - maximum (currency)

20,000,000

Explanation of financial impact

The range of $5MM to $20MM was estimated by the team as the worst-case credible property damage and loss of revenue consequence for the loss of water to the Fire Water Tank. This estimate was based on a multi-disciplinary team with expertise in engineering, operations, and risk analysis.

Primary response to risk

Other, please specify

Maintain safety management systems and mechanical integrity to prevent the release of flammable materials and occurrence of fire at the facility.

Description of response

CRC continuously implements numerous engineering and administrative controls to prevent the accidental release of flammable materials and occurrence of fires at the Elk Hills CGP1 facility, which precludes the need for the Fire Water stored as a contingency in the Fire Water Storage Tank and reduces the risk associated with loss of water supply in the tank. Additionally, at the time of the PHA for the facility, CRC had implemented level monitoring equipment and alarm to alert facility operating personnel if water in the tank falls below a pre-determined minimum storage level.

CRC will continue to monitor the risk associated with acute losses of fire water supply by conducting a PHA of the CGP1 facility every 1-5 years. If CRC determines that this risk increases to a level requiring mitigation, an example risk reduction measure that could be implemented is an equipment upgrade that enables automatic tank filling. Any project of this type would require detailed scoping and evaluation, but a rough estimate is that it could be installed within 7 months to a year and cost $200,000 (rough order of magnitude at best). Implementation of a new risk reduction measure such as this would be weighed against all other proposed and existing risk reduction measures, then prioritized accordingly for detailed evaluation and execution.

Cost of response

200,000

Explanation of cost of response

If CRC determines that a loss of water supply to the Fire Water Tank at facility CGP1 becomes more likely, a mitigation measure would be the installation of an automatic filling function costing $200,000 as outlined below.

Equipment: $100,000
Installation: $75,000

Salary from Employee oversight and management: $25,000

$150,000 + $35,000 + $25,000 = $200,000.

Country/Area & River basin

United States of America

Other, please specify

Kern River

Type of risk & Primary risk driver

Regulatory

Higher water prices

Primary potential impact

Increased operating costs

Company-specific description

As a result of severe droughts occurring in California over the last few years, 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 price of water and therefore the cost to operate certain CRC facilities, particularly for Elk Hills power plant where fresh water is needed for power generation and farming operations. Depending on the water price increases, operating costs could increase between $100 and $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.

Timeframe

More than 6 years

Magnitude of potential impact

Medium

Likelihood

Unlikely

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

If fresh water supplies were curtailed significantly, CRC could experience higher operating costs in certain areas, particularly with respect to electricity generation that requires a 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.

Primary response to risk

Adopt water efficiency, water reuse, recycling and conservation practices

Description of response

Water management is an essential part of our operations and is a method we implement to address the risks associated with groundwater mandates and water price increases such as the SGMA.

One mitigation strategy CRC currently implements to respond to this water risk is the treatment and re–use of water co-produced with oil and natural gas for vital activities. By treating, recycling, and using this water, CRC consumes and purchases less freshwater that may have price premiums due to the SGMA.

Additionally, since 2014, CRC provides 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 water efficiency and reuse 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. This volume to agriculture exceeded the volume of fresh water purchased for our operations reducing the amount of freshwater consumed and risk of being affected by the SGMA.

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 prior to 1998. 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 startup is scheduled for 2023.

To reduce freshwater usage in accordance with our Freshwater Usage Reduction Goal, CRC installed nine water meters at Elk Hills in 2022 to have more control and data over our freshwater usage in different areas of the facility. We also detected 23 minor water leaks at Elk Hills and 3 moderate leaks, where a moderate leak consists of a leak with a leaking rate of approximately 5,000 gallons per day or more. Fixing these leaks will save approximately 643 bbl per day of freshwater.

Cost of response

285,000

Explanation of cost of response

The nine water meters that were installed at Elk Hills in 2022 averaged a cost of $31,667 each. In total, this incurred a total cost of 9 meters x $31,667 = $285,000.

W4.2c

(W4.2c) Why does your organization not consider itself exposed to water risks in its value chain (beyond direct operations) with the potential to have a substantive financial or strategic impact?

	Primary reason	Please explain
Row 1	Risks exist, but no substantive impact anticipated	CRC produces 3 times as much fresh water as it uses and therefore has not considered the risk of its value chain losing access to water as material. CRC supplies its treated, reclaimed produced water to California water districts for agricultural use. Although it constitutes a small proportion of total agricultural water use throughout the state, this safe and reliable water supply (4.97 billion gallons in 2022) is important to the specific agricultural users in CRC's value chain given the state's water challenges. The importance of this supply is expected to increase as water rationing and restrictions due to drought conditions within the State are expected to increase in frequency and severity due to climate change, chronic overdraft of aquifers for agricultural uses and domestic uses as population has increased in areas of low rainfall in the state. Therefore, CRC does not consider the risk of losing water customers as material. Upstream of our operations, there have not been any water-related risks identified which might affect our operation.

W4.3

(W4.3) Have you identified any water-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes, we have identified opportunities, and some/all are being realized

W4.3a

(W4.3a) Provide details of opportunities currently being realized that could have a substantive financial or strategic impact on your business.

Type of opportunity

Efficiency

Primary water-related opportunity

Improved water efficiency in operations

Company-specific description & strategy to realize opportunity

Even though CRC's water supply is not likely to be curtailed, we are committed to conserving fresh water, in line with our Freshwater Usage Reduction Goal, improving our water efficiency in operations, and expanding our supply of recycled and reclaimed water to lower operational costs. We are capturing this opportunity through water efficiency upgrades and our supply of water to agricultural users.

CRC has a Water Management Team that works with local water districts and state agencies to implement conservation and recycling projects to sustain freshwater resources in the communities where we operate. Additionally, CRC has invested in significant infrastructure, equipment, and operating procedures to efficiently recycle and reclaim approximately 90% of our produced water at our Kern Front field to sell to agricultural water districts. Not only does this reduce the need to purchase freshwater, but since launching in 2014, these strategic water recycling implementations have made CRC 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. In 2022, we delivered almost 4.97 billion gallons of reclaimed water to agricultural water districts, which they blend with water from other sources and use for irrigation or recharge. In 2022, we also installed nine water meters at our Elk Hills Power Plant and identified 26 leaks by performing leak detection surveys. By identifying and fixing these leaks, approximately 643 bbl of freshwater will be saved per day at Elk Hills. These meters and leak detection surveys provide us the opportunity to identify where water is being lost, and therefore where we can make reductions in freshwater usage in line with our goal to reduce our freshwater usage by 30% by 2025 from a 2022 baseline.

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.

Estimated timeframe for realization

Current - up to 1 year

Magnitude of potential financial 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

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 $11.25 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.

Type of opportunity

Efficiency

Primary water-related opportunity

Improved water efficiency in operations

Company-specific description & strategy to realize opportunity

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. We plan to achieve this goal by improving the water efficiency in operations through upgrading to automatic metering systems that provide detailed breakdowns of facility-wide water usage.

Reducing our water use by 30% is strategic to CRC not only to reduce operating costs, but also to continue CRC's legacy as being fresh net-water positive, and as a water

supplier to the local agricultural water districts. CRC consistently produces more water for California water districts (almost 5 billion gallons of treated, reclaimed water in 2022) than we consume for our own operations. Given the water challenges California is facing, CRC will continue to provide water safely and reliably for the state while we advance our focus to further reduce our own consumption.

One action CRC has taken to improve water efficiency in operations is the upgrade of our freshwater meters throughout facilities at Elk Hills. In 2022, nine water meters were installed at Elk Hills for a total cost of $285,000. These meters will provide CRC with 2022 freshwater usage data and more control over our freshwater usage in various areas, which gives us the opportunity to identify where any water is being lost. Three more meters are planned to be installed at Kern Front, North Shafter and Coles Levee in 2023 as well as three meters in LA Basin. Additionally, several leak detection surveys were completed at Elk Hills to better understand if and where any leaks were located. This information allowed us to make repairs and minimize unnecessary water loss, including freshwater. In 2022, 23 minor leaks and 3 moderate leaks (leaks at a rate of approximately 5,000 gallons per day or greater was considered a moderate leak) were identified and with fixing these leaks, approximately 643 bbl of freshwater per day will be saved. The installation of water meters and performing of leak detection surveys is expected to provide the data transparency to allow us to save 30% of freshwater at our Elk Hills facility, aligned with our Freshwater Usage Reduction Goal.

Estimated timeframe for realization

More than 6 years

Magnitude of potential financial impact

Low

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)

150,000

Potential financial impact figure – maximum (currency)

750,000

Explanation of financial impact

Based on fluctuating water prices, CRC estimates that a 30% freshwater reduction from automatic meter upgrades could save between $150,000 and $750,000 in water expenditure.

This is estimated through varying water prices ranging from $100 to $500 per acre foot for the amount of water we typically use in one year- approximately 5,000-acre ft. The potential financial figure is based on a 30% reduction in water procurement costs as

outlined below.

Minimum figure:
$100 (cost of water per acre ft) * 5,000 (acre feet used in one year) = $500,000
$500,000 * 30% (reduced amount of water needed) = $150,000 of Water savings

Maximum figure:
$500 (cost of water per acre ft) * 5,000 (acre feet used in one year) = $2,500,000
$2,500,000 * 30% (reduced amount of water needed) = $750,000 of Water savings.

W5. Facility-level water accounting

W5.1

(W5.1) For each facility referenced in W4.1c, provide coordinates, water accounting data, and a comparison with the previous reporting year.

Facility reference number
Facility 1

Facility name (optional)
Elk Hills Power Plant CGP1

Country/Area & River basin
United States of America
Other, please specify
Kern River

Latitude
35.2784

Longitude
-119.4669

Located in area with water stress
Yes

Oil & gas sector business division
Upstream

Total water withdrawals at this facility (megaliters/year)
22,086

Comparison of total withdrawals with previous reporting year
This is our first year of measurement

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

0

Withdrawals from brackish surface water/seawater

0

Withdrawals from groundwater - renewable

0

Withdrawals from groundwater - non-renewable

0

Withdrawals from produced/entrained water

17,682

Withdrawals from third party sources

4,404

Total water discharges at this facility (megaliters/year)

17,633

Comparison of total discharges with previous reporting year

This is our first year of measurement

Discharges to fresh surface water

0

Discharges to brackish surface water/seawater

0

Discharges to groundwater

17,633

Discharges to third party destinations

0

Total water consumption at this facility (megaliters/year)

4,453

Comparison of total consumption with previous reporting year

This is our first year of measurement

Please explain

Elk Hills is CRC's onshore asset located approximately 20 miles west of Bakersfield in Kern County. The field, covering nearly 75 square miles, was discovered in 1911 and has produced over 2 billion barrels of oil equivalent (BOE), making it one of the most productive fields in the United States. During 2022, we produced 70,000 BOE per day (75 percent of CRC's total production) on average from our wells at Elk Hills.

W5.1a

(W5.1a) For the facilities referenced in W5.1, what proportion of water accounting data has been third party verified?

Water withdrawals – total volumes

% verified

Not verified

Please explain

Water withdrawals – total volumes is internally tracked and verified, but no official third-party verification system is in place. There is a permitted area allotment in Elk Hills Field with an anchorage that CRC walks through. Water supplied to agricultural districts is also verified by the customer.

Water withdrawals – volume by source

% verified

Not verified

Please explain

Water withdrawals – volumes by source is internally tracked and verified, but no official third-party verification system is in place. Water supplied to agricultural districts is also verified by the customer.

Water withdrawals – quality by standard water quality parameters

% verified

Not verified

Please explain

Water withdrawals – quality by standard water quality parameters is internally tracked and verified, but no official third-party verification system is in place. There is a permitted area allotment in Elk Hills Field with an anchorage that CRC walks through. Water supplied to agricultural districts is also verified by the customer.

Water discharges – total volumes

% verified

Not verified

Please explain

Water discharges – total volumes is internally tracked and verified, but no official third-party verification system is in place. There is a permitted area allotment in Elk Hills Field with an anchorage that CRC walks through. Water supplied to agricultural districts is also verified by the customer.

Water discharges – volume by destination

% verified

Not verified

Please explain

Water discharges – volume by destination is internally tracked and verified, but no official third-party verification system is in place. There is a permitted area allotment in Elk Hills Field with an anchorage that CRC walks through. Water supplied to agricultural districts is also verified by the customer.

Water discharges – volume by final treatment level

% verified

Not verified

Please explain

Water discharges – volume by final treatment level is internally tracked and verified, but no official third-party verification system is in place. There is a permitted area allotment in Elk Hills Field with an anchorage that CRC walks through. Water supplied to agricultural districts is also verified by the customer.

Water discharges – quality by standard water quality parameters

% verified

Not verified

Please explain

Water discharges – quality by standard water quality parameters is internally tracked and verified, but no official third-party verification system is in place. There is a permitted area allotment in Elk Hills Field with an anchorage that CRC walks through. Water supplied to agricultural districts is also verified by the customer.

Water consumption – total volume

% verified

Not verified

Please explain

Water consumption – total volumes is internally tracked and verified, but no official third-party verification system is in place. There is a permitted area allotment in Elk Hills Field with an anchorage that CRC walks through. Water supplied to agricultural districts is also verified by the customer.

W6. Governance

W6.1

(W6.1) Does your organization have a water policy?

Yes, we have a documented water policy that is publicly available

W6.1a

(W6.1a) Select the options that best describe the scope and content of your water policy.

	Scope	Content	Please explain
Row 1	Company-wide	Description of business dependency on water Description of business impact on water Commitment to align with international frameworks, standards, and widely-recognized water initiatives Commitment to water stewardship and/or collective action Commitment to the conservation of freshwater ecosystems Commitments beyond regulatory compliance Reference to company water-related targets Acknowledgement of the human right to water and sanitation Recognition of environmental linkages, for example, due to climate change	CRC is a net water supplier. In 2022, we supplied 4.97 billion gallons (15,256-acre feet) of treated, reclaimed produced water to agricultural water districts, 12% of our produced water. This delivery was almost triple the 2013 volume. For every gallon of fresh water, we purchased in 2022 for our statewide operations, we supplied more than three gallons of reclaimed water to agriculture. This water is essential for Central Valley farmers since it reduces their demand for groundwater pumping or supply from surface waters through the state and federal water project flows, especially as extreme droughts are predicted to worsen due to climate change. CRC has conservation and recycling projects to decrease our freshwater use, develop alternative water sources like repurposing treated produced water from oil and gas reservoirs, and help sustain freshwater resources in the communities where we operate. As a result of these investments, 90% of our produced water was reused, recycled, or reclaimed in 2022. CRC has a sampling and analysis program to monitor produced water quality. Our reclaimed water is blended with water that agricultural water districts obtain from other sources. The reclaimed water and blended irrigation water are sampled and analyzed on a monthly and quarterly basis by an independent state-certified laboratory for up to 120 compounds and reported in a publicly accessible format to the Regional Board to ensure the water used for irrigation or recharge meets water quality permit requirements. Moreover, water districts and the state's Food Safety Expert Panel have also conducted crop sampling to validate the safety of reclaimed produced water for irrigation.

			CRC's investments in water conservation and recycling directly advance the state's policy under Water Code Section 106.5 that everyone has the right to safe, clean, affordable and accessible water adequate for human consumption, cooking and sanitary purposes. The State Water Resources Control Board (State Water Board) and the Regional Water Quality Control Boards (Regional Boards) have also expressly encouraged the use of recycled water to reduce demand on potable (i.e., drinking water) supplies and other freshwater sources. CRC has demonstrated our commitment to conserving potable water and to reuse, recycle and reclaim other water supplies, especially in recent drought years, and maintained alignment with these public policy initiatives.

W6.2

(W6.2) Is there board level oversight of water-related issues within your organization?

Yes

W6.2a

(W6.2a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for water-related issues.

Position of individual or committee	Responsibilities for water-related issues
Board-level committee	The highest responsibility for water-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 water conservation, reduction, and recycling. The water-related responsibilities include but are not limited to development and engagement of strategies, objectives, targets and metrics related to water conservation, water recycling, social and community water-related issues, the Corporations policies, programs, disclosures, public reports, and communication as well as significant risk assessments, issues, laws and regulations. One of the key water-related decisions made by the Committee in 2022 was adopting and approving the Freshwater Reduction Goal at the Quarter 1 2022 Board meeting. CRC's Freshwater Usage Reduction Goal aims to reduce freshwater usage in CRC's low carbon intensity fuel production by 30% from its 2022 baseline by 2025 – exceeding California's voluntary 15% water use reduction

	target. As described in our Proxy Statement, this metric directly affects the annual incentive compensation of our employees.

W6.2b

(W6.2b) Provide further details on the board's oversight of water-related issues.

	Frequency that water-related issues are a scheduled agenda item	Governance mechanisms into which water-related issues are integrated	Please explain
Row 1	Scheduled - all meetings	Monitoring implementation and performance Monitoring progress towards corporate targets Overseeing the setting of corporate targets Providing employee incentives Reviewing and guiding annual budgets Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding strategy Setting performance objectives	The Sustainability Committee (Committee) reports to the full Board in quarterly meetings, regarding developments on water-related regulations, policies and projects, and recommends Sustainability Metrics to the Compensation Committee and the Board, including annual HSE metrics for health and safety, oil spill prevention, our water conservation ratio, and annual Sustainability Project Milestones for the company. Furthermore, the Committee and the full Board approve strategies and performance objectives, including those outlined in CRC's ESG goals on freshwater usage reduction, leadership, diversity, community giving, and executive pay. Performance is reviewed at each quarterly meeting, with metrics reported against objectives on an annual basis that determine incentive compensation for the management team and all employees. 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 2030 Sustainability Goals and emission reduction projects with climate related drivers, which is prepared by the COO. Water-related issues are reviewed by the Committee during quarterly meetings with CRC's senior management team including the CSO and the CEO. At these meetings, the senior management team, which includes the CSO and the CEO, presents to the Sustainability Committee key strategies to

			address water-related business risks and opportunities affecting both short term plans (annual sustainability project milestones and budgets) and long-term plans (life-of-field planning and implementation, major capital projects, acquisitions, and divestitures).

W6.2d

(W6.2d) Does your organization have at least one board member with competence on water-related issues?

	Board member(s) have competence on water-related issues	Criteria used to assess competence of board member(s) on water-related issues
Row 1	Yes	CRC assesses competence of the Board members on water-related issues by considering their previous and current water-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 water-focused companies, have had leadership roles in water- and climate-related companies such as energy procurement, renewable and alternative power, wildlife, maritime and biodiversity organizations. Climate-related credentials, which include topics on water-related issues, such as the Fundamentals of Sustainability Accounting credential from the Sustainability Accounting Standards Board (SASB), are also considered in assessing the competence of Board members on water-related issues.

W6.3

(W6.3) Provide the highest management-level position(s) or committee(s) with responsibility for water-related issues (do not include the names of individuals).

Name of the position(s) and/or committee(s)

Chief Operating Officer (COO)

Water-related responsibilities of this position

Assessing water-related risks and opportunities
Managing water-related risks and opportunities
Managing annual budgets relating to water security

Frequency of reporting to the board on water-related issues

More frequently than quarterly

Please explain

The 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 Freshwater Usage Reduction ESG goal and water-related activities. Our water reduction goal is a 30% reduction in freshwater usage by 2025. In 2022, our Board of Directors adopted a Freshwater Usage Reduction ESG goal to reduce freshwater usage in our low carbon intensity fuel production by 30% from our 2022 baseline by 2025, thus exceeding California's voluntary 15% water use reduction target. As described in our Proxy Statement, this metric directly affects the annual incentive compensation of our employees.

Name of the position(s) and/or committee(s)

Chief Executive Officer (CEO)

Water-related responsibilities of this position

Assessing water-related risks and opportunities
Managing water-related risks and opportunities

Frequency of reporting to the board on water-related issues

More frequently than quarterly

Please explain

Leading the senior management team, the CEO oversees all company operations, including water-related operations, and reports to the Board of Directors. Therefore, the CEO has governance and responsibility over water-related issues. The CEO monitors and addresses water-related issues through four channels: 1) corporate development and strategic planning; 2) operations and engineering; 3) compliance (legal, regulatory and marketing and trading functions); and 4) public affairs. Specific water-related topics that are discussed with the Board include freshwater consumption goals, targets, and water-related business strategies.

Name of the position(s) and/or committee(s)

Chief Sustainability Officer (CSO)

Water-related responsibilities of this position

Assessing water-related risks and opportunities
Managing water-related risks and opportunities

Frequency of reporting to the board on water-related issues

More frequently than quarterly

Please explain

The Chief Sustainability Officer reports directly to the CEO and has broad responsibility for developing Sustainability goals, including our freshwater goal to reduce usage by 30% by 2025 and leading CRC actions to achieve those goals. The CSO leads a team that is focused on implementing various sustainability projects, including those that are water related.

Name of the position(s) and/or committee(s)

Other, please specify

EVP, General Counsel and Chief Administrative Officer

Water-related responsibilities of this position

Assessing water-related risks and opportunities

Managing water-related risks and opportunities

Frequency of reporting to the board on water-related issues

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 Freshwater Reduction Goal reported by the VP Regulatory Affairs.

W6.4

(W6.4) Do you provide incentives to C-suite employees or board members for the management of water-related issues?

	Provide incentives for management of water-related issues	Comment
Row 1	Yes	Incentive compensation for 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 strategic business objectives, including annual sustainability project milestones toward our 2030 Sustainability Goals and managing HSE, climate, water and other enterprise risks. In 2022, officially developed CRC's Executive Pay Goal which links 30% of executive annual incentive pay related to company performance to ESG metrics, including freshwater use, among the highest ESG weighting in the industry, underscoring the commitment of CRC's leadership to achieving our ESG goals.

W6.4a

(W6.4a) What incentives are provided to C-suite employees or board members for the management of water-related issues (do not include the names of individuals)?

	Role(s) entitled to incentive	Performance indicator	Contribution of incentives to the achievement of your organization's water commitments	Please explain
Monetary reward	Corporate executive team Other, please specify All employees	Reduction in water consumption volumes – direct operations	In 2022, our Board of Directors adopted a Freshwater Usage Reduction ESG goal to reduce freshwater usage in our low carbon intensity fuel production by 30% from our 2022 baseline by 2025, thus exceeding California's voluntary 15% water use reduction target. As described in our Proxy Statement, this metric directly affects the annual incentive compensation of our employees.	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, the importance of water-related metrics was highlighted by increasing that portion of the AIP scorecard opportunity to 30%. 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.
Non-monetary reward	No one is entitled to these incentives			We did not award non-monetary rewards this reporting year on water-related issues.

W6.5

(W6.5) Do you engage in activities that could either directly or indirectly influence public policy on water through any of the following?

Yes, direct engagement with policy makers

Yes, trade associations

W6.5a

(W6.5a) What processes do you have in place to ensure that all of your direct and indirect activities seeking to influence policy are consistent with your water policy/water commitments?

We use several internal systems to ensure that our approach to California state climate change policy is consistent. CRC's public statements on water-related issues 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 determine whether the engagement is consistent with CRC's overall freshwater usage reduction strategy, and they 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.

W6.6

(W6.6) Did your organization include information about its response to water-related risks in its most recent mainstream financial report?

Yes (you may attach the report - this is optional)

W7. Business strategy

W7.1

(W7.1) Are water-related issues integrated into any aspects of your long-term strategic business plan, and if so how?

	Are water-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, water-related issues are integrated	21-30	Water management is inherently critical to CRC's business operations of oil and gas extraction. However, as we align to our 2045 Full-Scope Net Zero Goal for climate action, we plan to operationally shift to a larger focus in carbon capture and storage (CCS). Because carbon capture also may use a significant amount of water, our long-term water management strategy will be critical in addressing the risks associated with groundwater mandates, such as California's Sustainable Groundwater Management Act (SGMA) through 2045. SGMA poses a risk to CRC's business through the potential increase in water costs. An action to reduce this risk is the continuous assessment of evolving SGMA policy updates, and implementation of mitigation measures to reduce overall freshwater use by CRC's water management team. We also 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 recycles 99 percent of our produced water at Elk Hills 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 sequestration, with expected startup in 2023.
Strategy for achieving	Yes, water-related issues are integrated	21-30	For CRC to achieve our long-term 2045 Full-Scope Net Zero Goal while also mitigating impacts of SMGA, such as water price increases, CRC will continue to treat and

long-term objectives			re-use water co-produced with oil and natural gas for future operations, such as carbon sequestration. By treating, recycling, and using this water, CRC consumes and purchases less freshwater that may have price premiums due to the Sustainable Groundwater Management Act. 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 have invested in significant infrastructure, equipment, and operating procedures to efficiently recycle and reclaim approximately 90% of our produced water at our Kern Front field to sell to agricultural water districts. This has not only reduced the need to purchase freshwater but has also made CRC a net supplier of water – delivering almost 5 billion gallons of reclaimed water to agricultural water districts. 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 – reducing our costs by $11.25 million annually and contributing to achieving our long-term objective of reducing freshwater consumption by 2045 as we transition into carbon capture and sequestration services.
Financial planning	Yes, water-related issues are integrated	21-30	To achieve our long-term business objective of carbon capture and sequestration services by 2045 while minimizing the amount of water we use, CRC incorporates water efficiency investments into our financial planning. For example, we invested $285,000 in the installation of nine new automatic water meters and performed several leak detection surveys at our Elk Hills facility to help us reduce our freshwater use by 30% by 2025. These additional water treatment and recycling facilities ensure our freshwater use does not affect the availability of water to local communities near our operations and contributes to CRC recycling 99 percent of our produced water at Elk Hills for pressure maintenance, waterflood projects, and to recover additional oil in place. The other aspect in which our long-term commitment to

			water efficiency affects our financial planning is in terms of cost savings from delivering water to nearby agricultural districts. In 2022, we sold and delivered almost 5 billion gallons of reclaimed water to agricultural water districts, which they blend with water from other sources and use for irrigation or recharge. This saved us $11.25 million in injection costs and will be a financial planning strategy we will continue to utilize in the achievement of our long-term 2045 Full-Scope Net Zero Goal for climate action.

W7.2

(W7.2) What is the trend in your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?

Row 1

Water-related CAPEX (+/- % change)

-52.29

Anticipated forward trend for CAPEX (+/- % change)

Water-related OPEX (+/- % change)

1.11

Anticipated forward trend for OPEX (+/- % change)

Please explain

The values provided are for our Elk Hills field water consumption, where our operating expenditures increased by 1.11% from 2021 to 2022 due to an increase in operational water supply costs in 2022 and our capital expenditures decreased by 52.29% from 2021 to 2022.

In 2021, CRC invested $544,988 into water conservation and recycling capital projects to ensure we do not compete with other stakeholders for fresh water. In 2022, our water-related investments were focused on freshwater usage reduction, and we expended $285,000 on the installation of nine automated water meters in the Elk Hills area to give us more control and data over our freshwater usage as we work towards our goal of reduction freshwater usage by 30% by 2025.

W7.3

(W7.3) Does your organization use scenario analysis to inform its business strategy?

	Use of scenario analysis	Comment
Row 1	Yes	Since CRC operates exclusively in California, we believe California-specific scenarios are most relevant to our business. 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. This includes water-related input. A key water-related finding from the report that affects CRC's operations is 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 and 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.

W7.3a

(W7.3a) Provide details of the scenario analysis, what water-related outcomes were identified, and how they have influenced your organization's business strategy.

	Type of scenario analysis used	Parameters, assumptions, analytical choices	Description of possible water-related outcomes	Influence on business strategy
Row 1	Climate-related	Since CRC operates exclusively in California, we believe California-specific scenarios are most relevant to our business. This scenario analysis has company-wide coverage and by its definition, aligns with a 1.6 – 2 degree C world.	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 and water-related input to our life-of-field planning. A key finding from the report that have possible water-related outcomes is a decrease by two-thirds in water supply from snowpack in the Sierra Range, which is the major source of freshwater inflow in	Water management is inherently critical to CRC's business operations of oil and gas extraction. However, as we align to our 2045 Full-Scope Net Zero Goal for climate action, we plan to operationally shift to a larger focus in carbon capture and storage (CCS). Because carbon capture also may use a significant amount of water, our long-term water management strategy will be critical in addressing the risks associated with groundwater mandates, such as California's Sustainable Groundwater

			the southern San Joaquin Valley where approximately 68% of CRC's estimated proved reserves are 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, including those in which CRC operates.	Management Act (SGMA) through 2045, as well as the risk of a possible decrease in water supply from the snowpack in the Sierra Range by two-thirds. CRC's goal to reduce freshwater consumption by 2025 compared to a 2022 baseline intends to reduce CRC's reliance on major freshwater sources and to leave adequate supply for thefor the communities that CRC operates, such as those living within the San Joaquin Valley.

W7.4

(W7.4) Does your company use an internal price on water?

Row 1

Does your company use an internal price on water?

Yes

Please explain

CRC uses a price on water of between $100 - $500 per acre foot. This is not used for competitive purposes, but rather to assess the impact of water-related risks. All of CRC's purchased water comes from water districts throughout the state of California.

W7.5

(W7.5) Do you classify any of your current products and/or services as low water impact?

	Products and/or services classified as low water impact	Definition used to classify low water impact	Please explain
Row 1	Yes	As a net water supplier, CRC defines low water impact as providing more	CRC's Water Management Team works with local water districts and state agencies to implement conservation and recycling projects to sustain

		water for beneficial use than what we purchase, resulting in a negative water intensity.	freshwater resources in the communities where we operate. We have invested in significant infrastructure, equipment, and operating procedures to efficiently recycle and reclaim approximately 90% of our produced water at our Kern Front field to sell to agricultural water districts. This has not only reduced the need to purchase freshwater but has also made CRC a net supplier of water – delivering almost 5 billion gallons of reclaimed water to agricultural water districts which is approximately three times the amount of freshwater that we use.

W8. Targets

W8.1

(W8.1) Do you have any water-related targets?

Yes

W8.1a

(W8.1a) Indicate whether you have targets relating to water pollution, water withdrawals, WASH, or other water-related categories.

	Target set in this category	Please explain
Water pollution	No, but we plan to within the next two years	As part of CRC's risk assessment process, it is noted that we may be at risk of substantial losses liability claims because of pollution. We are currently in the process of setting up a management system to track water pollution. However, this project is in its early stages, so we are unable to set a target until we establish a better understanding of how we are polluting water through our activities.
Water withdrawals	No, and we do not plan to within the next two years	CRC has a robust Freshwater Usage Reduction Goal that aims to reduce its usage by 30% by 2025 in comparison to the baseline year of 2020. CRC is focused on this goal and not water withdrawal targets.
Water, Sanitation, and Hygiene (WASH) services	Yes	
Other	Yes	

W8.1b

(W8.1b) Provide details of your water-related targets and the progress made.

Target reference number
Target 1

Category of target
Water consumption

Target coverage
Company-wide (direct operations only)

Quantitative metric
Other, please specify
Reduction in freshwater consumption

Year target was set
2022

Base year
2022

Base year figure
30,528,610

Target year
2025

Target year figure
21,370,027

Reporting year figure
30,528,610

% of target achieved relative to base year
0

Target status in reporting year
New

Please explain
The unit of the metric used to track this target is the reduction of freshwater usage by percentage. 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 also has a barrels of water per day reduction goal of 1000 BWPD. Given the water challenges California faces and as water is an essential component of our operations to produce

crude oil, natural gas and NGLs economically and in commercial quantities, CRC will continue to provide water safely and reliably for the state while we advance our focus on further reducing our consumption. CRC also consistently produces more water for California water districts (approximately 5 billion gallons of treated, reclaimed water in 2022 over 15,256-acre feet) than we consume for our own operations, which means we are a net water provider.

W9. Verification

W9.1

(W9.1) Do you verify any other water information reported in your CDP disclosure (not already covered by W5.1a)?

No, we do not currently verify any other water information reported in our CDP disclosure

W10. Plastics

W10.1

(W10.1) Have you mapped where in your value chain plastics are used and/or produced?

	Plastics mapping	Please explain
Row 1	Not mapped – and we do not plan to within the next two years	

W10.2

(W10.2) Across your value chain, have you assessed the potential environmental and human health impacts of your use and/or production of plastics?

	Impact assessment	Please explain
Row 1	Not assessed – and we do not plan to within the next two years	

W10.3

(W10.3) Across your value chain, are you exposed to plastics-related risks with the potential to have a substantive financial or strategic impact on your business? If so, provide details.

	Risk exposure	Please explain
Row 1	Not assessed – and we do not plan to within the next two years	

W10.4

(W10.4) Do you have plastics-related targets, and if so what type?

	Targets in place	Please explain

Row 1	No – and we do not plan to within the next two years	

W10.5

(W10.5) Indicate whether your organization engages in the following activities.

	Activity applies	Comment
Production of plastic polymers	No	
Production of durable plastic components	No	
Production / commercialization of durable plastic goods (including mixed materials)	No	
Production / commercialization of plastic packaging	No	
Production of goods packaged in plastics	No	
Provision / commercialization of services or goods that use plastic packaging (e.g., retail and food services)	No	

W11. Sign off

W-FI

(W-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.

W11.1

(W11.1) Provide details for the person that has signed off (approved) your CDP water 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