

CRC 2023

Sustainability Report



*A different kind
of energy company*



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CRC 20 23

*A DIFFERENT
KIND OF ENERGY
COMPANY*

About This Report

California Resources Corporation (CRC) is pleased to present our 2023 Sustainability Report highlighting our Environmental, Social, and Governance (ESG) performance and the initiatives we support in the areas where we live and work.

Throughout this report, California Resources Corporation, and its consolidated subsidiaries, may collectively be referred to as “CRC,” the “Company,” “we,” “us,” or “our.” Our 2023 Sustainability Report highlights the policies, processes, procedures, and performance from which we establish and advance our ESG goals and criteria, as well as how we aim to promote sustainable development in our communities. This report provides a thorough overview of CRC’s strategy for safe, sustainable, and technologically advanced energy production, using our integrated infrastructure, to help meet the energy needs of our state. We included information in this report based on internal discussions, external stakeholder feedback, and consultations with third-party experts. CRC intends to regularly report on our ESG policies, procedures, and performance, both on our website and through our annual Sustainability Report.

This report primarily covers the period of January 1, 2023, to December 31, 2023, and reflects 100% of CRC’s operations, unless otherwise noted. This report does not include the assets or operations of Aera Energy LLC (Aera) following CRC’s combination with Aera in July 2024. This report reflects the guidelines of the Sustainability Accounting Standards Board (Oil & Gas - Exploration & Production Industry) and Global

Reporting Initiative (GRI Universal Standards 2021). For 2023, we have provided additional disclosures and metrics based on these guidelines, as well as indexed our disclosures to both the SASB and GRI guidelines. In conjunction with the rest of our corporate sustainability disclosures, this report is further enhanced by aligning with the four core elements of the Task Force on Climate-related Financial Disclosures’ (TCFD) framework: Governance, Strategy, Risk Management, and Metrics and Targets. The purpose is to detail the company’s Board and managerial oversight of climate-related risks and opportunities, demonstrate our present and long-term resilience to these risks, strategic capitalization of opportunities, and which business objectives contribute to achieving global and state environmental goals. We also highlight current processes and procedures in managing these risks and the metrics and targets we utilize to mitigate risk, integrate life-of-field planning, and evaluate corporate performance.

The conduct and results of our activities, including the development, implementation or continuation of any program, policy or initiative discussed or forecasted in this report, may differ materially in the future. As with any projections or estimates, actual results or numbers may vary, sometimes significantly. Many of the standards and metrics used in preparing this report continue to evolve and are based on management assumptions at the time of preparation. Such assumptions, however, are subject to change by management due to new information or changes in financial position, liquidity, legal requirements, and business strategy.

Performance Area Assessment

In line with CRC’s sustainability strategy, we have conducted a materiality assessment to identify the most relevant and impactful performance areas for CRC and our key stakeholders as shown in the table below:

 Environmental	 Social	 Governance
Climate Risk Management	Health & Safety	Board Composition
Emissions Management	Human Capital Management	Business Ethics
Energy Management	Diversity	Cybersecurity
Materials & Waste Management	Social Supply Chain	Remuneration
Water Management	Community Involvement	Management of Legal and Regulatory Environment
Environmental Impact	Human Rights	
Environmental Supply Chain		

These focus areas were guided by the recommended disclosures laid out by the Task Force on Financial Climate-related Disclosures (TCFD), topics recommended by the Sustainable Accounting Standards Board (Oil & Gas - Exploration & Production Industry) framework, standards provided by the Global Reporting Initiative (GRI Universal Standards 2021), as well as the International Petroleum Industry Environment Conservation Association (IPIECA) with respect to our sustainability assessment, performance, and reporting. In today’s rapidly changing environment, we feel that these frameworks support our goal to engage more efficiently with investors about our ongoing sustainability work and other topics that are financially and socially significant to our business.

CRC is committed to conserving natural resources, protecting the environment, and mitigating climate change. As such, it is our priority to ensure that our ESG data is reliable, comparable, and relevant to effectively make decisions regarding our capital allocation, financial, operational, and environmental performance, and investments in the communities where we operate. In developing this report, we engaged a consultant, Pickering Energy Partners, to support us in developing an assessment that balanced the critical importance of integrating both internal and external stakeholders throughout the process. Guidance was provided to us through all phases of the assessment, including feedback on the list of relevant Environmental, Social, and Governance issues to be assessed, relevant stakeholder groups, and the qualitative and quantitative information needed to develop our Sustainability reporting.

Report Highlights

As we continue to help advance the energy transition in California and decarbonization of local economies, here are a few highlights from 2023:



ENVIRONMENT

ENVIRONMENTAL GOALS

- 2045 Full-Scope Net Zero Goal - for Scope 1, 2, and 3 emissions reductions:
 - Methane Reduction - 30% reduction from 2020 baseline by 2030.
 - Freshwater Usage Reduction - 30% reduction from 2022 baseline by 2025.
- Full-scope GHG emissions and Other Air Emissions continued to decrease.
- Continued improvement of automated processes and control systems to minimize potential for fluid barrel releases during power outages; introduced as part of team metrics release tracking for total fluid barrels outside secondary containment to better indicate potential impact to the environment.
- Continued improvement of energy use and efficiency metric; Energy Intensity (Total Energy Used / Thousand Barrels of Oil Equivalent) (MBOE) continued to decline.
- Continued as net supplier of both fresh water and electricity.
 - Provided more than 3x the water to California water districts (approximately 4.75 billion gallons of treated, reclaimed water in 2023) than we consumed for our own operations.
 - Recycled or reclaimed nearly 100% of the produced water from steam flood operations.
- Maintained our Wildlife Habitat Council (WHC) certifications recognizing CRC's excellence in corporate conservation of the Elk Hills Conservation Area and THUMS native plant species projects. CRC's Bolsa Chica Wetlands in Huntington Beach received its fourth WHC certification and was recognized in 2023 with the WHC Invasive Species Project Award in recognition of our efforts in invasive plant species management.
- Received a "Grade A" certification in Q1 2024 through MiQ's Methane Emissions Performance Standard for CRC's operating assets in Los Angeles and Orange Counties. The application process for the MiQ certification began in Q4 2023. This is the first "Grade A" independently certified gas (ICG) designation that MiQ has presented to oil and natural gas operating assets in California and the Rocky Mountain region. This achievement demonstrates CRC's dedication to its ESG goals and sustainability platform.

*This goal is currently under review following the completion of the Aera Merger. See page 13 for additional information.



SOCIAL

SOCIAL GOALS

- Diversity, Equity and Inclusion (DE&I) - Prioritize increased efforts to support the advancement of all employees.
- Community Giving - Prioritize giving back to our local California communities where we produce energy the state needs and develop carbon management initiatives.
- Safely operated and maintained our wells and facilities vital to providing needed energy.
- Continued to rank among the safest companies in the United States; in 2023, our workforce achieved a better safety performance rating than many non-industrial sectors including finance, insurance, and real estate.
- Earned 22 National Safety Achievement Awards in each of our operating areas and company-wide related to our 2023 performance.
- On average, each of our employees completed 32 hours of training in 2023, an increase of 45% from 2022; 10,399 of these hours focused on health and safety policies and procedures.
- Empowered our communities through meaningful charitable donations and volunteerism, and community sponsorships in the following focus areas: Public Health, Safety and Environment, STEM/Job Training, and Diversity, Equity, and Inclusion.



GOVERNANCE

GOVERNANCE GOALS

- Executive Pay goal - Links 30% of executive annual bonus related to company performance to ESG metrics Audit, Sustainability, Compensation, Nominating and Governance committees are made up of independent directors.
- Audit, Finance, Sustainability, Compensation, and Nominating and Corporate Governance committees are made up of independent directors.
- Eight out of nine Board members are independent.
- Maintained an Overboarding Policy.
- Maintained a Clawback Policy.
- Board is not classified; directors are elected on an annual basis.
- No shareholder rights plan ("poison pill") in effect.
- Annual CEO, management, and Board evaluation process.

Letter From the CEO Francisco J. Leon



CRC is a different kind of energy company committed to an energy transition in California and beyond. With a leading market position in the California energy sector, our company has a clear path to address today's complex energy challenges. We are dedicated to producing local, responsibly sourced oil and natural gas and providing innovative carbon management solutions that will continue to deliver the reliable energy Californians need while forging pathways to advance the state's decarbonization initiatives.

2023 was a year of remarkable progress in advancing CRC's business objectives, including achieving strong financial, operating and safety results; delivering robust returns to shareholders; maintaining a premier balance sheet; enhancing future profitability; and furthering California's decarbonization efforts, which have positioned us for a successful 2024.

Strategic Merger With Aera Energy

In July 2024, CRC completed a merger with Aera Energy, LLC. This strategic transaction creates scale in our operations, enhances asset durability, generates significant free cash flow, and enhances our shareholder returns. Aera's assets, all located in California similarly to CRC, are very

complementary to CRC's existing portfolio and will double our production, making CRC the largest oil and natural gas producer in the state. This merger also strengthens our conventional energy business and expands CRC's leading carbon management platform by adding additional potential CCS sites. **The merger reinforces our position as California's leader in the energy transition, producing safe and reliable energy that the state needs while accelerating the decarbonization of our industrial and energy industries.**

Strong ESG Leadership

Our 2023 ESG performance metrics reflect that we are making real progress on expanding our sustainability leadership. Regarding our methane emissions reduction goal, we reduced carbon dioxide equivalent (CO₂e) emissions by **6,169 metric tons (MT)** from 2022 to 2023. In line with our freshwater usage reduction goals, we supplied approximately **4.75 billion gallons** of treated, reclaimed water for agricultural water districts in 2023 - nearly double the amount we supplied in 2015. This water helps sustain thousands of acres of productive farmland and associated farmworker jobs. In 2023, our combined workforce of employees and contractors also set the **second-best company safety record** in CRC's history - our best since

the period during COVID - which is better than many non-industrial sectors including finance, insurance, and real estate. In addition, our workforce received **22 National Safety Council Awards** for our 2023 safety performance. In Q4 2023, CRC also began the application process to be certified through **MiQ's Methane Emissions Performance Standard**, and in Q1 2024, CRC received a "Grade A" certification for its operating assets in Los Angeles and Orange Counties. This is the first "Grade A" independently certified gas (ICG) designation that MiQ has presented to oil and natural gas operating assets in California and the Rocky Mountain region.

Leading Carbon Management Solutions Provider

CRC is a premier carbon management solutions provider and is poised to become a carbon capture and storage (CCS) leader for California. Our carbon management business, which we refer to as Carbon TerraVault (CTV), is expected to build, install, operate and maintain carbon dioxide (CO₂) capture equipment, transportation assets and storage facilities in California. CTV expanded in 2023 allowing us to continue to pursue innovative carbon management projects across California.

We entered into several **Carbon Dioxide Management Agreements** (CDMA) with various clean energy companies, which will allow for the capture and storage of up to approximately 965,000 MT of CO₂ per year. A CDMA is a preliminary agreement that frames the contractual terms between parties by outlining the material economics and terms of the project and includes conditions precedent to close. A CDMA provides a path for the parties to reach final definitive documents and final investment decision.

We announced receipt of **California's first U.S. Environmental Protection Agency (EPA) draft Class VI well permits** for underground CO₂ injection and storage at CTV JV's Elk Hills 26-R reservoir, held by a joint venture we entered into with BGTF Sierra Aggregator, LLC (Brookfield) to pursue carbon management and storage activities. In addition, the Kern County Planning and Natural Resources Department released its **Draft Environmental Impact Report for CTV I** for public review. CTV anticipates that both the U.S. EPA and Kern County will deliver final permitting decisions in the second half of 2024. In November 2023, we also announced **CTV's first capture-to-storage project** at CRC's Elk Hills cryogenic gas plant, a project which is expected to remove and permanently store up to approximately 100,000 MT per annum of CO₂ in the 26-R I reservoir.

Our carbon management business continues to attract federal funding for research and development and deployment of carbon capture technologies to help mitigate the impacts of climate change and benefit communities by improving air quality, creating new energy transition employment opportunities and increasing tax revenue for the state and local communities. In August 2023, CTV's **California Direct Air Capture (DAC) Hub consortium**, comprised of over 40 diverse organizations, was selected to receive nearly **\$12 million in funding** from the U.S. Department of Energy (DOE) under its Regional DAC Hubs Initiative related to the proposed development of California's first full-scale DAC plus storage network of regional hubs. Additionally, in November 2023, two CTV projects were selected by the DOE for negotiation under the **Carbon Storage Assurance Facility Enterprise (CarbonSAFE) initiative** for a funding total of approximately **\$18 million**.

In 2023, CRC:

Reduced methane emissions by

6,169
MT CO₂e

Supplied
Approximately

4.75
billion
gallons

of treated reclaimed
water for agriculture

Received

22
National Safety
Council Awards

*Blue hydrogen is produced from natural gas split into hydrogen and carbon dioxide by a steam methane reforming process, with the carbon dioxide ultimately being captured and stored.

Prioritizing Our California Communities

At CRC, our workforce is “all in” in the communities where we live and work. We are supportive community partners in both our personal and professional lives, through active volunteerism and impactful donations to non-profits that are making a difference in our communities. Through our charitable giving and employee match programs, we have donated nearly **\$17 million to California non-profits** since the company’s inception in 2014. Our charitable contributions all support the following three focus areas: Public Health, Safety and the Environment; science, technology, engineering, and mathematics (STEM) and Job Training; and Diversity, Equity and Inclusion.

A fundamental element of our community engagement is having open and meaningful dialogue with our community members, business stakeholders, elected officials, and decision makers to support an equitable, just, and environmentally responsible approach to our projects that deliver the needed energy to help humankind and our communities. We invite community stakeholders to tour our operations and discuss how our clean energy projects will support California’s ambitious decarbonization goals. For example, in September 2023 our employees alongside friends and family

participated in direct community outreach, walking door-to-door in cities in West Kern County to engage with local residents about our CTV I CCS projects. Additionally, in December we hosted more than 70 community members at our Elk Hills Field in Kern County for a tour and in-depth discussion about our proposed carbon management projects. We also held several tours of our Long Beach THUMS operations for elected officials and community groups throughout the year.

CRC’s deep commitment to providing positive contributions to our local communities, the state of California, and the energy transition has been recognized through the years. In 2023, we received several awards highlighting our company as an impactful, responsible community partner. We were honored by S&P Global Platts with the **Energy Transition - Upstream Award** for our decarbonization efforts. We were named **Corporation of the Year** by the Kern County Hispanic Chamber of Commerce and **Corporate Philanthropist of the Year** by the Bakersfield College Foundation. Newsweek also named CRC as one of **America’s Most Responsible Companies** for the third year in a row, from 2022 to 2024.

Sustainable Energy for the Future

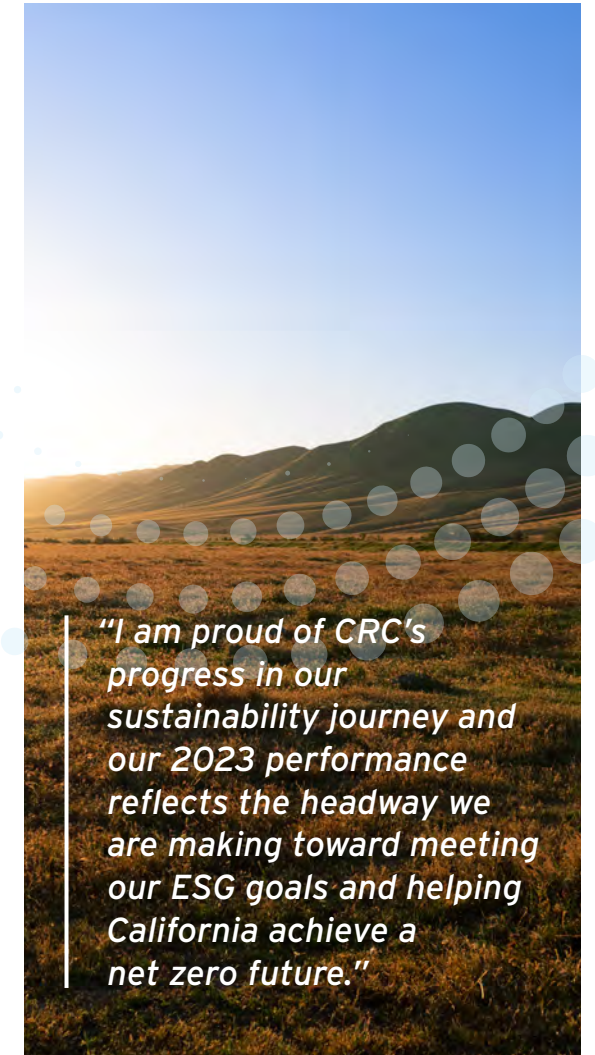
I am proud of CRC’s progress in our sustainability journey and our 2023 performance reflects the headway we are making toward meeting our ESG goals and helping California achieve a net zero future. I am excited about all we are poised to accomplish in 2024 and beyond as we continue to produce safe and local, responsibly sourced oil and natural gas that are critical for our communities and economy and to develop innovative carbon management solutions that will help us meet California’s present and future energy needs - enabling Californians to live the lives they enjoy with secure energy.

On behalf of CRC’s exceptional workforce, we are thankful for the opportunity to partner with our respected local community and business stakeholders, clean energy partners, and regulatory and government agencies who are helping California’s diverse communities have a vibrant and sustainable future.

Sincerely,



Francisco J. Leon
President and Chief Executive Officer
California Resources Corporation





CRC At A Glance



VISION

To be the premier leader in the energy transition, providing local, responsibly sourced energy and sustainable carbon management solutions.



MISSION

To deliver long-term investment value by safely developing our portfolio of responsibly sourced energy assets and reducing carbon emissions through our carbon management business to benefit our communities and the environment.



VALUES

Character: Acting with integrity and honor, without exception

Responsibility: Achieving California's high standards for safety and environmental protection

Commitment: Respecting our neighbors and advancing community interests for ample, affordable, and reliable energy

CRC is an independent energy and carbon management company committed to energy transition in the sector. We are focused on producing energy in a safe and responsible manner, while maximizing the value of our land, mineral and technical resources for decarbonization by developing carbon capture and storage (CCS) and other emissions reducing projects. In 2023, our large portfolio of low-decline conventional opportunities comprised approximately 68% of our proved reserves across the three oil and natural gas basins in which we operated. With decades of proven, low-decline reserves, we expect to continue to self-fund our E&P business, deliver additional shareholder returns and fund our carbon management activities. Our core fields generate strong free cash flow yield, while our ESG opportunities support our work to achieve some of the most ambitious decarbonization goals in the United States.

In 2023, CRC produced approximately 100,000 (gross operated) barrels of oil equivalent per day (Boe/d). On December 31, 2023, we held approximately 1.7 million net mineral acres spanning four major California oil and gas basins, the largest privately owned mineral acreage position in the state. The Company's proved reserves totaled an estimated 377 million barrels of oil equivalent (MMBoe) as of December 31, 2023.

CRC shares and endorses the State of California's commitment to conserve our natural resources, to mitigate climate change, and to protect

As of December 31, 2023

Gross Productive Oil Wells:
8,251



Fields:
97

*including one field held for sale in the Ventura Basin as of 12/31/23



Gross Production:
100
MBoe/d Annual Average



Liquids:
73%
Annual Average



Employees:
969



our environment. Since our founding in 2014, CRC has consistently set a high standard for environmental stewardship, safe and responsible operations, and community empowerment. We engage proactively with regulatory agencies, communities, and other stakeholders to pursue mutually beneficial outcomes that benefit the communities where we live and work. Our operations span across a variety of landscapes including coastal, urban, and agricultural environments as a result of our advanced production technologies and control systems and facilities are designed and maintained throughout the state with our neighbors, communities, and the environment in mind.

Our 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. This helps ensure that we produce energy in a safe and responsible manner to help support and enhance the quality of life of the California working families needing the energy we produce and the local communities where we operate.

CRC is committed to its values of **Character**, **Responsibility** and **Commitment**, promoting workplace diversity and community engagement, and maintaining sector-leading health, safety, environmental practices. We prioritize the safety of our workers by empowering and training our workforce to be safety leaders. We support them with robust safe work practices, cutting-edge technology, and rigorous maintenance and asset integrity programs.



ESG At CRC

ESG Goals

CRC's ESG goals focus on providing safe and local, responsibly sourced energy that meets or exceeds 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 by linking executive compensation to ESG performance. These goals demonstrate CRC's strong commitment to being a leader of the energy transition while providing safe and reliable energy sources.

ESG Goal*	2023 Progress
 Achieve Net Zero for Scope 1, 2, and 3 emissions by 2045	13.4% reduction from 2020 baseline 
 Reduce methane emissions by 30% from our 2020 baseline by 2030	21.4% from 2020 baseline 
 Reduce freshwater usage in our oil and gas production by 30% from our 2022 baseline by 2025	Met 30% reduction from 2022 baseline 
 Advance ethnically and racially diverse professionals in leadership positions	28% of executive leadership are ethnically diverse 
 Increase gender diversity in leadership positions	28% of executive leadership positions are gender diverse 
 Maintain current Board composition with ethnically and gender diverse Board members.	44% of Board members are ethnically and gender diverse 
 Give back to our local California communities where we produce local, responsibly sourced fuel and develop carbon management initiatives	\$17 million provided to local non-profits and organizations since 2015 
 30% of executive annual incentive pay related to ESG performance	Maintained 

* We recently closed on transactions to obtain by way of merger all of the ownership interests in Aera Energy, LLC (Aera Merger). As a result of the Aera Merger, we are in the process of evaluating the impact of the transaction on our ESG goals and ambitions. The goals communicated throughout this sustainability report, previous sustainability reports or other communications are subject to change after this process is completed.



Stakeholder Engagement

As part of our engagement, we considered input from a variety of stakeholders, including shareholders, municipalities, regulatory agencies, joint venture partners, landowners, mineral rights owners, customers, suppliers, vendors, our workforce, advocacy groups, the media, and labor, business, agricultural and community non-profit organizations. These stakeholders have been identified by senior management and the Board to ensure we communicate with parties involved both directly and indirectly in our operations, including those interested in energy, employment, land use, resiliency, social equity, climate, and environmental issues. By engaging regularly, we are better able to inform stakeholders about our operations, solicit their input and identify how we can work together to reach mutually beneficial outcomes. A strong culture of open communication has been established through years of active outreach supported by tools and processes in which stakeholders can reach out to have a voice. Our stakeholder outreach is not limited to our Board and senior management. In recognition of the importance of transparent stakeholder engagement, CRC's annual management objectives include individual goals to maintain a dialogue with diverse stakeholders associated with a manager's areas of responsibility.

Board members and our senior management held conversations with a majority of our shareholders in 2023 related to our corporate policies, governance, performance and company goals. We consider the feedback received in making decisions and setting goals going forward.



Environment

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Environmental Commitment

CRC is committed to being a responsible environmental steward by efficiently producing energy and actively promoting the conservation of water, habitat, and energy. Through our investments in integrated infrastructure, CRC is a net supplier of both fresh water and electricity, unlike oil and natural gas producers in many other states and countries. We operate with our neighbors, communities, and the environment in mind using a highly qualified workforce, including workers from the State Building and Construction Trades Council of California and the United Steelworkers.

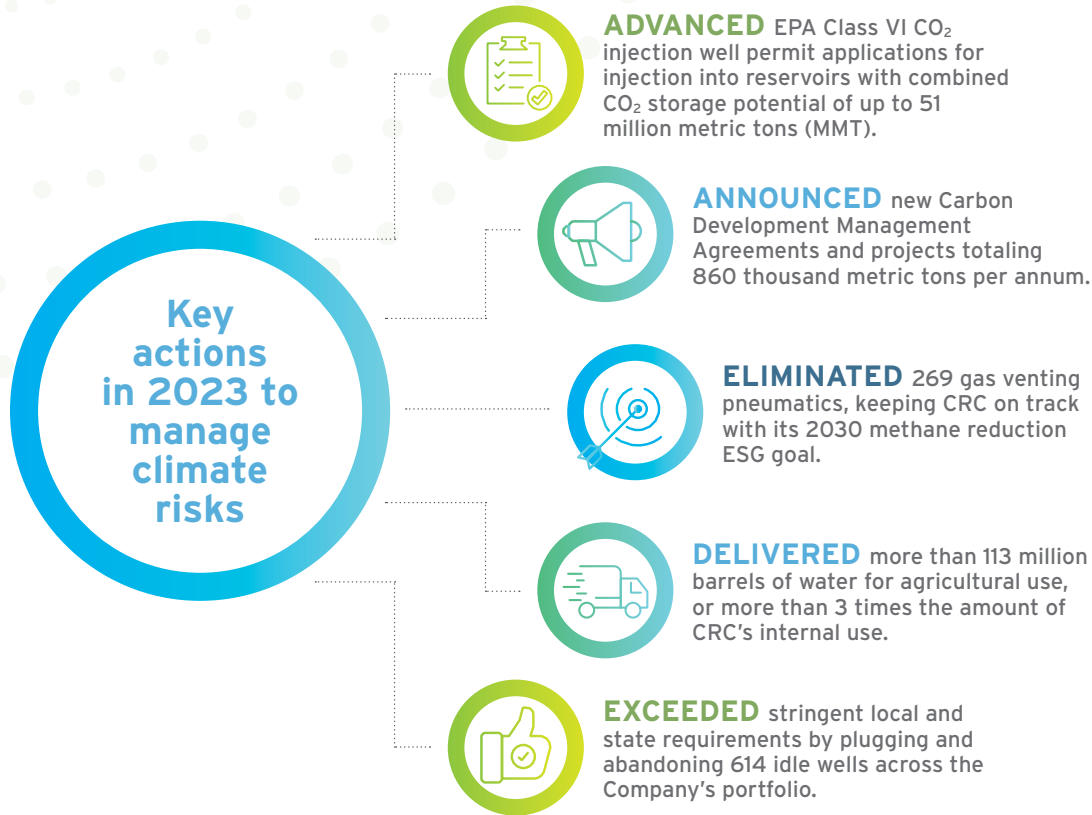
- CRC's sustainability metrics include annual conservation and environmental stewardship targets, as well as specific sustainability project milestones to advance the Board's health, safety, and environmental (HSE) and sustainability principles and set compensation for our management team and our workforce. We have reported third-party verified GHG emissions under California's Global Warming Solutions Act (AB 32) since our formation and we voluntarily report our emissions data, climate risk assessment, sustainability metrics, and other mitigation

measures annually to CDP (formerly the Carbon Disclosure Project). **In Q4 2023, CRC began the application process for certification by MiQ's Methane Emissions Performance Standard, and in 2024 Q1, CRC received a "Grade A" certification from MiQ for its operating assets in Los Angeles and Orange Counties.** This is the first "Grade A" independently certified gas (ICG) designation that MiQ has presented to oil and natural gas operating assets in California and the Rocky Mountain region. "Grade A" is the highest grade MiQ awards to facilities, which requires methane intensities of less or equal to 0.05%, quarterly monitoring of source- and facility-level methane emissions and leaks, and robust compliance with both mandatory and voluntary policies and procedures for methane emissions management. This achievement demonstrates CRC's dedication to its ESG goals and sustainability platform.

California has some of the most stringent environmental regulations in the oil and natural gas industry. 26 state and federal agencies oversee all aspects of CRC's exploration and development of oil and natural gas properties, production practices, product transportation, and sales in California. Foreign governments and other states do not follow California's world-leading environmental standards such as the California Environmental Quality Act, AB 32, GHG Cap-and-Trade program, the state's

Oil and Gas Methane Regulation, extensive vapor recovery and emission controls, Petroleum Safety Orders, and the comprehensive California Geologic Energy Management Division (CalGEM) regulation of well drilling, completion, operation, and plugging and abandonment. CRC's HSE and sustainability

programs often exceed California's stringent regulatory requirements, such as CalGEM's Idle Well Management Program. Under this and other CalGEM plans CRC annually plugs and abandons approximately 12% of its idle wells, which exceeds the minimum threshold required by CalGEM.



Emissions Management

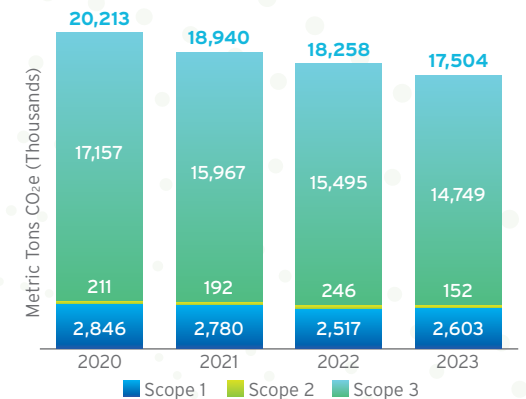
In connection with our ongoing pursuit to reduce operational emissions, in 2023, scope 1 and 2 total CO₂e emissions reduced to 2.8 MMT CO₂e, 10% from our 2020 baseline. Total scope 1, 2, and 3 emissions 17.5 MMT CO₂e which is a 13.4% reduction.

In April 2022, we updated our methane emissions reduction goal after we surpassed our initial target 12 years ahead of schedule in 2018 - to lower methane emissions by 50% from our 2013 baseline by 2030. Our updated goal commits us to further reduce methane emissions by 30% from our 2020 baseline by 2030. To achieve this, we are transitioning to non-methane venting technologies like solar-powered compressed air systems and installing vapor recovery on pneumatics when available. In 2023, we eliminated 269 pneumatic venting devices reducing methane emissions by over 400 MT/year. Due to these efforts, our methane emissions decreased to 3,065 MT CH₄, 21.4% from our 2020 baseline.

[See figure 01]

To improve our emissions mitigation strategy, we regularly review innovative technologies to integrate into our operations. In 2021, we implemented the use of optical gas imaging Forward-Looking InfraRed (FLIR) cameras to enhance traditional methane leak detection via handheld portable monitors. These FLIR cameras allow operators to easily detect leaks from difficult-to-monitor locations. We have been continually investing in field-deployed methane detection technology since 2018 with over \$2.1 million invested. CRC invested approximately \$2 million to remove natural gas-driven pneumatic devices from service in 2023 via a combination of methods including installing zero bleed devices, using air

figure 01
Full Scope GHG Emissions



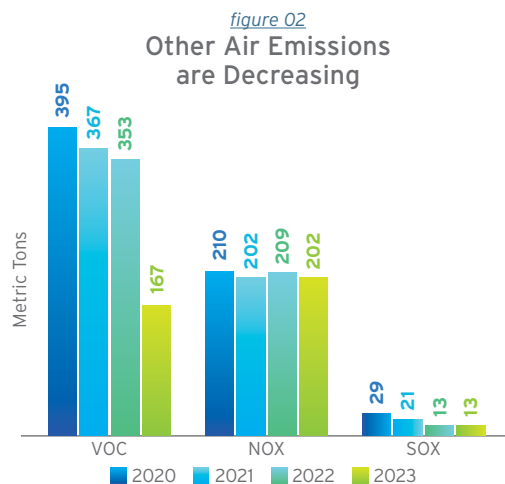
compressors as the drive mechanism, installing solar- or electric-driven devices, or permanently removing other devices. Additionally, we have assessed stationary methane sensors and drone, aerial, and satellite technologies for enhanced leak detection, which aids in prompt repair response. In 2023 alone, we invested \$1 million for methane leak detection improvements, including deploying the use of 10 additional TDL 300 and TDL 220 handheld methane laser units. The units can detect methane up to 100 meters away at volumes from 0 ppm to 100,000 ppm for operators to use during their daily rounds. We also installed three new fixed continuous methane detection systems with 50 sensors deployed through our production facilities in the LA and SJV basins and added a new DJI M300 methane detection drone and performed detection campaigns through satellite and aerial flights throughout our operations in the state. For 2024, CRC has committed an additional \$1 million for improving and maintaining these programs. [\[See figure 02\]](#)

We also continue to evaluate ways to reduce or eliminate criteria pollutants, working with local air districts to reduce criteria emissions (e.g., nitrogen oxides (NOx), sulfur dioxide (SOx), carbon monoxide (CO), volatile organic compounds (VOC), particulate matter (PM10)) from all combustion units including heaters, engines, turbines, and fugitive components. For example, CRC is the

sole industry partner on the SUMMATION project with the California Air Resources Board (CARB), Lawrence Berkeley National Laboratory, and Carbon Mapper on the remote surveillance of our operations, using mobile and fixed wing airplanes in the San Joaquin Valley to further reduce unintentional fugitive emissions and thus reduce both methane and VOC emissions. In addition, CRC performs its own enhanced monitoring of fugitive emissions by exceeding the minimum required fugitive leak inspection frequency in many of our fields and employing enhanced detection capabilities such as the FLIR cameras and handheld lasers. CRC is compliant with the mandated leak detection and repair (LDAR) survey frequency

and FLIR and laser processes in CARB's Oil and Gas Methane Regulation, U.S. EPA Reference Method 21, and local air district rules. In anticipation of regulatory updates in 2024, we are ensuring that our LDAR survey frequency will be maintained on a quarterly basis moving forward. CRC has a current fleet of six FLIR cameras strategically deployed throughout our operations to support our LDAR program as a quality assurance/quality control tool and for investigative purposes. In 2022, CRC began

implementing measures to further reduce NOx and VOCs from operations. In 2023, CRC upgraded nine steam generators to lower NOx emissions and replaced internal combustion compressor engines in our Kettleman and Coles Levee fields. CRC has also begun a capital project to replace large compressor engines at our Low Temperature Separation gas processing plant at the Elk Hills Field and upgraded the THUMS power plant catalyst to reduce emissions by 50% based on permit limits.



CRC's LDAR survey rate is compliant with CARB's Oil and Gas Methane Regulation, U.S. EPA Reference Method 21, and local air district rules. In addition, CRC performs its own enhanced monitoring of fugitives by exceeding the minimum required fugitive leak inspection frequency in many of our fields and employing enhanced detection capabilities such as the FLIR cameras.





Carbon Management & Low-Carbon Technologies

At CRC, we recognize climate change needs to be addressed through thoughtful government and private sector policies along with market-based technology solutions, such as carbon capture and storage (CCS) and direct air capture plus storage (DAC+S), that benefit working families and all parts of our society. At a high level, carbon capture technologies involve safely capturing carbon from industrial processes or removing it from the air and transporting and permanently storing it underground.

To demonstrate our commitment to the transition in the energy sector and alignment with the state's ambitious climate goals, we are expanding our ESG leadership through decarbonization with several low carbon initiatives such as our Carbon TerraVault (CTV) CCS projects, our CalCapture CCS project at Elk Hills in Kern County, and our CalHub. These projects will provide pathways for reaching and maintaining carbon neutrality, and helping California meet its ambitious emissions reduction goals.

In November 2023, we announced **CTV's first capture-to-storage project** at CRC's Elk Hills cryogenic gas plant, a project which is expected to remove and permanently store up to approximately 100,000 MT per annum of CO₂ in the CTV I reservoir.

In addition, CRC's previously announced CalCapture project intends to capture carbon dioxide (CO₂) from the Elk Hills Power Plant, a 550-megawatt (MW) natural gas, combined-cycle power plant, located in Kern County, California, and inject the CO₂ deep underground for permanent sequestration in on-site depleted underground reservoirs. Through CRC's CalCapture project, emissions from the Elk Hills Power Plant will be significantly reduced, further supporting California's climate goals and the Paris Climate Accord. CalCapture is targeting to capture and permanently store up to 1.5 MMT of CO₂ every year.

CARBON TERRAVALT

CTV is developing a series of CCS projects that will inject CO₂ captured from industrial sector customers into depleted underground oil and gas or saline reservoirs for permanent storage. CCS is recognized as a key technology in reducing carbon emissions around the world by many national and global organizations. CTV is evaluating up to 1 billion metric tons of potential CO₂ permanent storage capacity across CRC's depleted oil and gas fields that could contribute to the decarbonization of our local communities by providing carbon capture and sequestration services.

CRC launched CTV as part of its carbon management business in 2021 to help advance the energy transition and curb rising global temperatures at 1.5°C. We aim to do this by building scalable, low-carbon, and cost-effective solutions and bringing rewarding jobs to our local communities. CTV is developing CCS and DAC+S projects.

The development, construction, and operation of our carbon management projects is contingent upon securing certain permits from federal, state, and local authorities, including Class VI injection well permits from U.S. EPA and conditional use permits from the county or city in which a project is sited. Class VI permits are issued by U.S. EPA to regulate the injection of CO₂ for subsurface

sequestration. To date, CRC has applied for several Class VI permits from the U.S. EPA in connection with underground storage vaults across California, specifically in the San Joaquin and Sacramento basins. Once permitted, these deep, depleted underground reservoirs will serve as vaults to permanently store CO₂ from industrial sources.

In August 2022, to align CRC's carbon management strategy with a strong investment partner, CRC entered into a joint venture (CTV JV) with BGTF Sierra Aggregator LLC (Brookfield) focused on CCS development opportunities. Brookfield has committed an initial \$500 million to the JV to invest in jointly approved CCS projects. The investment from Brookfield is allocated through the Brookfield Global Transition Fund (BGTF), the world's largest fund dedicated to facilitating the global transition to a net-zero carbon economy. The strategic partnership involves developing both infrastructure and storage assets required for CCS projects in California. CTV JV has entered into multiple Carbon Dioxide Management Agreements (CDMAs) with third parties, further progressing carbon sequestration in California. A CDMA is a preliminary agreement that frames the material terms of the project and provides a path to reaching a final definitive agreement with the counterparty.

In May 2023, CTV announced it entered into a storage-only CDMA with Yosemite Clean Energy,



Capable of injecting over
1 MILLION
METRIC TONS
OF CO₂ PER YEAR



Equivalent to the annual
emissions of approximately
200,000
PASSENGER VEHICLES



**TOTAL POTENTIAL
CAPACITY**
as of Q4 2023
= 191 MMT



“With some of the strongest decarbonization goals in the country, California is a leader in addressing climate change, and is committed to pursuing innovative technology solutions to achieve its emissions reductions and mitigate climate change. At CRC, we are proud of the good work we are doing through our carbon management business, Carbon TerraVault, to develop pathways that offer both immediate decarbonization benefits, transformational community benefits, and long-term solutions to help the Golden State reach and maintain carbon neutrality.”

*Francisco Leon,
President and
Chief Executive Officer*

LLC (Yosemite), a bioenergy development company that specializes in transforming farm and forest wood waste into carbon-negative hydrogen and renewable fuel. If developed, the proposed project is expected to sequester at least 40,000 metric tons per annum (MTPA) of CO₂ captured from Yosemite Hydrogen Facility into CTV carbon storage vaults. The proposed Yosemite Hydrogen Facility is expected to be constructed in Oroville, Northern California with commercial operations targeted in late 2025. The plant would be expected to produce up to 24,000 kilograms of hydrogen per day. Over the next 10 years, Yosemite plans to construct two additional hydrogen facilities in California with similar technical and production characteristics with up to an additional 160,000 MTPA of CO₂ emissions under consideration.

CTV I

The environmental review began in 2022 for two initial permanent CCS projects, located within the proposed CTV Clean Energy Park at our Elk Hills Field in Kern County - which we collectively refer to as Carbon TerraVault I, or CTV I. In December 2023, the U.S. EPA released draft Class VI permits for one of the initial CTV I projects, and Kern County also released the Draft Environmental Impact Report for CTV I. These are the first draft permits released by U.S. EPA in California. We are targeting first CO₂ injection at CTV I by the end of 2025.

From December 2022 to November 2023, CTV JV announced CDMA with multiple third parties for proposed CTV I sequestration projects. [\[See table 01\]](#)

table 01

Proposed Sequestration Projects at CTV I	2023 Progress
Elk Hills Hydrogen Project:	CDMA with Lone Cypress Energy Services, LLC announced in December 2022. The proposed project would expect to sequester up to 205,000 MT of CO ₂ annually from a newly constructed clean hydrogen plant.
Renewable dimethyl ether (rDME) production facility plans:	CDMA with InEnTec, Inc. announced in May 2023. The proposed project would expect to initially sequester a minimum 100,000 MT of CO ₂ annually.
Renewable gasoline plant plans:	CDMA with Verde Clean Fuels announced in August 2023. The proposed project would expect to sequester a minimum of 100,000 metric tons of CO ₂ annually.
Waste-to-energy production facility plans:	CDMA with NLC Energy (NLCE) announced in November 2023. The proposed project would expect to produce renewable natural gas (RNG) from biomass and other agricultural waste feedstock and would expect to sequester a minimum of 150,000 MT of CO ₂ annually.

CTV II & III

In May 2022, CRC applied for two Class VI injection permits for 94 MMT of permanent CO₂ storage for two new CCS vaults - CTV II and III - in the Sacramento basin.

In January 2023, CRC announced a CDMA with independent clean-tech company Grannus, LLC. The proposed Grannus Ammonia and Hydrogen Project at CTV III would expect to sequester up to

370,000 MTPA of CO₂ from a new clean ammonia and hydrogen plant proposed to be constructed in Northern California to supply the agriculture, mobility, and marine fuel markets.

CTV IV & V

In May 2023, CRC applied for a Class VI injection permit for 34 million MT of permanent CO₂ storage for the CTV IV CO₂ reservoir in the Sacramento Basin.

Additionally, in August 2023, CRC applied for a Class VI injection permit for 17 million MT of permanent CO₂ storage for the CTV V CO₂ reservoir in the Sacramento Basin.

California DAC Hub

CTV Direct, a wholly owned subsidiary of CTV focused on DAC, together with Electric Power Research Institute (EPRI) and Kern Community College District (Kern CCD), assembled a consortium of more than 40 diverse organizations across industry, technology, academia, national labs, community, tribes, government, and labor to create the California DAC Hub (CalHub) – the state’s first full-scale DAC+S network of regional hubs that will provide transformative benefits to the California communities. DAC+S is a solution that can remove and then permanently store atmospheric CO₂ using low-carbon emission energy. The first DAC hub is targeted to launch in Kern County with plans to expand to other locations across the state.

In August 2023, CalHub was selected to receive nearly \$12 million in funding from the U.S. DOE, which will be used to perform FEED studies in 2024 of the first proposed DAC facilities. The FEED studies are expected to be followed by additional funding requests, with planned development and construction of the proposed project potentially beginning in 2025.



POTENTIAL BENEFITS INCLUDE:

Use of **RENEWABLE ENERGY**

Utilization of **RECLAIMED WATER**

QUALITY UNION JOBS in Construction and Technology.

STEM and Energy Transition **EDUCATION PROGRAMS**

About **3,000 NEW CONSTRUCTION JOBS** expected over 3 years.

OVER 300 JOBS EXPECTED per year in operating, maintenance, and services **FOR 20 YEARS.**

Economic Output of approximately **\$2.9 BILLION** over 20 years.

GDP of approximately **\$1.6 BILLION** over 20 years.

ABOUT \$390 MILLION is expected to be **PAID IN STATE TAXES** over 20 years.

Map of the planned launching sites: [California DAC Hub \(q4cdn.com\)](https://www.ctvdirect.com/california-dac-hub-q4cdn.com)

CTV Community Engagement

CRC is a fixture of the Kern County community and has a long history of extensive, successful community outreach. CRC has open communications with elected officials, local institutions, and community leaders and members and engages the West Kern community regarding proposed CCS projects at the CTV I carbon storage vault and CalHub. CRC has employed a varied approach to ensure meaningful engagement with community members, including organizations centered on serving environmental justice (EJ) communities in the area. Broader direct engagement with community members has involved public meetings and other activities, such as mailing information directly and door-to-door outreach activities. The opinions, questions, interests, and concerns of the local community on CCS are of utmost importance to CRC.

Below are some of the engagement activities CRC accomplished in relation to CTV and CCS.

- In September 2023, CRC employees, along with CRC CFO Nelly Molina, walked door-to-door throughout West Kern to engage with residents about CTV I CCS projects. We reached more than 300 houses to discuss our projects, share information, and answer questions about CRC and CTV.

- On September 24, 2023, CRC partnered with West Side Recreation & Park District in Kern County to host two free-to-the-public movie events at Fox Theatre in Taft, California, which included pre-show CCS presentations about CRC's CTV projects, available in both English and Spanish.
- On December 13, 2023, CRC hosted a tour of Elk Hills, where over 70 people from Kern County visited the site of CTV I. During the tour, we discussed our clean energy projects and how they will support California's ambitious decarbonization goals.



CRC's Elk Hills Field tour in December 2023. The CTV Clean Energy Park at Elk Hills and other planned carbon capture and storage (CCS) and direct air capture (DAC) projects across the state were discussed by CRC with the community members.

- CRC also attends social community events as an avenue for engaging with community members, such as the "Trunk or Treat" event in Taft, California on October 23, 2023, where approximately 2,000 community members stopped by CRC's booth to discuss CRC's CCS efforts.
- Throughout 2023, CRC placed multilingual CRC/CTV billboards and print ads across the state in local newspapers, including the Bakersfield Californian, Fresno Bee, Long Beach Business Journal, Shafter Press, Stockton Record, Taft Midway Driller, and Vida en el Valle, along with geotargeted digital ads to reach community members.



"I'm honored to be able to help provide innovative decarbonization technology solutions like Carbon TerraVault that are going to revolutionize how we combat climate change here in California."

Juan Campos, Vice President, Health, Safety and Environmental (HSE), and Sustainability

CRC Champions

The strength and success of California Resources Corporation (CRC) is due to our exceptional workforce that is committed to safe, responsible operations. From our field operators to our technical experts to our corporate functions, it is through the extraordinarily talented and diverse individuals at our company that make CRC who we are - *a different kind of energy company.*

Our "CRC Champions" program proudly recognizes our employees for the immeasurable value they add to our company, our industry, and our communities. Get to know our CRC Champions and the stories that shaped them into becoming stewards of California's natural resources, sustainably providing much-needed energy and innovative solutions to the state.



Amanda Callahan
CRC Champion

"CRC has always supported me in learning and developing through different roles. If I show that I will put in the work, CRC has always provided me with the opportunities I'm looking for."

The energy industry is the bedrock of the last two centuries of development and today is critically important in nearly every facet of modern human life. I can see the direct impact of what I do in moving the world forward and lifting the quality of life across all economic levels. I think operating in an ethically responsible way and working in a culture that uses that as a guiding principle is one of the most important things that we do.

Because of my work in the industry, I've been able to buy a house, travel, spoil my pets, and pursue hobbies like scuba diving, photography, and the outdoors. I volunteer as a mentor at the Independence High School Energy and Utilities Academy, serve as a scuba diving instructor to active-duty Marines and disabled veterans, and have supported CRC's partnerships with Make-A-Wish Tri-Counties, CASA of Kern County, and Union Rescue Mission as a volunteer."

- **Amanda Callahan, Well Analyst Manager, Kern County**



Timea Mezei
CRC Champion

"Working in the industry has given me a career that I love and am passionate about. It has also provided me with the opportunity to give back to my community, where I have had the privilege of volunteering at various events, including the Open Door Network, Golden Empire Gleaners 'Oil Can Do It' Kick-off campaign, American Cancer Society Relay for Life, Earth Day tree planting, Kern Energy Festival, CSUB Career Fair, and mentoring high school students at the Taft Oil Academy. I have also participated as an advocate at various legislative hearings in Kern County. Volunteering is very important to me. It is a way for me to serve my community and ensure it thrives."

As a first-generation immigrant, working in the oil and gas industry has provided me with opportunities that I have never imagined were possible. It has given me peace of mind to know that I can afford to provide for my family members if needed. It has also given me the opportunity to travel and see the world."

- **Timea Mezei, Reservoir Engineer, Kern County**



Joseph Carr
CRC Champion

"I started my career in the gas patch in 2006, coming from selling cars and looking for a change. As I learned more about the job and expanded my knowledge about the industry, I knew this would be a great career path. My career has led me to build lasting relationships with my community by volunteering my time to support the Montezuma Firefighter Association Annual Dinner and the Rio Vista High School fundraiser dinner. The industry has helped me accomplish many personal goals and has provided a wonderful life for me and my family."

- **Joseph Carr, Operations Supervisor, Rio Vista Field, Sacramento Basin**



Dean Stanfill
CRC Champion

"I have over 20 years of experience in the natural gas side of the industry. I am involved in operations, Greenhouse Gas (GHG) reporting, and our Department of Transportation (DOT) program, all while working alongside the Mechanical Integrity (MI) group on various projects.

Working for CRC has helped me provide stability for my family and has enabled us to send our daughter to Sacramento State University. She will graduate this May with a bachelor's degree in communication sciences and disorders. She chose this major because of her brother, my son, who has special needs.

It is difficult for special needs children to become involved in sports, yet our family was fortunate enough to find a baseball team for him to play on. I took over coaching for my son's team 5 years ago and love every minute of it. The team has grown to 21 players ranging from 5 to 21 years old. Coaching this team has been a fun and rewarding experience for me. My son is almost 15, and I plan on continuing coaching these kids past his 21st birthday. I also volunteer as a cook at fundraising dinners for a local school and for a charity that raises money to help support parents who have lost a child at a young age due to an accident or illness. Working for a company like CRC has enabled me to give back to my community and organizations that are important to me."

- **Dean Stanfill, Production Tech III, Rio Vista Field, Sacramento Basin**



Jon Klein
CRC Champion

"I am proud to work for a company that provides for me and my community. The support CRC provided for me to complete my master's degree at Arizona State University, its focus on innovative technology solutions such as CCS, and continued community outreach are just a few of the ways CRC has impacted my life personally. I've worked for the oil and gas industry for over 15 years, and I continue to be humbled."

- **Jon Klein, CTV Senior Director,
Commercial Origination & Execution, Long Beach**



Desmond Fuzee
CRC Champion

"I'm a proud second-generation oil and natural gas worker. My father worked for the Los Angeles Department of Water & Power for 40-plus years. He started as a janitor, then, after returning to school to study operations, followed by his service in the military, he got his first opportunity to work as an Operator 1 and ultimately worked his way up to the position of Operator 3. My father then spent the last ten years of his career with LADWP in the parts/warehouse division, organizing millions of dollars in supplies for outage projects. My father was passionate about delivering reliable, safe water and electricity to over four million residents and businesses in the Los Angeles area. That passion and drive that I saw in him as a kid continued in me as I finished college at CSUB, which led me into the oil, gas, and energy industry as well.

My favorite part of my job is getting out into the field to work with our operations and engineering teams, and engaging with different service providers, learning what they do for our industry day in and day out. My passion and love for the health, safety, and the environment (HSE) field stem from being able to share my knowledge in this industry and hopefully instilling it in others so they can return home safely to their families and loved ones."

- **Desmond Fuzee, Senior Environmental Health and Safety Advisor,
Los Angeles Basin**

IDLE WELLS MANAGEMENT PROGRAM

Idle wells are valuable assets for which substantial resources have been invested in drilling, well construction, and completion to produce from an oil and gas formation. Idle wells have the potential for re-use and re-investment, and re-using idle wells in future development activities minimizes surface disturbance, energy use and emissions. Some of CRC's idle wells also have potential for use in carbon capture and sequestration operations. CRC is also investing in new technologies that have the potential to reuse idle wells for systems that store grid power during times of excess solar electricity generation or generating renewable geothermal power to advance the energy transition in California.

CalGEM issued updated regulations that went into effect on April 1, 2019, governing the management of idle wells, which are wellbores that have not produced any oil, natural gas, or produced or injected water for 24 consecutive months. The updated regulations require operators to manage their idle wells by ensuring mechanical integrity, identifying future potential use or abandoning the wellbores. CRC chooses to participate in multiple CalGEM approved Idle Well Programs that each have annual minimum abandonment thresholds for idle wells and long-term idle wells. CRC fully complies with these regulations and goes above

and beyond the annual thresholds set by CalGEM. CRC's goal is to plug and abandon >70% of all our idle wells by 2030. Furthermore, we monitor all our wells for surface and subsurface integrity through our LDAR program, fluid level testing, and casing pressure testing to ensure that our idle wells do not pose any potential health or environmental threats. Since 2020, CRC has safely plugged and abandoned more than 1,850 wells and spent over \$130 million on plugging and abandon (P&A) obligations, with 614 wells fully plugged and abandoned in 2023.

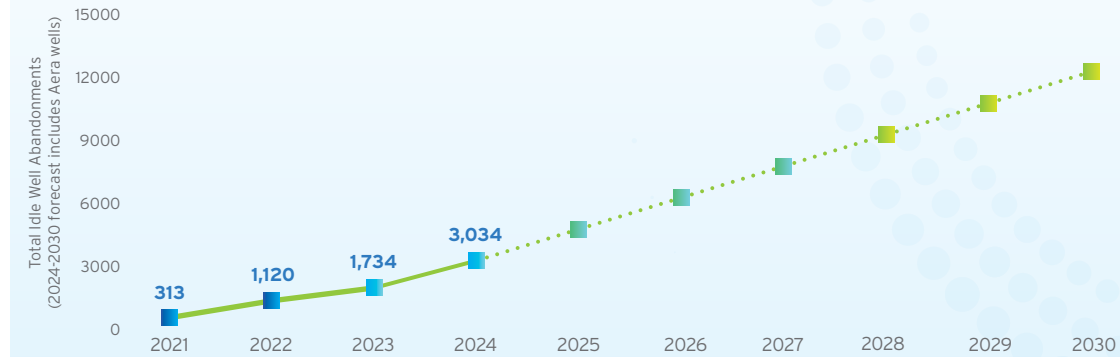
[See figure 03]

As responsible stewards of oil and natural gas resources, we will continue to safely P&A old wellbores and remediate the impact of our operations. As described in our 2024 Proxy Statement, P&A wells directly affect the annual incentive compensation of our employees. CRC is also investing in new technologies that have the potential to reuse idle wells for generating renewable energy, such as geothermal power, to advance the energy transition in California.

Biodiversity

We are dedicated to the continual environmental integrity of our operations. As such, we adhere to robust biodiversity management practices. For example, we conduct facility design assessment and receptor analysis to ensure minimal impacts to the natural environment. In addition, we perform biological pre-activity surveys on any habitat disturbance work as well as routine biological monitoring of habitat conservation areas to ensure avoidance of any threatened and endangered (T&E) species. To support our focus on biodiversity, we also have self-inspection programs on all environmental matters such as leak mitigation, air emission monitoring, and flare monitoring. We report environmental incidents including applicable spills, biological matters, odors, and emission deviations. Biodiversity training programs are provided to employees, contractors and suppliers including topics on wildlife/habitat protection, air emissions, noise, dust, hazardous materials, and waste management.

figure 03
Idle Well P&A Forecast



Protected Habitats & Conservation Areas

CRC works closely with the U.S. Fish and Wildlife Service, the U.S. Bureau of Land Management (BLM), the California Department of Fish and Wildlife, universities, and non-profit organizations such as the Wildlife Habitat Council (WHC) and Wind Wolves Preserve to promote habitat conservation and biodiversity. In addition, CRC supports conservancy work at the Coles Levee Preserve. By implementing improved and enhanced recovery techniques in mature oil and gas fields and applying directional and multi-pad drilling technologies and well workovers, CRC extends the productivity of existing infrastructure for oil and gas production. These approaches enable CRC to complete several wells from a single drilling site, minimizing the footprint of our oil and gas development activities. In 2023, CRC recertified Wildlife Habitat Council projects at THUMS, Bolsa Chica, and Elk Hills.

While we have strong programs in place to protect wildlife and habitat, we maintain a relatively small proportion of our reserves in conservation areas, with only 1.49% located within designated conservation areas, including reserves located within areas set aside as part of habitat conservation plans.

Biodiversity Impact and Policy

Our objectives relating to biodiversity are guided by our Environmental Stewardship Policy, which includes biodiversity as a pillar. Included in the policy is the continuous conduct of biological assessments in our fields to support and research native flora and fauna in our operating locations, minimize disruption to these native species, conserve and restore habitat, and reduce surface area needed for oil and gas production. In addition, our Environmental Handbook was published and made effective in May 2024. This handbook will undergo another update at the end of 2024 to include CRC's Biodiversity and Environmental Conservation Policy Statement, which is currently in the final drafting stages and is slated to be published by the end of 2024. CRC's Environmental Handbook serves as a guideline, offering valuable insights into organizational practices, and as a resource for employees and service providers working on our properties. The Environmental Handbook addresses, among other subjects, environmental monitoring and management, spill prevention and response, regulatory compliance, and restoration efforts throughout the life of an operations field.

We are committed to responsible environmental stewardship and upholding the highest standards of biodiversity conservation throughout our

operations in California. We seek to prevent disturbance and loss of biodiversity and habitat by adhering to a mitigation program hierarchy focused on avoidance. Our operations and construction activities undergo rigorous planning and adjustments to minimize the biodiversity footprint and avoid new disturbances. CRC strives to mitigate impacts by implementing a comprehensive biological program, which includes pre-activity biological surveys and a mandatory environmental training program for all employees and service providers involved. The training program consists of comprehensive environmental awareness on Biological Resource Laws, Best Management Practices (BMPs), Sensitive Species, Biological Resources, and Cultural and Paleontological Resources. Additional onsite environmental training may be required based on pre-activity biological surveys to ensure the protection of wildlife and associated habitats.

Elk Hills Habitat and San Joaquin Environmental Conservation

Our Elk Hills Field in Kern County has the established Elk Hills Habitat Conservation Area. This conservation area spans more than 8,000 acres which protects threatened and endangered species and preserves Native American cultural resources. The area features a variety of landscapes including lower Sonoran grassland,

valley saltbush scrub and valley sink scrub. To preserve this distinct landscape, the land is managed through controlled grazing and annually monitored through residual matter sampling and small mammal surveys. Elk Hills is home to the San Joaquin kit fox, blunt-nosed leopard lizard, giant kangaroo rat, Tipton kangaroo rat, San Joaquin antelope squirrel, Western burrowing owl, and several native plant species that we are committed to protecting.

CRC has a 50-year state permit from the California Department of Fish and Wildlife that, at full field development, preserves an additional 17,500 acres of habitat in perpetuity. The resulting 25,500-acre conservation area will be 160 times larger than Disneyland and occupy more than half the surface area of the Elk Hills Field, and aligning with California Governor Gavin Newsom's goal of preserving 30% of California lands for habitat. The WHC has certified the Elk Hills Conservation Area for CRC's proactive environmental management. In 2023, CRC recertified WHC projects at Elk Hills. In 2022, CRC's Elk Hills Habitat Conservation Area received its tenth WHC conservation certification since the area was established in 1999. CRC also received a WHC Award in 2021 during the Council's annual conference, recognizing CRC's excellence in corporate conservation of the Elk Hills Conservation Area.

In the San Joaquin Valley, all conservation lands are fenced off to protect the native habitat. Annual biological surveys are conducted to index species and population trends, and we work with the BLM on restoration programs including hydroseeding and reseeded with native shrubs. CRC works to maximize the use of existing, previously established worksites, such as existing well pads, access roads, pipeline corridors, and production facilities for expansion or new activities. CRC is compliant with the Programmatic Biological Opinion on Oil and Gas Activities on BLM lands, which requires operators to minimize new disturbance on lands managed by the BLM in the San Joaquin Valley. CRC also administers in-person training on wildlife recognition and habitat protection before each project and works with the California Department of Fish and Wildlife on biological monitoring of its operations. To track performance on our conservation actions across our various locations, we monitor our land use activities against conservation credits earned through the establishment of the various habitat conservation areas. Conservation credits are derived through establishing formal conservation easements on land acreage.



Elk Hills Habitat Conservation Area

Spans more than
8,000
Acres

Plus an Additional
17,500
Acres of Habitat

Resulting in
25,500
Acres Conservation

Coastal Biological Monitoring and Environmental Conservation

CRC continues to remove certain invasive species and replant native species to help restore the habitat in connection with the Bolsa Chica Invasive Species Project in Huntington Beach. In 2023, CRC received the Bolsa Chica Wetlands - Invasive Species project award. CRC continues working with the California Department of Fish and Wildlife on biological monitoring at our operations, including at the Bolsa Chica Wetlands in Huntington Beach.

In September 2023, CRC partnered with Bolsa Chica Conservatory for a volunteer event at the Bolsa Chica Ecological Reserve in Huntington Beach and helped remove non-native invasive plant species. The project made space for native vegetation to repopulate the region, which helps create a safe and attractive environment for small mammals and birds in the ecological reserve. CRC was featured in the May 2023 WHC White Paper titled "Restoring Ecosystems Through Invasive Species Control, Methods for Preventing, Monitoring and Eradicating Invasive Species on Corporate Lands", which recognized CRC for its conservation in action through the building partnerships with the Bolsa Chica Conservancy to strengthen invasive species management efforts.



At the THUMS islands, which CRC operates on behalf of the City of Long Beach and the State of California, CRC has removed non-native species and replanted native species to restore the native habitat. Since 2004 and continuing in 2023, the environmental team at THUMS has worked with WHC and community groups to establish and maintain California plant habitats on the islands. The WHC has certified our coastal habitat conservation programs at the four THUMS oil production islands in the Long Beach Harbor

and the Huntington Beach Field. CRC received the Council's Landscaping Project Award for the THUMS islands in 2016, which provide both an excellent habitat for native coastal species and an educational opportunity for schools, scouting groups, and other community members. CRC also received its tenth WHC conservation certification in 2022 for our coastal habitat conservation programs at the THUMS Islands in Long Beach Harbor.

These environmental awards and certifications recognize our safe and responsible operating practices and our prioritization of conserving and protecting habitats and unique plant and animal species. CRC commits to helping California and our diverse communities achieve and sustain a vibrant and inclusive future for generations to come. All our contractors are required to undergo our Environmental Awareness Training Program to gain knowledge on the state- and federal-listed species and how to operate to preserve their natural habitat. As a company dedicated to safely and sustainably supplying local, responsibly sourced energy, we proudly share and endorse the state's commitment to make efficient use of our natural resources and safeguard people and our environment.

Spill Prevention Management

Spill prevention and planning are essential to demonstrating sustained asset integrity and rapid environmental response by limiting losses of crude oil and condensate to a minute fraction of production. CRC devotes significant resources to preventing spills through construction, maintenance, and mechanical integrity programs. We were the first oil and natural gas company in California to sign a statewide Project Labor Agreement (PLA) 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 dedicated operations and mechanical integrity teams inspect and maintain our pipelines and facilities, which are also routinely assessed by internal and third-party risk engineers and audited by multiple regulatory agencies. In 2023, our oil spill prevention rate was 99.9999%.

As a responsible steward of the environment and ecosystems in which we operate, we are resolutely focused on mitigating and preventing spills as a part of our operations. In 2017, California Assembly Bill 1197 amended the Lempert-Keene-Seastrand Oil Spill Prevention and Response Act to mandate a

defined certification program for spill management teams (SMT) representing Oil Spill Contingency plan holders in California. Effective on April 1, 2022, AB 1197 required the California Department of Fish & Wildlife, Office of Spill Prevention and Response (OSPR) to adopt regulations establishing criteria for a certified SMT, such as timeframes for personnel arrival, number of staff, response objectives, and training qualifications. CRC was an early adopter of this regulatory requirement and committed substantial resources to fulfill this process. On June 15, 2023, CRC SMT personnel were fully certified after successfully completing a multi-level comprehensive training. Having a certified SMT with internal personnel allows CRC to manage and oversee spill response more proactively. CRC



is currently the first and only oil and natural gas operator who has achieved this milestone in the State of California, illustrating our commitment to responsible in-state oil and gas production and further demonstrates our values that prioritize health, safety, environment stewardship, and the communities where we operate.

CRC continues to expand our automated process, pipeline and well monitoring, and control systems to minimize the potential for releases and to rapidly detect and mitigate spills. Our asset integrity program prioritizes facilities, pipelines and gathering lines for evaluation, inspection, and maintenance. It focuses our investments to prevent corrosion, provide secondary containment, train operators on release prevention and response, and audit and inspect operations. In 2023, CRC made capital investments to improve mechanical integrity associated with high pressure gas lines in our operations in Elk Hills, which will be an ongoing improvement project. We also emphasize the authority of our employees and contractors to shut down facilities, pipelines, and wells safely to prevent a potential incident—without the need to first contact a supervisor. Together, we have enabled our personnel to identify, report and immediately take steps to mitigate incidents, including those caused by third parties.

CRC also has a robust emergency response program, with a Communications Operations Center and a Consolidated Control Facility that is staffed 24 hours per day year-round to report and address medical, safety, security or environmental incidents and dispatch company personnel, environmental contractors, and local emergency responders. We conduct regular tabletop and full deployment drills in sensitive ecosystems near our operations in conjunction with federal, state, and local emergency responders to ensure preparedness and alignment should a spill occur. Operators and HSE professionals mobilize to such incidents and aid local emergency responders in third-party events unrelated to our operations such as wildfires or vehicle accidents.

Safety and environmental events are tracked consistently in CRC's Knowledge Management System for reporting, investigation, and resolution, as well as continuous improvement. It is important to note that the small amount of crude oil that is not recovered in liquid form is not released to the environment but is entrained in excavated soil that is removed and properly disposed of to minimize impact to sensitive environments. Our performance on barrels of fluid released outside of secondary containment directly affects compensation for our management team and our workforce.

Energy Management

We are dedicated to enhancing the energy efficiency of our operations and increasing the amount of renewable energy we utilize.

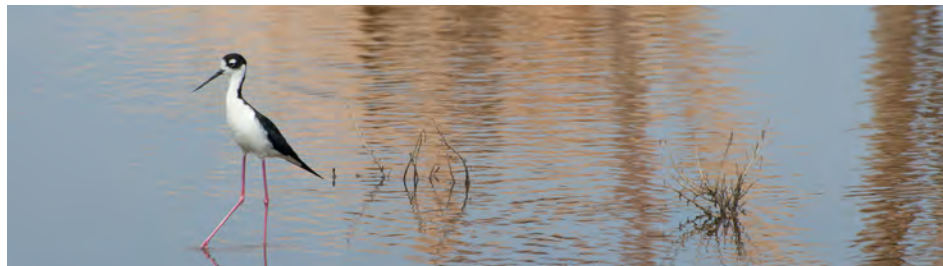
CRC continued to pursue both front-of-the-meter (FTM) and behind-the-meter (BTM) solar projects in 2023. CRC supports the growth of renewable energy generation in California by providing renewable developers surface waivers and acreages we own to utilize for solar projects. We plan to bring up to 45 megawatts (MW) of renewable energy online by installing several BTM solar projects at our Mount Poso and Kern Front fields. Our BTM solar projects are used solely to power our business operations and will help reduce our total Scope 2 emissions. In addition, we are actively repurposing our surface holdings space to enable third party partners to develop utility-scale solar projects on our properties that contribute generation capacity to the state's grid. As a result, we are helping the state meet its net-zero carbon grid target by providing opportunities for FTM solar development locations with energy storage systems.





Water Management

At CRC, we understand the need to conserve and use water in a responsible and structured manner. That is why we view our water management and stewardship process as key to not only our success but our communities as well. Unlike most oil and natural gas producers in other parts of the world who are net consumers of water, CRC is a net freshwater supplier to the state. In 2023, CRC delivered approximately 4.75 billion gallons (14,587-acre feet) of treated, reclaimed water for agriculture.



CRC's personnel, who consist of engineers and operations workforce, work diligently to implement conservation and recycling projects that decrease our freshwater use, develop alternative water sources like repurposing treated produced water from oil and natural gas reservoirs, and help to sustain freshwater resources in the communities where we operate. Recycling and reclaiming produced water add to California's water balance as a new source for agriculture and industry and extend supplies from existing water sources. This produced water helps provide much-needed water to sustain thousands of acres of productive farmland, especially during droughts. Through our internal reuse and recycling and our supply of

reclaimed produced water for agriculture, we help the state to sustain freshwater resources for cities, towns, farms, and ranches, as well as for wildlife in river ecosystems. We are committed through our Kern Front field operations to maintaining our role as a net water supplier in the southern San Joaquin Valley, which is a water stress area.

CRC's investments in water conservation and recycling directly advance the state's policy under Water Code Section 106.5 that every human being 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. These agencies have sought to restrict the use of potable water for non-potable uses wherever recycled water is available. CRC has demonstrated our commitment to conserving potable water and to reuse, recycle and reclaim other water supplies, especially in recent drought years.

Most of the water managed by CRC, called "produced water," occurs naturally in hydrocarbon reservoirs and is brought to the surface during the production of oil and gas. CRC separates and

cleans produced water from the produced oil and natural gas. In 2023, 88% of our 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. The remainder was disposed of via injection into deep saline zones as permitted by regulatory agencies to protect water with beneficial uses. California Senate Bill 1281 requires California oil and natural gas producers to submit detailed reports on sources, uses and disposal of water in their operations, which are publicly accessible through CalGEM's water use reporting website.

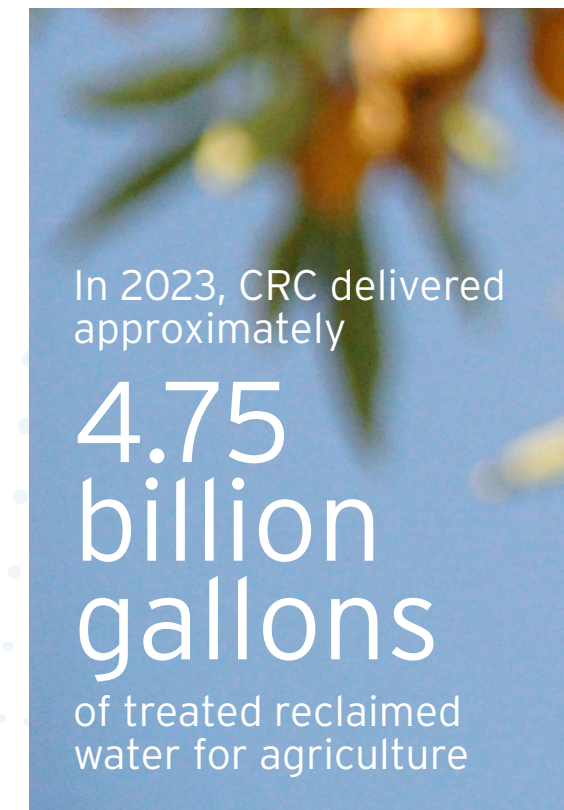
We directly reuse or recycle 76% of our produced water in our improved or enhanced recovery operations, typically in a closed loop system by reinjecting it into the same oil and gas reservoirs from which it came. Even though recycled produced water is already our primary water source for our operations, 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 agriculture since our formation.

In 2023, CRC's 4.75 billion gallons of treated, reclaimed produced water supplied to agricultural

water districts represented 12% of our total produced water. This delivery was nearly double the amount we supplied in 2015. This water is essential for Central Valley farmers since it reduces their groundwater pumping, which reduces both the stress on the aquifer and importantly the energy it takes to lift the water. 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.

Annually, we recycle or reclaim nearly 100% of the produced water from steam flood operations at our Kern Front Field. Steam flooding is a well understood process that has been used in California since the early 1960s and has been known to increase oil recovery and reduce wasted natural resources. We continue to evaluate projects to replace freshwater with recycled water in our operations wherever feasible and reclaim even more water for beneficial uses.

About 70% of our purchased freshwater is used in power plants to generate electricity at Elk Hills and Long Beach. The remainder of our purchased freshwater is used in oil and natural gas drilling, steam generation, and farming operations on land that we own.



Freshwater Usage Reduction Goal:

TO REDUCE FRESHWATER USAGE BY 30% from 2022 baseline by 2025

at the end of 2023 CRC ACHIEVED 30%* REDUCTION MEETING THE 2025 GOAL

*30% reduction figure applies to water used in oil and gas production.

In 2022, our Board of Directors adopted a Freshwater Usage Reduction ESG goal to reduce freshwater usage in our 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. At the end of 2023, CRC achieved a 30% reduction from our 2022 baseline, meeting the 2025 goal.

To accomplish this goal, CRC conducted studies to better understand CRC's total freshwater usage, resulting in the recommendation of additional hardware, software, and management oversight of our freshwater usage in our operations. In addition to the studies conducted, CRC created an Operations Team in 2022 to coordinate with a water leak detection company and conduct water leak detection and surveys. These surveys helped CRC identify opportunities to reduce and minimize unidentified and remote area leaks. The water leak detection and survey processes are now integrated throughout our operations and enable real-time analysis of usage data to identify spikes in increased water consumption or possible loss due to leaks. Based on the results of the studies conducted and the water leak detection survey, a metering project was initiated in 2022 focusing on the largest freshwater usage location at Elk Hills. Additionally, a freshwater tracking system was developed to

aggregate freshwater data and provide a better view of freshwater usage at Elk Hills. In 2023, CRC surveyed approximately 100 miles of the freshwater pipeline system at Elk Hills and identified areas with integrity concerns due to corrosion. Consequently, CRC replaced approximately two miles of pipeline at Elk Hills in 2023 and added 67 isolation valves along the freshwater pipelines that were not feeding critical equipment to prevent future leakages. Four water meters were also installed at Kern Front (1), South Coles Levee (1), and Los Angeles Basin (2) operations. Additionally, CRC added a surveillance camera at the Cawelo discharge location to monitor water quality and any changes to water flowing into Cawelo Water District. *[See figures 04, 05, and 06]*

figure 05
Ratio of Water to Agriculture to Water Purchased

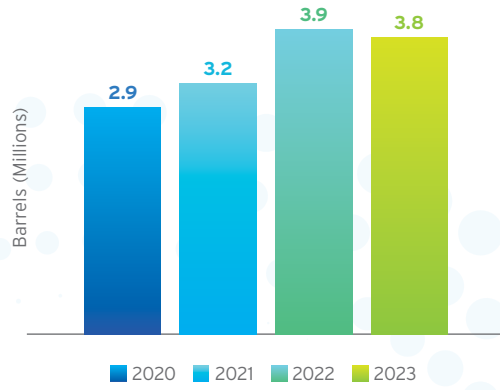


figure 04
Freshwater Consumed for Oil Production Barrels

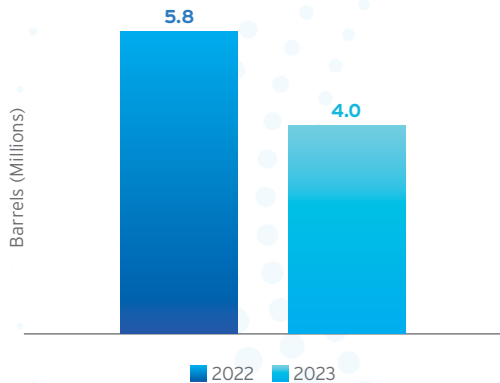
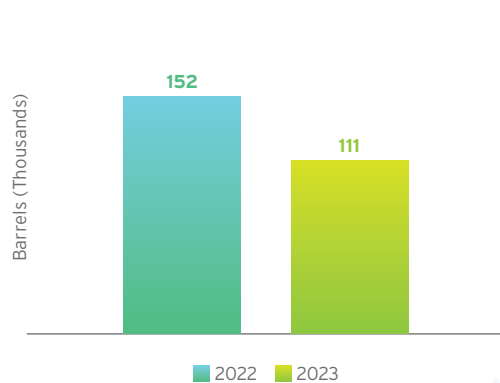


figure 06
Freshwater Intensity (Oil Production) Barrels



Waste Management

As an accountable stakeholder to our communities and the environment, safe, and efficient production of our products is key to our success. We remain committed to maintaining robust waste minimization plans to manage and reduce all forms of waste. We recognize that effective waste management is not only essential for protecting the environment, but also contributes to cost savings, regulatory compliance, and overall organizational efficiency.

Waste minimization includes source reduction practices that reduce or eliminate waste generation at the source and environmentally sound recycling practices where source reduction is not practical. In 2023, CRC hired a service provider specializing in dewatering of tank sediment, which resulted in the recovery of more oil product and reusable water and minimization of our solid waste. CRC also started pilot studies on wastewater treatment and reuse in our operations in Elk Hills.

To avoid generation of waste, our source reduction initiatives include enhancing the separation of fluids from tank cleaning, education of best practices including full chemical utilization, return

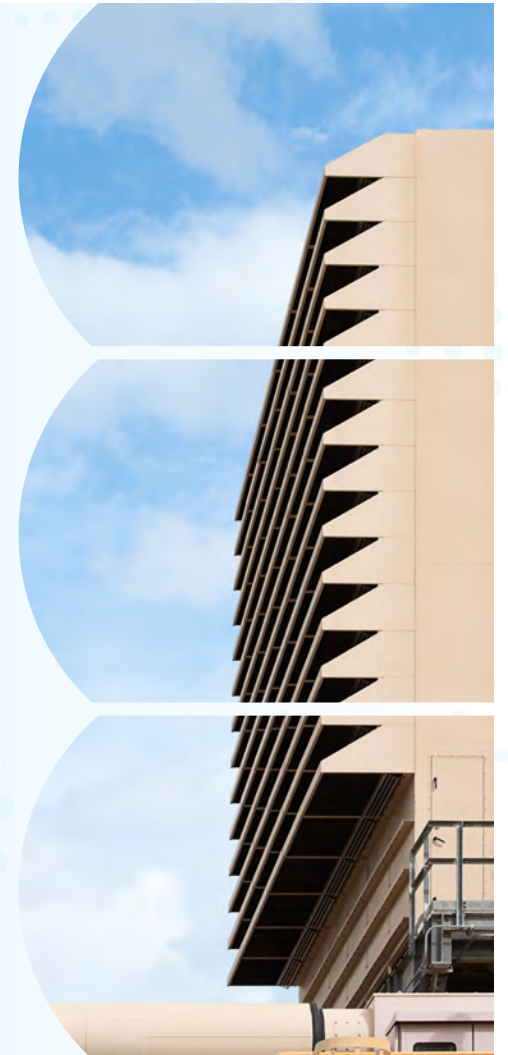
of surplus products, as well as implementing treatment changes. For example, to eliminate spent solid waste material from sulfur treatment vessels, we switched to a chemical treatment process.

Throughout our various locations, we adhere to several waste minimization practices. For example, we eliminated halogenated solvents with non-hazardous degreasers, increased chemical bulk storage to save on space and enhance efficiency as well as actively dewatered solids to reduce volume of non-hazardous waste. Additionally, in our Chemical Reuse program, we return empty containers to original vendors for reuse and instruct all waste generating operations to fully utilize all chemicals (paint, inhibitors, emulsion breakers, etc.) within their responsibilities so as not to needlessly waste input chemicals. We also seek to reuse and recycle used lubrication oils wherever we feasibly can and as appropriate to do so.

Waste reduction and minimization practices are also implemented in our offices. Low-level or non-mercury containing fluorescent lamps have been installed wherever possible, and we regularly ship all fluorescent lamps off-site for recycling when no longer in use. Office paper, cardboard waste, lead acid, and nickel-cadmium batteries are transported off-site for recycling.

As an accountable stakeholder to our communities and the environment, safe, and efficient production of our products is key to our success.

CRC generates waste from routine daily activities which are predictable as well as non-routine activities such as planned maintenance. In 2023, CRC completed large-scale planned maintenance on our gas processing unit at Elk Hills which increased the amount of hazardous waste generated year-on-year as shown in the performance data tables. This waste was transported and disposed on accordance with state and federal laws to protect the environment.



Social

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At CRC, we remain steadfast in our core values of Character, Responsibility, and Commitment by prioritizing the health and safety of our workforce, their families, and the communities where we live and work.

The dedicated employees in CRC's workforce operate critical and essential infrastructure. Our stakeholders are focused on progressive policies to reduce income inequality, and our operations provide the careers and products that enable upward economic mobility. CRC provides safe and responsibly sourced oil, natural gas, natural gas liquids like propane, and electricity needed for stability in the energy supply and to promote our collective public health, safety, and welfare. We are committed to helping our state and our diverse communities achieve and sustain a vibrant and inclusive future for generations to come.

We take our leadership position seriously by operating at the forefront of issues that positively impact quality of life so the state can reliably meet residents' energy consumption needs. Our goal is to safely and sustainably provide the energy our communities need and support working families in careers that provide upward economic mobility and stability.

Health & Safety

2023 Safety Metrics

Employee Health and Safety Training

10,399
hours

Total Lost Time Incident Rate (LTIR) Combined
(over the average of the previous 3 years)

47.8%
reduction

At CRC, health, safety, and the environment (HSE) are our top priorities. We work actively to enhance protocols in our operations by setting consistent expectations in job planning and contractor selection, empowering and training our workforce as safety leaders, and supporting them with safe work practices, technology, and rigorous maintenance and asset integrity programs. We place a premium on safeguards for workers and communities.

CRC's workplace is built on an unwavering commitment to promoting health and safety throughout our operations. Our dedicated drilling and well servicing crews and our experienced operators, who include highly qualified members of the State Building and Construction Trades Council of California and United Steelworkers, construct, maintain, and operate this infrastructure to safely produce the energy and products that our communities depend on every day. Importantly, CRC empowers all employees, suppliers, and vendors with Stop Work Authority to cease any activity - without repercussions - to prevent a safety or environmental incident.

To underscore our dedication to a safe work environment, we as a company, abide by four tenets:

SAFE PRODUCTION IS OUR STANDARD.

CRC embraces our responsibility to provide and maintain a safe and healthy work environment for all employees, contractors, and the community. CRC will comply with all applicable CAL OSHA workplace safety and health requirements and maintain occupational safety and health standards that equal or exceed the best practices in the industry.

OUR GOAL IS ZERO INJURIES.

The optimum safety performance is to operate all of CRC properties injury and incident free. To achieve this goal, every reasonable effort will be made to use the principles of accident and loss prevention in the execution of all activities. At no time is production put above the safety of our employees or at the risk of the environment.

EVERYONE IS A SAFETY LEADER.

It is every employee's responsibility to identify, mitigate or eliminate recognized hazards which can result in personnel injury, illness, property damage or environmental impact. All personnel are responsible for their own safety and are required to promptly report all unsafe acts or conditions to their supervisor. To this end, as previously mentioned, all employees have Stop Work Authority which grants all employees the authority to stop any ongoing work activity, task, behavior, or other action that is reasonably believed to be immediately unsafe, or may result in an injury, significant damage to equipment, or the environment. Supervisors are responsible for taking actions to resolve such issues and to ensure

all employees are trained in safe-work practices. As safety leaders we are expected to provide and receive coaching and feedback to improve our own actions and safety behavior as well.

NO JOB IS WORTH AN INJURY.

At no time is production put above the safety of our employees, service providers, including all suppliers, consultants, and other external companies and firms that support CRC, and the community or at the risk of the environment.

The success of our safety culture requires Character, Responsibility, and Commitment of all personnel working together to achieve this common goal.

CONTINUOUS IMPROVEMENT

We are committed to constantly improving at CRC and our health, safety and environmental (HSE) performance is no different. With continued improvement in mind, we conduct annual Compliance and Assessment Performance Reports to track and monitor trends around HSE-related key performance indicators (KPIs). In 2023, we completed assessments for each local asset and compiled the data and the lessons learned into our Environmental & Safety and Health

Assessment Program report. We will continue to identify and track any additional KPIs that become relevant going forward. The report and potential recommendations are used as part of our comprehensive HSE Self-Assessment Program review process. CRC also utilizes third-party audits and assessments to ensure the highest level of safety standards which are conducted at random each year. In 2023, CRC completed a third-party assessment of our workplace safety culture and benchmarked our exposure to serious injury or fatality. CRC ranked better than others in the industry. As a result of this assessment, CRC incorporated metrics to evaluate the impacts of injuries or potential injuries on quality of life. Finally, we increased the incentive for worker safety in our Annual Incentive Program (AIP) from 2.5% to 10% in 2023, a practice that continues in 2024. We aim to be in the top quartile of (lowest) Total Recordable Incident Rate (TRIR) within the oil and gas industry. These initiatives drive CRC employees and leadership towards continuous improvement across our operations.

Annual training courses are also vital to the improvement of our HSE performance. CRC uses online training to educate employees on all work-related hazards and how to mitigate them. In 2023, employees spent an average of 10 hours on HSE trainings categorized and assigned based on risk level associated with job location (i.e., office, field,

or both). We also trained over 35 CRC leaders in a two-day leadership workshop focused on accountability, employee feedback, and safety coaching. The team identified the most impactful areas of focus for safety coaching based on the top three reasons for safety accidents: (i) workers being unaware of a hazard, (ii) workers taking shortcuts due to personal convenience and (iii) workers rushing through a task. By identifying and learning best practices around these issues, CRC's leaders can more effectively prevent safety incidents and empower employees to do the same.

Employee buy-in is vital to the implementation of effective health and safety practices. In 2023, there were over 9,000 submittals to our Safety Behavioral Observation Program, demonstrating a high level of employee engagement with safety practices. We send out weekly safety alerts reminding employees of the material covered in training, detailing any safety incidents that took place across our operations, and highlighting an exemplary employee who followed safety protocol. Additionally, CRC hired two operations training coordinators in 2023 to develop formal operating procedures for all sites and ensure their proper implementation. Currently, CRC has operating procedures in place for all regulated facilities that are reviewed and audited every three years.

Finally, in 2023, CRC adopted the Life Model into our safety culture to focus on potentially serious or fatal incidents. The Life Model functions as the baseline for identifying the potential significance of injury and emphasizes hazards that present a risk to human life, allowing CRC to take significant precautions to prevent these incidents. Examples of our most common hazards and how we address them include:

- **Dropped objects** | We have exclusion zones around rigs, fall protection systems and scaffolding to perform work.
- **Motor vehicles incidents** | We use a vehicle tracking system on employee company vehicles to monitor speed, harsh turning and abrupt braking.
- **Heavy Rotating Equipment** | We require that no loose clothing is worn around rotating equipment and perform audits to ensure that machine guarding is always in place.
- **Chemical or Biological Agent Exposure** | Industrial hygienists provide assessments of acceptable exposure limits at all sites.

[See figure 07]

CONSTRUCTION SAFETY RESEARCH ALLIANCE

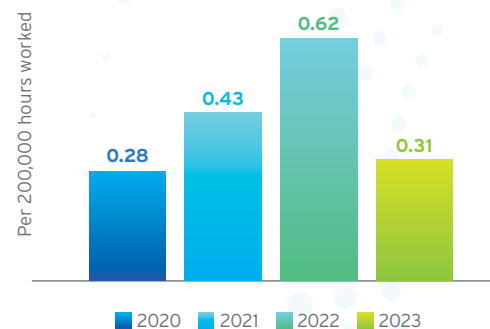
In 2019, CRC became one of the first six companies to join the Construction Safety Research Alliance (CSRA) which is the only industry-funded research group and focuses on transformative safety research through an alliance of experienced scientists and industry leaders from oil and gas, power generation and delivery, infrastructure construction, and commercial construction. The research is combined with peer-reviewed objective data, field experiments, advanced statistics, and experimentation to establish fundamental knowledge and eliminate serious incidents and fatalities in industry.

Since its inception, CSRA's membership has grown significantly and now approaches 100 companies. CRC's Director of Compliance and Assessment currently serves on the Board of Advisors and several HSE and Technical Operations team members have supported and completed peer-reviewed projects. These projects include: "Alternative to TRIR," "Quality of Safety Leading Indicators," and "Predictive Analytics."

In 2023 CSRA completed the "Defining Serious Injuries" project focused on how companies define and categorize significant injuries. This project resulted in the Life Model concept, which functions as a baseline for identifying the potential significance of injury and emphasizes the hazards that present a risk to human life. CRC was one of the first companies to incorporate these models into its safety policy.

Looking ahead to 2024, CRC remains dedicated to advancing safety standards through the continued support of CSRA initiatives. Notable upcoming projects include the Safety Culture Project, High Energy Controls and Mental Health.

figure 07
Combined Total Recordable Incident Rate (TRIR)



Human Capital Management

At CRC, it is important to build both an ethical human capital management program and cultivate a healthy culture of diversity and communication. These are the foundation and drivers of our future success. As our employees are our most valuable asset, ensuring focus on fair and equitable treatment is key. It is equally important to us that we endeavor to build a diverse workforce, one that reflects the many communities where we operate and lends us opportunity through a wide range of backgrounds, experience, and knowledge. As such, we place a heavy importance on recruiting new prospects, retaining our current talent, and developing our workforce in the skills and attributes they need to succeed.

RECRUITING TOP TALENT

In order to attract a wide range of top talent, we offer a comprehensive package of benefits to employees and their families with the protection needed today and the opportunity to build financial security for the future. Our offerings include:

- Healthcare coverage (medical, dental, and vision)

- Life and accident insurance
- Sick pay, short- and long-term disability benefits
- Employee assistance program to support employees' mental health
- Paid holidays and up to six-weeks of paid vacation annually
- Up to six weeks of paid parental leave
- Company matching and profit-sharing contributions to a 401(k) savings plan
- Flexible spending accounts, health savings accounts and an employee stock purchase plan
- Up to \$50,000 in tuition reimbursement
- Up to \$100 per month wellness subsidy
- Company matching gift program to help employees support charities of their choice
- Flexible work schedules

We also offer part-time roles for actively-enrolled students and summer internships that recruit from universities in the communities where we operate. For example, we have partnered with The East Los Angeles Community Union (TELACU), a nonprofit

community development corporation that services disadvantaged communities in East Los Angeles through economic development, for internship recruiting. We also have had a long-standing vocational summer internship operator program with Los Angeles Trade Technical College (LATTC), the oldest of the nine public two-year colleges in the Los Angeles Community College District. Finally, CRC began donating to Long Beach City College (LBCC) Foundation in 2023 to support a variety of programs at the main liberal arts campus and trade tech campus.

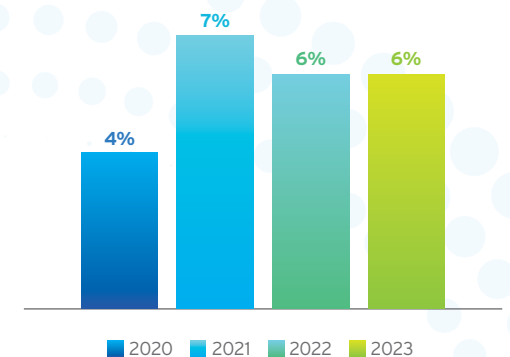
RETAINING OUR WORKFORCE

To ensure we keep a diverse and top performing workforce, in addition to our comprehensive package of benefits, we offer employees access to other benefits like health advocacy, group legal services, discounted insurance coverage, and a retail discount program.

CRC has established feedback mechanisms including annual engagement surveys to ensure employee sentiment is collected and heard throughout the year. Our employee experience team reviews the results with our CEO to strategize opportunities and improvements. Senior leadership also hosts regular town halls so employees can engage with them through Q&A sessions.

We saw our voluntary turnover rate decline in 2022 and 2023 compared to 2021 and will continue to prioritize employee retention initiatives to continue this trend as shown in [\[figure 08\]](#). We introduced a number of employee retention initiatives such as increasing leadership communication to share the vision and direction of the company, maintain a training budget to increase leadership and soft skills, providing funding for new employee resource groups, continuing a Diversity, Equity and Inclusion (DE&I) council focused on recruitment and retention, continuing Long-Term Incentive Retention (LTIR) bonuses, and continuing discretionary profit sharing 401(k) contributions. We will continue to work to get our employee

figure 08
Voluntary Employee Turnover





Each employee completed
33.7 hours
of training in 2023

A total of
10,399
training hours spent
on health & safety

100%
of employees receive
annual performance
reviews

retention rate back to the pre-pandemic norm of less than 5% while recognizing that it is still well below the average oil and gas industry rate of 12.6%.

We also monitor our employee engagement and satisfaction through CRC's annual Employee Engagement Survey. The 2023 survey had a response rate of over 75%. Main takeaways include: [\[See figure 9\]](#)

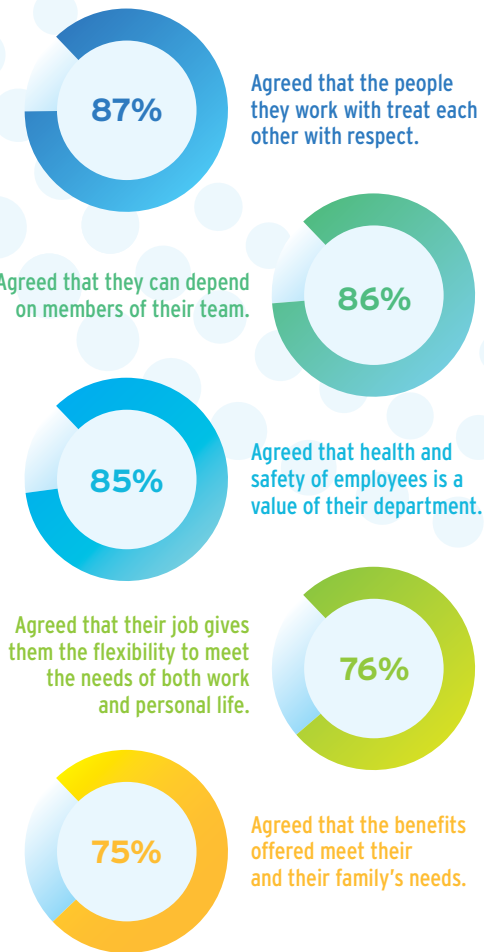
CONTINUED DEVELOPMENT OF OUR EMPLOYEES

CRC puts a strong emphasis on the continued development of our employees. Our employees engage in regular performance and development conversations with direct managers at least three times per year and are assessed on their progress against goals, agile conversations, and involvement and success in enterprise-wide endeavors. Employees actively work with managers to set goals and develop a career path that suits the company and individuals' ambitions.

We provide employee training opportunities to enhance leadership development and expand career opportunities. CRC's employees also undergo mandatory annual training on CRC policies including business ethics,

figure 9

Employee Engagement Survey Key Takeaways



harassment, IT security and others. Training also reinforces our company-wide commitment to operate in accordance with all applicable laws, rules, and regulations and to sustain a diverse and empowered workforce comprising our employees and those of our suppliers, vendors, and joint ventures. On average, each of our employees completed 32 hours of training in 2023, an increase of 45% from 2022. Out of the 32,669 total training hours completed, 10,399 of those hours were spent specifically on health and safety policies and procedures.

Our largest development initiatives over the last few years have included the Future Leaders Development Program with UCLA Anderson School; our Intrepid Women's Program, a program of coaching and development circles for women; and ELEVATE, a manager workshop on communication styles and culture changing behaviors to develop our future leaders. In 2023, 17 employees participated in the Intrepid Program and 33 participated in the Future Leaders Development Program. In addition to Company-led initiatives, there have also been several employee resource groups such the Women's Interest Network (WIN), Early Career Network (ECN) and the Veterans' Interest Network (VET).

Diversity

As a company, we put immense value on building an open and diverse culture. The breadth of ideas, experience and knowledge at CRC not only helps us operate at the highest quality but also fosters our growth as a company. Providing upward economic mobility for employees at all levels, offering ample career advancement opportunities, and championing the strength inherent in our diversity is how we achieve success. We are committed to advancing people of all backgrounds and perspectives in our workplace, including women and persons from historically underrepresented communities. We require that all employees take an anti-harassment and discrimination training every two years.

CRC is proud to be part of an industry that provides high wages and benefits for working families, regardless of educational background, and reflects the ethnic diversity of the state that is unmatched by other industries. CRC also reflects California's diversity with a labor force that is 26% Latino, 7% Asian and 3% Black. CRC is proud to provide careers with median incomes high enough to provide financial stability in the Golden State.

[\[See figures 10 and 11\]](#)

figure 10
Gender Diversity

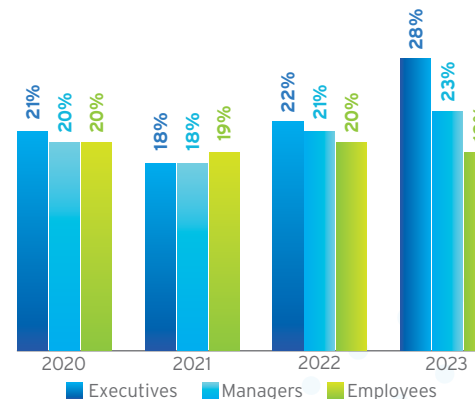


figure 11
Ethnic Diversity



W O M E N ' S I N T E R E S T
N E T W O R K

WOMEN'S INTEREST NETWORKING AT CRC

CRC's Women's Interest Network (WIN) is an employee-driven community focused on advancing women in leadership and fostering the development of leadership skills. The program is sponsored by management and open to all employees. It was founded in 2017 and has grown to over 200 members. In 2023, 50 WIN members attended the Women in Energy Conference which brought together a community to network, learn, and discuss challenges facing the energy industry. WIN also hosted lunch with the Advancing Women Executives, an organization dedicated to creating sustainable and inclusive workplaces, and raised over \$340,000 to benefit the Make-A-Wish foundation.

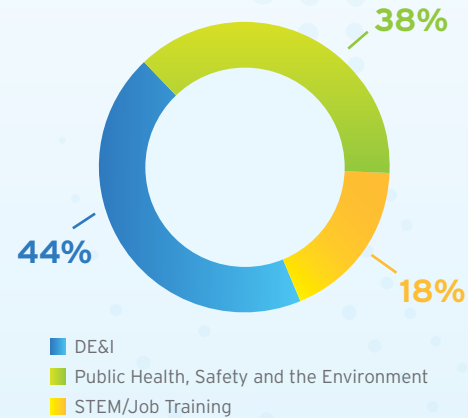
Community Involvement

CRC's core values of **C**haracter, **R**esponsibility and **C**ommitment direct how we conduct our business, contribute to our communities, support local economies, protect the environment, and interact daily with our stakeholders. At CRC, we are dedicated to the local communities where we live and work. We engage proactively with our local stakeholders, serve as an active and supportive community partner, create alliances with organizations that seek to advance community interests, and strengthen our community relations to be a neighbor of choice.

Reaching beyond CRC's carbon management initiatives, safe energy production and the economic and environmental benefits, CRC's operations and employees support our community partners through impactful charitable donations and volunteerism. In 2023, CRC supported 138 nonprofit organizations and provided more than \$2.5 million in donations across California that work to positively impact the communities where we live and operate. Our charitable contributions all support one of the following three focus areas:

[\[See figure 12\]](#)

figure 12
Community Giving Focus Area



On November 7, 2023, CRC CEO Francisco Leon and CFO Nelly Molina met with Paul Chavez, Chairman of the Cesar Chavez Foundation, and Andres Chavez, Executive Director of the Cesar Chavez Foundation. They toured the Cesar Chavez National Monument, which includes the Memorial Gardens where Cesar Chavez and his wife, Helen, are buried. That meeting initiated conversations later in 2023 to forge a partnership between the Cesar Chavez Foundation and CRC to bring community members from the Central Valley to the National Chavez Center to participate in the "A Day in the Life of Cesar Chavez" education program.

1

1. PUBLIC HEALTH, SAFETY AND ENVIRONMENT

Health, safety and environmental protection are core to CRC's operating philosophy. CRC supports programs that promote community health, safety, well-being, and environmental stewardship, focusing on health and wellness in disinvested communities and support for public safety organizations.

Examples include:



Bakersfield Police Activities League |

Bakersfield Police Activities League (BPAL) is a non-profit focused on juvenile delinquency prevention. BPAL guides at-risk youth through quality educational and athletic after-school programs to healthy alternatives to drugs, alcohol, gangs, and violence. CRC is proud to support the League's work to provide local youth with focus and direction, help them become responsible citizens, and establish positive relationships between youth, police, and the community.



Bolsa Chica Conservancy |

The Bolsa Chica Conservancy works to restore, preserve, and educate the community about the Bolsa Chica Ecological Reserve, which is adjacent to our operations in Huntington Beach. CRC has a longstanding partnership with the Conservancy as part of our commitment to serve as stewards of our state's natural resources. In 2023, CRC employees volunteered their time to participate in several Conservancy restoration projects.



American Red Cross | CRC is proud to support American Red Cross programs across the state of California, including the “Sound the Alarm” program, which promotes home fire safety in at-risk communities. In 2023, CRC employees in Los Angeles and Kern Counties volunteered their time to install smoke alarms in homes and teach residents about fire safety procedures.

“The American Red Cross Los Angeles Region thanks CRC for helping us champion the mission of preventing and alleviating human suffering in the face of emergencies. With your support, we’ve prepared families, built stronger communities, and brought relief to thousands impacted by disasters both big and small, every day.”
- Joanne Nowlin, CEO, American Red Cross, Los Angeles Region

2. STEM/JOB TRAINING

The energy sector provides opportunities for burgeoning scientists and technicians to have successful careers. CRC supports programs that enable students to learn and be inspired about science, technology, engineering, and mathematics (STEM) and the energy industry, ranging from hands-on learning and after-school opportunities for elementary school students to job training partnerships, internships, and scholarships for young adults.

Examples include:



Aquarium of the Pacific | The Aquarium of the Pacific near our operations in Long Beach offers many educational programs for students of all ages to instill a sense of wonder, respect, and stewardship for the ocean’s inhabitants and ecosystems. CRC is a proud member of the Aquarium’s Corporate Circle and provides key support to the Aquarium’s educational and conservation programs.



Sato Academy Drone Soccer Program | The Sato Academy Drone Soccer program in Long Beach allows students to enhance essential STEM skills and foster teamwork, strategic thinking, and problem-solving capabilities by programming and navigating drones in an aerial soccer field. In 2023, CRC donated funds for the program’s team members to travel to Germany to attend an international drone soccer competition, which they won!



The Open Door Network | The Open Door Network (ODN) operates the only emergency homeless shelter in Kern County for families with children, as well as two domestic violence, sexual assault and human trafficking supportive shelters. In 2023, CRC participated in the Workforce Development Program to hire individuals who are homeless, struggling with alcohol or drug addiction, or who have served time for felonies.

“We are immensely grateful for the generous support we’ve received from California Resources Corporation. Their contributions have been pivotal in the expansion and success of our workforce development programs and supporting clients dealing with homelessness, domestic violence, and human trafficking. Through their donations, CRC has demonstrated a remarkable commitment to empowering communities and fostering skill development. This partnership underscores their dedication to not just excellence in their field, but also to nurturing the growth and potential of the workforce that will shape the future of our community.”
- Lauren Skidmore, CEO, The Open Door Network

3. DIVERSITY, EQUITY AND INCLUSION (DE&I)

CRC supports programs and policies that encourage representation and participation of diverse groups of people, including different genders, races and ethnicities, abilities and disabilities, religions, cultures, ages, and sexual orientations and people with diverse backgrounds, experiences, and skills and expertise.

Examples include:

CRC supported
138
nonprofit
organizations
across California in 2023



Make-A-Wish | Make-A-Wish Central Coast and Southern Central Valley is a nonprofit organization whose mission is to help grant wishes to children fighting critical illness. In 2023, CRC partnered with Make-A-Wish to support their programs for children and families. CRC employees ended the year by participating in the Make-A-Wish “Delivering Hope and Joy Campaign,” a six-week employee giving campaign, with a dessert auction where employees donated and auctioned off desserts to help raise over \$16,000 for the foundation. In February 2024, CRC employees also volunteered to help make a wish come true for 10-year-old Mia, whose wish was to have a royal ball. CRC employees helped decorate and planned fun activities for Mia’s guests.



Centro CHA | Centro CHA plays an integral role in social and economic development in Long Beach and serves as a beacon of hope to the Latino community. In 2023, CRC continued its partnership with Centro CHA and sponsored the Holiday Posada Celebration and Community Resource Fair in West Long Beach. Many families attended the event, which included a toy giveaway, arts and crafts activities, music, holiday treats and a mobile vaccination clinic.

“Centro CHA has been a collaborative partner with CRC for over six years. Funding from CRC has helped the organization recognize community leadership, highlight our programs’ successful outcomes at our annual leadership gala, and has provided core operating support to close gaps in funding for social and economic development services.”

- Jessica Quintana, Executive Director, Centro CHA



Sikh Women’s Association of Bakersfield | The Bakersfield Sikh Women’s Association (BSWA) is a volunteer-run, non-profit based on the principle of “oneness,” dedicated to selfless service through community action for the goodwill and benefit of others. In 2023, CRC proudly sponsored a campaign that helped nearly 100 Kern County students with their college tuition. With our support, BSWA partnered with Kaiser Permanente and Adventist Health to launch the Kaur Care program, which offers free cervical cancer screenings, flu shots and wellness checks.



Being a Responsible Neighbor

Most of our major operations are in rural-based settings, away from major population points. However, for those facilities in less rural settings, we have instituted processes to mitigate potential impacts on local communities. All of our operations employ methods to reduce potential noise coming from the activities at our facilities that would impact nearby residential communities. CRC's environmental initiatives to reduce emissions such as switching to low emitting technologies and electrification also

improve local air quality and as a net freshwater supplier, CRC makes more water available to the community for other uses. If any concerns arise, our name and contact information are posted on signs near our facilities, and we monitor our website for inquiries about potential complaints. Any inquiries are followed up and tracked through our tracking system and communicated to the company and service providers via our HSE weekly communication. When feasible, we develop a response plan for complaints and communicate efforts with stakeholders through press releases and annual reports.

Uplifting Local Communities

CRC has a long-standing relationship with the local communities in and around our operations. In 2023, our main form of engagement with the community was through Kern County's CalHub. CalHub, an initiative within the Department of Energy's Regional Direct Air Capture (DAC) Hub, brings together community, stakeholders, educators and industry to support a clean energy transition that prioritizes community benefit and inclusion. CalHub engages specifically with African American, Hispanic and Indigenous communities in Kern County. CRC is a key industry contributor to this initiative and is actively involved in many of CalHub's targets. CRC is one of the few oil producers in California that is actively partnered with organized labor, including a Project Labor Agreement (PLA) with California Building Trades for over seven years. This statewide PLA ensures that CRC's construction and maintenance contractors support the organized labor community and hire a highly qualified and fairly compensated workforce.

Additionally, in January of 2023, CRC entered a Memorandum of Understanding (MOU) with the Tejon Indian Tribe. This MOU is a formal commitment between both parties to work together on a DAC Consortium for the benefit of the tribe and surrounding community. It will bring

governmental funding to the region with the goal of furthering carbon capture and sequestration projects, developing affordable and reliable energy suppliers, and identifying and expanding socioeconomic and education development opportunities.

As part of our CTV I project at Elk Hills, we also engaged with nine local tribes regarding the development of the project and ongoing permitting activities. Although no direct impacts to tribal lands will occur as a result of any of our currently proposed projects, we believe in maintaining open lines of communication with the communities where we operate and welcome their input.

CRC has a long-standing relationship with the local communities in and around our operations. In 2023, our main form of engagement with the community was through Kern County's CalHub.

Awards & Recognitions



Energy Transition Solutions: CRC was honored at the 25th Annual Platts Global Energy Awards with the Energy Transition - Upstream Award, recognizing our perseverance in developing solutions to help reduce carbon emissions and tackle climate change. This national award goes to only one energy company each year and demonstrates perseverance in reducing carbon emissions. The annual awards event hosted by S&P Global Commodity Insights acknowledges companies and individuals in the energy sector working on crucial, innovative, practicable solutions to tackle climate change issues.



Focus on Safety: The National Safety Council has recognized the safety performance of our employees each year since our formation. Our California workforce received 22 National Safety Council awards in 2023 and continued the company's strong safety record in the long history of our fields and operations.



Commitment to Accountability: CRC was named by *Newsweek* as one of America's Most Responsible Companies in 2022, 2023, and 2024. The prestigious list, presented by *Newsweek* and Statista, Inc., the world-leading statistics portal and industry ranking provider, recognizes the top 500 most responsible companies in the U.S. across 14 industry subcategories.



Promoting Conservation: CRC has three current Wildlife Habitat Council (WHC) Conservation Certifications for our habitat conservation programs at Elk Hills, THUMS Islands, and the Bolsa Chica Ecological Reserve. In 2023, CRC was awarded the WHC Invasive Species Project Award in recognition of our conservation in action, including our partnership with the Bolsa Chica Conservancy to strengthen our efforts in invasive plant species management.



Governance

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We cultivate a corporate culture bound by high ethical standards. The senior management team and Board of Directors are committed to effective and ethical corporate governance, which enhances stakeholder value.

ESG Governance

The Board of Directors has primary oversight of the Company's business strategy, governance, and risk management process. The Board consists of five standing committees: the Audit Committee, Finance Committee, Compensation Committee, Nominating and Governance Committee, and Sustainability Committee.

The Board and its Committees regularly review the Company's governance practices that foster a proactive safety culture, ethical business conduct, a robust compliance program, promotion of diversity of thought, and alignment with the evolving demands of our business. On an annual basis, the Nominating and Governance committee conducts a robust evaluation process on the performance of the Board. The committee distributes written evaluation surveys to each Director, and the chairman of the Board discusses the results of these written surveys with the individual Directors. In addition, the Chairman shares the results of the surveys and interviews with the full Board for consideration with respect to Director nominees,

and Board and committee structure, composition, and effectiveness. In addition to internal reviews, the Board frequently receives company-wide employee feedback that aids in providing insight into the Company's culture, managerial effectiveness, and diversity.

The Board believes that its Directors and Director nominees possess the relevant expertise in climate change and sustainability to support CRC's commitment and dedication to a cleaner and more sustainable future in California. As of May 2024, six of our Directors possessed environmental/sustainability experience. This experience is based on an assessment of their background and depth of experience in climate-related roles. Our Board members have held positions for public departments, private energy, or water-focused companies. Board members also have had leadership roles in climate-related companies such as energy procurement, renewable and alternative power, and wildlife and biodiversity organizations. Climate-related credentials are also considered, such as the Fundamentals of Sustainability Accounting credential from the Sustainability Accounting Standards Board. For more information on CRC's Board and Corporate Governance, visit [Our Governance](#).

Sustainability Committee

Within these committees, the Sustainability Committee holds responsibility for the direction and oversight of CRC's ESG performance, including climate-related issues, as well as health, safety and environmental (HSE) efforts (collectively called "sustainability matters"). The Committee consists of independent Directors that meet on a frequent and periodic basis to review and discuss the management and progress of sustainability matters. The most important delegation for the Sustainability Committee is to review, discuss, and drive the progress of CRC's ESG goals. In 2023, eight meetings were held by the Sustainability Committee with an attendance rate of at least 75% for each Director. Additionally, the Chairman of the Sustainability Committee and CRC's Chief Sustainability Officer meet regularly to discuss issues relating to sustainability matters. Additionally, the CEO joins these meetings as appropriate. The Board is informed through committee reports, by the President and Chief Executive Officer on climate-related risks and opportunities discussed in committee meetings. For further information on the Sustainability Committee's responsibilities, please see our [Sustainability Charter](#).

The management of sustainability matters requires cross-functional collaboration across CRC's operations. As such, the Board delegates the day-to-day management of the business, including climate-related operations, to the CEO. The CEO is responsible for monitoring and addressing climate-related issues through four main channels: corporate development and strategic planning, operations and engineering, compliance, and public affairs.

On a quarterly basis, the senior management, which includes the CSO and CEO, meets with the Sustainability Committee and senior management, which includes the CSO and CEO, to discuss strategies to address both short and long-term climate-related business risks and opportunities. Examples of short-term climate risks discussed in the meetings relate to annual sustainability project milestones and budgets as well as California's three-year Cap-and-Trade compliance period. On the other hand, long-term climate risks discussed relate to life-of-field planning and implementation, major capital projects such as the CalCapture CCS project at Elk Hills, and acquisitions and divestitures. In addition to quarterly meetings, the Chair of the Sustainability Committee meets regularly with the CSO and CEO.

Compensation and Incentives

ESG performance and management have become an integral part of CRC's executive remuneration.

Our executive compensation program is designed to motivate our executives to take actions that are aligned with our short- and long-term strategic objectives and incorporate compensation best practices. We are proud to note that CRC's ESG goals continue to be directly tied to the performance-based compensation of our employees, including executives and senior managers, further highlighting our standing commitment and dedication to a cleaner and more sustainable future.

30% of CRC management team's annual incentive bonus related to company performance is tied to ESG-related metrics.

Under our Annual Incentive Program (AIP), management can be awarded maximum payouts for the achievement of extraordinary ESG-related results. For each ESG-related performance measure, from 0% if minimum goals are not met to a maximum payout of 200%. Performance is reviewed at each quarterly Board meeting, with metrics reported against objectives on an annual basis that determine incentive compensation for

the management team and all employees. Details on the ESG-related metrics tied to our AIP can be found on page 29 of our [2024 Annual Proxy Statement](#).

Board Composition

CRC's Board of Directors exhibits strong independence and a breadth of managerial, operational, financial, and health & safety expertise. As of December 2023, the Board was comprised of 9 members, 7 of which were independent.

[See Board Composition Table 02](#) →

As of
December 2023,
7 of 9
Board members
are independent

table 02

Summary of Director Qualifications & Experience	Andrew Bremner	Tiffany (TJ) Thom Cepak	James Chapman	Francisco Leon	Mark McFarland	Nicole Neeman Brady	Julio Quintana	William Roby	Alejandra (Ale) Veltmann
Board of Directors		✓	✓		✓	✓	✓	✓	✓
CEO					✓		✓		
Senior Executive	✓	✓		✓	✓	✓	✓	✓	✓
Oil and Gas Industry	✓	✓		✓	✓		✓	✓	✓
Financial/Capital Markets		✓	✓	✓	✓	✓	✓		✓
Mergers & Acquisitions	✓	✓	✓	✓	✓	✓	✓	✓	✓
Engineering/Technology	✓	✓			✓		✓	✓	
Compensation		✓	✓		✓		✓		✓
Health & Safety		✓			✓		✓	✓	
Environmental/Sustainability	✓				✓	✓	✓	✓	✓
Risk Management		✓	✓	✓	✓		✓		
Government/Regulatory Affairs					✓	✓	✓	✓	
Biodiversity							✓	✓	
Water						✓			
	5 of 14	9 of 14	5 of 14	5 of 14	12 of 14	7 of 14	14 of 14	9 of 14	7 of 14

CRC recognizes the value of having directors from a wide variety of backgrounds who bring diverse opinions, perspectives, skills, experiences, and orientations to our discussions and decision-making processes. A diverse board enables a more balanced, wide-ranging discussion in the boardroom, and is also important to the Company's shareholders, management, and employees. For

these reasons, CRC considers the diversity of, and the optimal enhancement of the current mix of talent and experience on, the Board of Directors. Currently, one-third of Board members are women and 44% of the Board members are from diverse racial and ethnic backgrounds.

[See figures 13, 14, 15 and 16]

CRC recognizes the value of having directors from a wide variety of backgrounds who bring diverse opinions, perspectives, skills, experiences, and orientations to our discussions and decision-making processes.

Currently, **ONE-THIRD** of the Board are gender diverse and **44%** of the Board are from diverse racial and ethnic backgrounds

figure 13

Board Independence

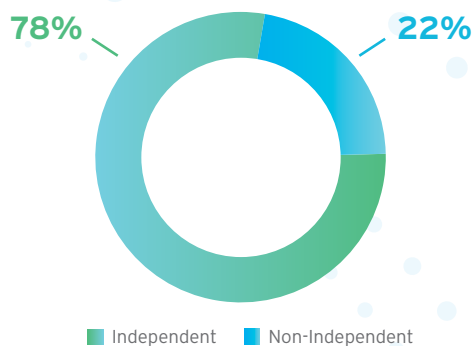


figure 14

Board Gender Diversity

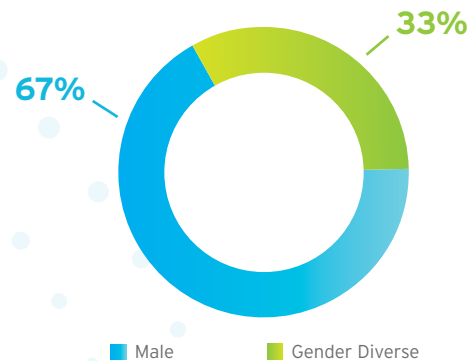


figure 15

Board Age

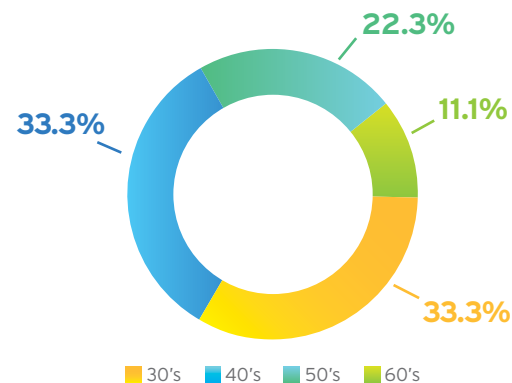
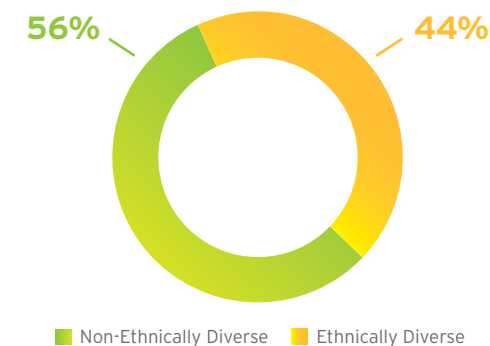


figure 16

Board Ethnic Diversity



Risk Management

CRC's executive management team is responsible for the day-to-day management of risks to the company. The Board of Directors has broad oversight responsibility for our risk management programs. The Board is kept informed through committee reports and by the executive management team about known risks to CRC's strategy and business. The Compensation Committee oversees risks related to executive compensation plans and arrangements, the Audit Committee oversees financial risks and risks regarding business conduct, the Nominating and Governance committee manages risks associated with independence of the Board and potential conflicts of interest, and the Sustainability committee is responsible for managing environmental, social, and governance risks.

Crisis Management

Risk management programs include our Crisis Management and Communication Plan. The Crisis Management and Communications Plan establishes a company-wide standard for response activities to be performed in the event of a business disruption event. It is intended to be used with the company's

Business Continuity Management (BCM) Program Policy and other departmental emergency management and crisis communications policies/plans (e.g., Elk Hills Emergency Management Plan, Oil Spills Communications Plan, etc.). The plan identifies the basic structure and roles and responsibilities of the crisis management team and other impacted parties and documents the general activities to be executed prior to, during and after a business disruption event. Specifically, this plan provides guidance as CRC improves the reach and effectiveness of the enterprise BCM program, prepare for response and recovery actions in the event of a crisis affecting personnel, systems, or facilities, develop emergency response procedures for critical business operations, and maintain effectiveness of all crisis management components.

HSE Risk Management

CRC's multi-disciplinary and companywide HSE Risk Management Program prioritizes safeguarding people and sensitive ecosystems over business or financial impacts. As detailed in CRC's HSE Risk Evaluation and Response Procedure, CRC identifies potential hazards to personnel, environment, property, reputation, or revenue through Process Hazard Reviews (PHRs), inspections, audits, or surveys, and such risks are assessed for potential mitigation opportunities. Through these assessments, risks are prioritized for prevention,

CRC's multi-disciplinary and companywide HSE Risk Management Program prioritizes safeguarding people and sensitive ecosystems over business or financial impacts.

avoidance and mitigation using CRC's Risk Matrix, and periodically reassessed. Risks are evaluated covering the short term (0-3 years), medium term (3-10 years) and long-term (10-50 years). Higher-level risks are reported, validated, and reviewed annually with the Sustainability and Audit Committees of the Board of Directors to ensure risk management remains a top priority. HSE risk management policies, standards and procedures are in place at all operating locations to identify, prioritize and apply feasible risk mitigation options. CRC's Risk Management Community of Practice leverages the expertise of company engineers and scientists to share opportunities for improvement.

Climate Strategy and Risk Management

RISK IDENTIFICATION AND ASSESSMENT

Our executive management team has developed a multi-disciplinary company-wide HSE risk management process for identifying and assessing climate-related risks and opportunities.

The first assessment is through the HSE Risk Evaluation and Response Procedure. In this process, we identify potential hazards to personnel, environment, property, reputation, or revenue and crucial physical and transition risks at an asset and company-wide level covering short (0-3 years),

medium (3-10 years) and long-term (10-50 years). Potential hazards as well as physical and transition risks are identified through Process Hazard Reviews (PHRs), inspections, audits, and surveys. These risks are then assessed for their potential for HSE consequences, impacts on the business, and potential mitigation opportunities.

Identified and assessed risks are then prioritized for mitigation using CRC's Risk Matrix on a periodic basis. Each capital project is reviewed by a multi-disciplinary team to evaluate regulatory requirements and project risks and to identify appropriate engineering and administrative mitigation measures. Higher-level risks are reported, validated, and reviewed annually with the Sustainability and Audit Committees of the Board of Directors to ensure HSE risk management remains a top priority. HSE risk management policies, standards and procedures are in place at all operating locations to identify, prioritize, and apply feasible risk mitigation options.

Other than the risk management practices of our executive team, CRC's Risk Management Community of Practice leverages the expertise of company engineers and scientists to share opportunities for improvement. Our operations are governed by extensive regulatory and permit requirements, and we have a demonstrated commitment to regulatory compliance. CRC's

team includes legal, government affairs, communications and regulatory staff that are primarily responsible for analyzing policy and proposed regulatory rules at the federal, local, and state level. Our teams work with, and seek input from our engineers, surface land teams and other subject matter experts as necessary to assess the legal and regulatory impact on our operations of proposed regulations. When an issue is found to be potentially impactful, it is discussed with CRC's senior management. On a regular basis, CRC's regulatory staff sends updates on potential impacts to subject matter experts within CRC for input. On issues with significant impact to CRC, we engage by participating in trade workgroups and committees, state and local agency workgroups and committees, testifying in public hearings and providing data and input on draft rules. When appropriate, we meet directly with regulators and elected officials to share our company's position, educate them on our projects and collaborate when appropriate.

PHYSICAL RISK MANAGEMENT

The areas in which we operate are constantly subjected to extreme weather conditions that could have a substantial impact on our facilities and financial results. With all our facilities located in California, specifically within the San Joaquin, Los Angeles, and Sacramento Basins, these areas are subject to the following climate physical risks:

- Acute physical risks associated with wildfires, heat waves, droughts, storms, mudslides, coastal flooding, and flash floods.
- Chronic physical risks associated with coastal flooding, sustained heat waves, cold snaps, and drought.

Process Hazard Analyses (PHAs) are used to identify and assess acute and chronic physical risks that may result from process equipment and operational changes. A PHA can identify and suggest modifications to enhance the HSE performance of the facility, including measures that reduce GHG or other emissions and increase efficiency.

Several of our facilities are located near the coastline and could be subject to coastal flooding, such as our operations in Long Beach and Huntington Beach. The chronic physical risks are assessed during PHAs with varying levels of priority. In the event of a flood, these operations could face production shutdowns resulting in increased direct costs for CRC. The Operations, Facilities, and HSE teams implement engineering and administrative controls and safe work practices with respect to heat waves. Due to a portion of California's imported electricity being redirected to other states, CRC started its co-generation unit to help stabilize the grid and prevent rolling

CRC has been recognized as a net water supplier in California since 2014.

We provide reclaimed produced water for over

5,000 acres

of agriculture and farmland

and invested nearly

\$1 million

into water conservation projects

blackouts during the 2021 heatwaves in western North America. CRC also purchases more GHG allowances compared to other forms of electricity generation because co-generation is GHG-intensive.

CRC has been recognized as a net water supplier in California since 2014. We provide reclaimed produced water for over 5,000 acres of agriculture and farmland to alleviate impacts of drought. While we have ample water supplies for our operations, in 2023, we invested nearly one million dollars into water conservation projects by installing water meters and performing leak detection surveys at our Elk Hills Plant to work towards our goal to reduce freshwater usage by 30% by 2025 and to ensure we do not compete with other stakeholders for fresh water. For additional information on our Water Conservation projects, please see the Water Management section of this report.

TRANSITION RISK MANAGEMENT

The State of California is a hotspot for continued regulatory attention to the issue of climate change. With the implementation of California and federal GHG and methane regulatory requirements, this puts CRC in a position to address the demands of climate transition risks.

- Policy and legal risks associated with California's AB 32 (and its GHG Mandatory Reporting Regulation and Cap-and-Trade), Low Carbon Fuel Standard regulations, Senate Bills 905 and 1137, EPA's GHG and carbon capture and storage regulations, the Biden Administration's Inflation Reduction Act and alignment with the Paris Agreement, and California and federal oil and natural gas regulations.
- Emerging regulation risks associated with CARB's 2022 Scoping Plan and the proposed SEC rule for climate-related disclosures.
- Technology risks associated with designing and constructing new facilities and retrofitting existing facilities with technology to advance energy efficiency.
- Market risks associated with chronic dependence on imported energy.
- Reputational risks associated with the achievement of our HSE Principles, Sustainability Metrics, and regulatory requirements.

Current and emerging regulations are evaluated in our Risk Matrix in varying levels of prioritization. For example, we consider California's Low Carbon Fuel Standard to be of low priority under our Risk Matrix. Additionally, the 2020 California Executive

Order N-79-20 calls for all new cars and passenger trucks sold to be electric vehicles as high priority under our Risk Matrix. Although this emerging regulation will not come into effect until 2035, we regard it as a high risk with a long-term time horizon.

In March 2022, the SEC proposed changes that could require companies to include certain climate-related disclosures in annual reports. As proposed, these disclosures would include information about certain climate-related events and transition activities that impact business. The SEC published final regulations in 2024. We developed our roadmap to incorporate the new requirements into our business, a critical first step was the identification and implementation of assurance support enterprise system.

In 2023, California passed two landmark climate disclosure and financial reporting senate bills which CRC will be subject to starting in 2026: SB 253 and SB 261.



CRC recognizes the effects of climate change and the need to address the global impact. We have a vital role to continually seek new opportunities and actively contribute to mitigating the impacts of a changing climate

OPPORTUNITIES MANAGEMENT

CRC recognizes the effects of climate change and the need to address the global impact. We have a vital role to continually seek new opportunities and actively contribute to mitigating the impacts of a changing climate.

CRC manages climate-related opportunities through the Chief Sustainability Officer, Executive Vice President of Operations, Vice President of HSE and Sustainability, and a multi-disciplinary Sustainability Team from Carbon Management, Operations and Engineering, Corporate Development, HSE, and Production Technology. The Sustainability Team evaluates emissions reduction, energy efficiency, water conservation and climate mitigation projects, including opportunities to incorporate renewable energy into our field operations. These evaluations include marketing or beneficial use of CO₂ and methane, as well as allowances and offsets under California’s Cap-and-Trade program and credits under California’s Low Carbon Fuel Standard or GHG reductions, such as through carbon capture and sequestration and methane capture.

CLIMATE FINANCIAL PLANNING

Climate-related issues are integrated in CRC’s financial planning process, and we evaluate the potential impact of climate on our financial performance.

By virtue of operating exclusively in California, CRC faces direct costs associated with the state’s GHG reduction and climate policies, including the Cap-and-Trade program, CARB 2022 Scoping Plan, the Low Carbon Fuel Standard (LCFS) and the Methane Rule. CRC manages the direct cost of complying with these regulations by actively pursuing opportunities to advance our GHG reduction goals and use lower emission sources of energy to make our operations more efficient than that of our competitors. For example, CRC has invested in natural gas power plants that generate electricity and steam for our oilfield operations and supply excess power to the electrical grid for communities and businesses near our operations. California’s regulations are projected to have a medium impact on the company’s operating costs, due to our significant self-generation of electricity, integrated infrastructure and other efficiency and mitigation efforts.

California's Cap-and-Trade program directly impacts CRC's facilities, existing and newly acquired. When properties are acquired and CRC assumes operational control, CRC is required to report under the program for the entire reporting year even if it has operational control for only a portion of that year. Therefore, acquisitions or dispositions of oil and natural gas operations affect the quantity of GHG allowances or offsets that CRC must obtain and retire each year and three-year compliance period under the Cap-and-Trade program. CRC's climate-related financial planning strategy puts a further emphasis on assessing our oil production fields to determine their carbon intensity.

We have also assessed opportunities that could result in positive financial performance. For instance, CRC's participation in the LCFS, as part of our life-of-field resilience planning, could also provide increased revenues due to the generation of LCFS credits. LCFS credits are essential in implementing commercial-scale carbon capture and sequestration, including our CTV JV, and thereby substantially decrease the carbon intensity of California oil production, refining, use, and GHG emissions for natural gas power plants that remain crucial to providing reliable power. In addition, our projects that integrate solar and other renewable energy or energy storage directly with oil and gas operations may also warrant LCFS

credits to expedite financing and installation. Our team has designed a solar project at a partner's field to provide electricity for steam generation which, if funded and installed, would generate future LCFS credits. Through the project planning phase, CRC has factored in the generation of future LCFS credits, which would generate cash flow over the project's lifetime. CRC estimates the value of LCFS credits for solar projects as \$50 per MW (based on LCFS credits valued at \$100/MT), which is projected to have a low impact on our revenues.

For further information about the implementation of our climate mitigation strategies and projects, see the Environmental section of this Sustainability Report.

CLIMATE STRATEGY RESILIENCE

We believe California-specific scenarios are most relevant to inform our climate strategies. According to California's Fourth Assessment and its 2018 update to Safeguarding California, in conjunction with Representative Concentration Pathway (RCP) 4.5, we updated our scenario planning to provide climate-related input to our life-of-field planning.

Key findings from the report that may affect CRC's operations and employee safety are:

- 1) A projected increase in ambient temperature of 5.6 to 8.8 degrees Fahrenheit by 2100.
- 2) A decrease by two-thirds in water supply from snowpack in the Sierra Range, which is the major source of freshwater inflow in the southern San Joaquin Valley where most 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% in certain regions.
- 3) Hotter temperatures will increase annual electricity demand for homes, driven mainly by the increased use of air conditioning units. However, increases in peak hourly demand during the hot months of the year could be more pronounced than changes in annual demand. This is a critical finding because electricity-generating capacity must match peak electricity demand.

The United Nations has stated that carbon capture technology is necessary to meet the goal of the Paris Climate Accord to limit temperature rise to less than two degrees Celsius by 2050, and the 2022 CARB Scoping Plan outlines CCS as

carbon capture technology is necessary to meet the goal of the Paris Climate Accord to limit temperature rise to less than 2 degrees Celsius by 2050

a "necessary tool" for Net Zero. This is in part why we made the decision to develop our Joint Venture with Brookfield, to become a significant part of the solution for reaching and maintaining carbon neutrality. This partnership involves investments that validate the economic feasibility of CRC's 2045 Net Zero Goal. With the help of this partnership, we have filed four project applications with a total of approximately 200 million metric tons of permanent CO₂ storage capacity. This partnership aims to have 5 million metric tons per annum of CO₂ injection by year end 2027.

Business Ethics

CRC carries on a tradition of safely producing oil and natural gas that stretches back many decades. We have an obligation to carry that tradition into the future in a way that makes us all proud of our company and our operations, focusing on our core values of Character, Responsibility, and Commitment.

Our [Business Ethics and Corporate Policies](#) serve as guide and statement of our commitment to upholding our core values. Some topics of our code and policies include business ethics, compliance with the law, respecting colleagues, and neighbors, and protecting assets. As part of our commitment to implementing what is included in our excerpt, on a yearly basis, all CRC employees are required to attend a Business Ethics training module.

Bribery & Corruption

Fair and open competition are important to the overall integrity of capital markets and the success of companies. As such we prohibit any direct or indirect commercial bribery. Bribery may also be subject to criminal prosecution. We do not conceal, manipulate, misrepresent facts, abuse privileged information, or use other unethical practices when dealing with our commercial counterparties.

Additionally, we stand firmly against direct or indirect bribery of government officials or labor unions. In line with our stance, we do not offer or give anything of value to any government or labor union representative to influence any official act or induce an official or representative to violate their duty or to commit fraud.

Whistleblower Policy

To cultivate a culture of open and honest communication, we heavily encourage our employees to report any violation in good faith to our anonymous hotline (844-339-6268). Additionally, we absolutely prohibit retaliation for providing truthful information related to ethical concerns or making good faith reports of possible violations.

Freedom of Association

We recognize and fully respect the right of employees to freely associate with others. Employees are vested with the right to participate and join organizations and associations and form a trade union and bargain collectively, without fear of harassment or reprisal. In 2023, approximately 55 of our employees were covered by a collective bargaining agreement.

We are committed to providing a safe work environment that fosters respect for one another as individuals. We recognize that our employees are free to engage in political and advocacy-related activities, so long as they are not in conflict and comply with federal, state and local employment laws, rules and regulations.

Human Rights

CRC is driven to conduct all our business in a manner that respects the sanctity of human rights. Abiding by and fostering respect for human rights is foundational to the way we conduct business. As a California only operator, we also abide by and align with the state's view of corporate policy and respect for human rights. We do not work with, hire, or contract with anyone who we know violates our policy or that of the State of California. By our status as equal opportunity employer and our non-discriminatory policies included in our Business Ethics and Corporate Policies and Human Rights Policy, we demonstrate this commitment. We are committed to promoting respect for people and fundamental freedoms and rights without distinction of any kind such as race, color, sex, language, religion, and other opinions. For additional information, see our [Human Rights Policy](#).

Cybersecurity & Data Privacy

At CRC, we understand and acknowledge the crucial role of cybersecurity in today's digital world and its significance as a business consideration. Recognizing the potential threats to our operations, information, and stakeholders, CRC continually seeks to prioritize and strengthen cybersecurity measures. Our robust protocols and continuous training programs reflect our commitment to cybersecurity. CRC is dedicated to safeguarding our information systems, protecting sensitive data, and ensuring the privacy of our customers and employees.

CRC's Cybersecurity and Data Protection Program is a comprehensive initiative dedicated to fortifying the organization against cyber threats and preserving the integrity of sensitive information. Aligned with the NIST cybersecurity framework, the program utilizes robust protocols, ongoing monitoring, and employee training to ensure the integrity, confidentiality, and availability of data across all operations. Further, our Cybersecurity Incident Response Plan ensures swift and effective action in the event of a security breach.

To stay ahead of the evolving cyber threat landscape, we conduct regular cybersecurity awareness training for employees and carry out periodic exercises involving all key departments with Board oversight. This approach not only helps reinforce a strong security culture within the organization but also enhances its resilience against cyber threats.

Our data privacy policy defines our approach for processing and handling personal data for CRC, its subsidiaries, and affiliated companies. We collect information that is directly provided to us through our services, account creation, forms filled and via third-party services and organizations such as land brokers, identity verification services, and data analytics providers. Information collection may be derived based on the given personal data and an example of this is approximate location based on IP address.

We are actively taking steps to meet local privacy requirements for residents of California with regards to our approach to data collection, usage, and personal information. We do not sell, share, or disclose personal information. For further information, please see our [Privacy Policy](#).

To stay ahead of the evolving cyber threat landscape, we conduct regular cybersecurity awareness training for employees and carry out periodic exercises involving all key departments with Board oversight. This approach not only helps reinforce a strong security culture within the organization but also enhances its resilience against cyber threats.

Supply Chain Management

CRC works with suppliers to provide goods and services that are critical to our success. Our partnerships with our suppliers allow us to support efficient operations, maintain high HSE standards, and mitigate environmental and social risks.

CRC continuously works to build a more sustainable and transparent supply chain. We expect our suppliers and contractors to share our commitment to health and safety, environmental stewardship, and ethical business conduct, including sound labor and human rights practices. To this end, we build relationships with third parties that are committed to compliance with CRC's policies on these topics. We expect - and our standard contracts require - suppliers, vendors, and contractors to operate ethically and to comply with all contract terms, laws, and CRC's policies. The equipment and materials we purchase are typically manufactured by specialized companies to detailed engineering specifications. Accordingly, we believe there is very little to no risk of slavery or human trafficking in our supply chain. We nonetheless have a variety of mechanisms in place to assess and reduce risks in our supply chain, including compliance with state laws and regulations as well as CRC policies around

human rights, labor, and employment. Additionally, we have a statewide Project Labor Agreement (PLA) with the State Building and Construction Trades Council of California, which ensures that our construction and maintenance contractors hire a highly qualified and fairly paid workforce. Our drilling and well servicing is typically performed by dedicated contractor crews whose work on our sites is reviewed or overseen by CRC employees.

To ensure our high standards are upheld, all suppliers are required to follow our HSE standards and contract terms. Further, we conduct audits and provide on-site supervision focused on performance, safety, and receipt of goods that meet the specification of our purchase orders (PO), master service agreements (MSA), and blanket purchase agreements (BPA). We apply a risk-based approach to determine which parties are subject to audit by our internal procurement or audit resources. Due diligence is conducted to establish that potential suppliers and contractors are reputable, provide training to their employees, and have measures in place to assess performance. We host periodic meetings with suppliers to discuss materials delivery, contract obligations, pricing, efficiency in operations, improvement opportunities and safety priorities.

In 2023, CRC's Supply Chain Department managed approximately \$627 million in spending across

approximately 143 spend categories with third-party suppliers and contractors. A high percentage of this spending is contracted with approximately 560 suppliers under approximately 787 BPAs and POs.

These agreements require our suppliers to comply with and perform to our high standards around HSE, CRC's standard commercial terms, drug, alcohol and controlled substance requirements, business ethics and corporate policies, surveillance technology guidelines, business insurance, following all federal, state and local labor laws and regulations, working fairly with customers, suppliers, competitors, and other commercial counterparties, equal opportunity employment, conducive workplaces and antitrust compliance.

Supplier and Contractor Selection Process

Our procurement process for supplier selection and contract award involves collaboration between Supply Chain and various stakeholders within Operations. Approximately one third of our agreements expire every year. Each supplier agreement expiring is evaluated for performance to current contract, technical, commercial, and HSE terms. Extension of agreements are possible considering supplier performance during the contract term, safety record, operational performance, continuous improvement, waste

CRC's Supply Chain Department managed approximately

\$627
MILLION

Across approximately

143
CATEGORIES

With approximately

560
SUPPLIERS

management, pricing and efficiency and control of volumes of material or services used during operations. If better options are available in the marketplace for the category of spend, a competitive tender is conducted. This process is governed by CRC's Supply Chain Department policy of fairness, competitive bidding, awarding business to suppliers and contractors who best meet the comprehensive criteria mentioned above, technical performance considerations, and our commercial contract terms. CRC places most spend under template BPAs and POs. All other non-BPA spending is sourced and must be approved per CRC's Procurement Policy, Approval Authority, and Signature process. It is Supply Chain's strategy to formally contract a substantial percentage of critical and repetitive spend under formal contracts that we refer to as BPAs. This ensures a rigorous due diligence process during the selection process of those suppliers we select to engage in long-term contracts for materials, equipment, and labor supply.

Supply Chain Risk Management

Supply Chain has developed a risk-based approach by spend category. Twelve out of approximately 143 categories have been identified as high-risk to the enterprise. As such, heightened focus in terms of suppliers' performance, safety, efficiency in the application of materials, alternative back-up plans, etc. are integral to the sourcing strategies of these

categories. All categories are continually assessed on a quadrant scale for inherent risk (impact and risk likelihood) and management action and control effectiveness. This risk plan has been reviewed with CRC's Internal Audit group.

Supply Chain Risk Management Response

In addition to the multi-disciplinary company-wide HSE risk management process, CRC has a company-wide Supply Risk Matrix focused on upstream risks within the supply chain. Once a risk is identified in the supply chain, it will be assessed based on the background, the executive team's ability to respond, and mitigation techniques or controls that can be applied to the risk.

Risks are then evaluated using a modified heat map which measures the inherent risk (impact potential multiplied by likelihood) against the management action and control effectiveness to determine which of the following actionable quadrants a risk falls into: Operate, Tolerate, Monitor, or Improve.

Each quadrant is defined by several characteristics and mitigation strategies. If a risk falls into the **Tolerate quadrant**, CRC typically takes a collaborative approach to maintain cost and availability control. The **Operate quadrant** is often applicable to regularly mandated suppliers

where CRC will consider developing alternatives or innovative substitutions. The **Improve quadrant** is made up of high-cost and high-impact strategic suppliers. CRC will conduct a deeper review of the suppliers in this quadrant to develop solutions. The **Monitor quadrant** is also made up of high-cost and high-impact suppliers which CRC then targets for negotiation and strategy. Risks are evaluated through the Supply Risk Matrix more than once a year.

Environmental Impacts of Supply Chain

An enduring commitment to strengthening a sustainable and transparent supply chain is at the heart of our operations at CRC. During the fourth quarter of 2022 and in the first quarter of 2023, we conducted a Supplier Sustainability survey of our top 600 suppliers seeking information related to their practices and policies, including those related to environmental impact. The survey contained 28 sustainability-focused questions that asked our suppliers to indicate whether they disclose Scopes 1 and 2 GHG emissions, track energy consumption, have set public goals for reducing GHG emissions, and many more. Overall, we received a low response rate of approximately 20%. However, we received a near 100% response rate from our top 50 suppliers by spend. Efforts such as the Supplier Sustainability survey aid

CRC's identification of suppliers who align with our commitment to environmental guardianship and sustainability.



Management of the Legal & Regulatory Environment

Our operations are governed by extensive regulatory and permit requirements, and we have a demonstrated commitment to regulatory compliance. CRC's team includes legal, government affairs, communications and regulatory staff that are primarily responsible for analyzing policy and proposed regulatory rules at the federal, local and state level. Our teams work with, and seek input from our engineers, surface land teams and other subject matter experts as necessary to assess the legal and regulatory impact on our operations of proposed regulations. When an issue is found to be potentially impactful, it is discussed with CRC's senior management. On a regular basis, CRC's regulatory staff sends updates on potential impacts to subject matter experts within CRC for input. On issues with significant impact to CRC, we engage by participating in trade workgroups and committees, state and local agency workgroups and committees, testifying in public hearings and providing data and input on draft rules. When appropriate, we meet

directly with regulators and elected officials to share our company's position, educate them on our projects and collaborate when appropriate.

In 2023, CRC was a member of the following statewide California or national trade associations and advocacy organizations:

- » California Carbon Solutions Coalition - a nonpartisan collaboration of companies, unions, conservation and environmental policy organizations, building federal policy support to enable economy-wide, commercial scale deployment of carbon management technologies.
- » California Chamber of Commerce - a business advocacy group that serves as a resource for California employers and to engage in other activities, domestically and internationally, that enhance the California economy and make the state a better place to live, work and do business.
- » California Foundation on the Environment and the Economy (CFEE) - an independent, nonprofit institution dedicated to educating public and private sector decision makers on, and developing creative solutions to, California's complex economic, environmental, and social issues.
- » California Manufacturers & Technology Association (CMTA) - an organization that advocates for pro-growth laws and regulations before the California legislature and administrative agencies to improve and enhance a strong business climate for California's manufacturing, processing, and technology-based companies.
- » Central Valley Business Federation (BizFed Central Valley) - a business league that unites associations and strengthens the voice of business in California's Central Valley through sharing information, expertise, networking, connections, and research to impact economic policies, programs, and projects.
- » Global Carbon Capture and Storage Institute - an international think tank whose mission is to accelerate the deployment of carbon capture and storage, a vital technology to tackle climate change and deliver climate neutrality.
- » Kern County Economic Development Corporation (Kern EDC) - a public-private partnership that brings together private businesses, education, elected officials, and non-profit organizations for the purpose of a single goal: creating a strong and diverse economy for Kern County. Kern EDC promotes the region to businesses looking for areas to

expand and works with existing local businesses to ensure they have what they need to thrive and grow here in Kern County.

» Western States Petroleum Association (WSPA) - a non-profit trade association that represents companies that account for the bulk of petroleum exploration, production, refining, transportation, and marketing in the five western states of Arizona, California, Nevada, Oregon, and Washington. WSPA and its member companies are dedicated to guaranteeing that every American has access to reliable energy options through socially, economically, and environmentally responsible policies and regulations.

Our teams work with, and seek input from our engineers, surface land teams and other subject matter experts as necessary to assess the legal and regulatory impact on our operations of proposed regulations.

Political Involvement Policy

CRC has strict internal policies in place to ensure adherence to political contributions, lobbying and other political activities that are subject to federal, state, and local laws. Contribution Reports are reviewed by the Board of Directors at quarterly meetings.

CRC is prohibited from making direct contribution or expenditure to a candidate or candidate's campaign in any federal election. We do not offer or give anything of value to any government official or labor union representative that will influence any act or induce an action to commit fraud or violate their duty.

CRC prohibits arrangements in the workplace that are disguised as a transaction such as the use of undisclosed principals, assignments of contractual obligation or fee payment to third parties, unusual multiple payment, large up-front payments or the use of non-domestic bank accounts. CRC employees must not provide or accept gifts, hospitality, entertainment to an individual or entity in violation of CRC's Business Ethics and Corporate Policies. For more information, read our [excerpt of Business Ethics and Corporate Policies](#).

Reserves Valuation & Capital Expenditures

When benchmarked to the International Energy Agency's (IEA) Sustainable Development Scenario, our corporate ESG goals are in line with clean energy policies and Net-Zero by 2050. Additionally, we have identified the following strategic areas to measure our performance against our sustainability energy transition goals.

CO₂ embedded in hydrocarbon reserves:

There are 15 million metric tons of Scope 1 and 2 GHG emissions from oil and natural gas production and processing associated with the full life of our year end 2023 proved reserves, 64% of which is attributable to our steam flood development at Kern Front due to its high CO₂ intensity, and 28% of which is attributable to Elk Hills due to its outsized influence on production/reserves for the company. This is estimated by calculating a metric ton (MT)/thousand barrels of oil equivalent (MBOE) ratio based on 2022 data (the most recent data available) and applying to year-end 2023 (YE23) reserves volumes.

Price sensitivities on Greenhouse Gas

Emissions: Greenhouse gas taxes under California's existing cap-and-trade program are considered in estimates of proved reserves volumes. The average Auction Clearing Price for California Carbon Allowances in 2023 was \$33.06/MT. Under the current program, which is authorized to 2030, an increase in the average GHG tax cost to \$55/MT would not result in a decrease in proved reserves volumes.

When benchmarked to the International Energy Agency's (IEA) Sustainable Development Scenario, our corporate ESG goals are in line with clean energy policies and Net-Zero by 2050.



Closing Remarks

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Our environmental stewardship, company culture, values of Character, Responsibility and Commitment and community outreach have led us to deliver solutions that help to meet the needs of members of the communities where we live and work.

Closing Remarks

We are proud of the progress we have made during 2023 and since CRC's inception in 2014. Our environmental stewardship, company culture, values of Character, Responsibility and Commitment and community outreach have led us to deliver solutions that help to meet the needs of members of the communities where we live and work. As we move forward, we remain committed to our sustainability practices, focus on health and safety, environmental stewardship, our ESG goals, community engagement and diversifying our workforce. CRC will continue moving forward and pursuing Environmental, Social and Governance attributes that align well with the broader energy transition and the needs of our workforce, community leaders and investors, and we look forward to providing future updates as we make progress on these initiatives.

ASSURANCES

This report includes estimates and measured data compiled by the company, as well as data provided by third-party sources. The quality of the company data in this report is a high priority at CRC. We have systems in place to review our data quality, including the methodology, bases and assumptions underlying our data collection and estimates, and

we trust those are reasonable, representative and have been applied in good faith. We also take the third-party statements we cite as accurate but have not independently verified them. This report has been reviewed by our sustainability team and executive management. We have not had this report assured by any external party, although Scope 1 GHG emissions reports and purchase volumes of natural gas and electricity undergo third-party verification by independent, state-approved experts.

ADDITIONAL RESOURCES

- [Excerpt of Business Ethics and Corporate Policies](#)
- [CRC Governance](#)
- [CRC ESG](#)
- [CRC in the Community](#)
- SASB Index
- GRI Index
- IPIECA Index

Performance Data Tables 1

DATAPOINT	UNIT	2023	2022	2021	2020	FOOTNOTE	SASB (E&P)	IPECA	GRI	AXPC
Activity Metrics										
Gross Production	MBOE	37,000	39,000	43,000	46,000	(a)	EM-EP-000.A			✓
Gross Production (without divested & non-operated assets)	MBOE	36,000	38,000	40,000	44,000	(a)	EM-EP-000.A			✓
Gross Production (without divested & non-operated assets)	Gigajoules (GJ)	222,792,000	231,453,000	245,134,000	266,572,000	(a)	EM-EP-000.A			✓
Electricity Sold to Grid	MWh	2,593,000	2,458,000	2,506,000	2,317,000	(a)		CCE-3		
Electricity Sold to Grid	GJ	9,335,000	8,848,000	9,023,000	8,341,000	(a)		CCE-3		
Total Energy Produced	GJ	232,128,000	240,301,000	254,157,000	274,914,000	(a)				
Greenhouse Gas Emissions (without divestitures & non-operated)										
Total Scope 1 Emissions	Metric Tons CO ₂ e	2,603,000	2,517,000	2,780,000	2,846,000	(a)	EM-EP-110a.1	CCE-4	305-1	✓
Total Scope 2 Emissions	Metric Tons CO ₂ e	152,000	246,000	192,000	211,000	(a)		CCE-4	305-2	✓
Total Scope 3 Emissions	Metric Tons CO ₂ e	14,749,000	15,495,000	15,967,000	17,157,000	(a), (b)		CCE-4		
Total Scope 1, 2, & 3 Emissions	Metric Tons CO ₂ e	17,504,000	18,258,000	18,940,000	20,213,000	(a), (b)		CCE-4		✓
Total Scope 1 & 2 Carbon Intensity	g/MJ	11.9	11.5	11.7	11.1	(a)				✓
Total Scope 3 Carbon Intensity	g/MJ	63.8	64.5	62.8	62.4	(a), (b)				
Total Scope 1, 2, & 3 Carbon Intensity	g/MJ	75.7	76.0	74.5	73.5	(a), (b)				
Well Production and Delivery to Sale Emissions										
Well Production Emissions	Metric Tons CO ₂ e	724,000	747,000	895,000	1,055,000	(a)	EM-EP-110a.2	CCE-4	305-1	
Fuel Combustion	Metric Tons CO ₂ e	614,000	629,000	775,000	929,000	(a)	EM-EP-110a.2	CCE-4	305-1	
Flaring	Metric Tons CO ₂ e	40,000	40,000	41,000	34,000	(a)	EM-EP-110a.2	CCE-4	305-1	✓
Other	Metric Tons CO ₂ e	70,000	77,000	79,000	92,000	(a)	EM-EP-110a.2	CCE-4	305-1	

Performance Data Tables 2

		2023	2022	2021	2020					
Emissions for Electricity Produced and Used for Upstream/Gas Processing	Metric Tons CO ₂ e	708,000	633,000	722,000	662,000	(a)		CCE-4	305-2	✓
Well Production Emissions (Scope 1 & 2)	Metric Tons CO ₂ e	1,584,000	1,626,000	1,809,000	1,927,000	(a)				✓
Well Production Carbon Intensity	Metric Tons / BOE	0.044	0.043	0.045	0.044	(a)				
Well Production Carbon Intensity	g/MJ	7.14	7.03	7.38	7.23	(a)				
Oil Transportation Emissions	Metric Tons CO ₂ e	12,600	13,300	14,000	15,000	(a)				
Well Production to Delivery Carbon Intensity (oil only)	g/MJ	7.19	7.08	7.43	7.28	(a)				
Emissions Details										
Methane	Metric Tons CH ₄	3,065	3,285	3,200	3,900	(a)	EM-EP-110a.1	CCE-5	305-1	✓
Total Electricity Production Emissions	Metric Tons CO ₂ e	1,787,000	1,666,000	1,773,000	1,644,000	(a)				
Emissions for Electricity Produced and Sold	Metric Tons CO ₂ e	1,079,000	1,032,000	1,052,000	982,000	(a)				
Methane Intensity	Metric Tons CH ₄ /MBOE	0.084	0.087	-	-		EM-EP-110a.1	CCE-5	305-1	✓
Divestitures										
Lost Hills Scope 1 & 2	Metric Tons CO ₂ e	NR	NR	NR	NR					
Ventura Scope 1 & 2	Metric Tons CO ₂ e	NR	NR	NR	60,000					
Ventura and Lost Hills Scope 3	Metric Tons CO ₂ e	NR	NR	NR	683,000					
Total Divestitures Scope 1, 2 & 3	Metric Tons CO ₂ e	NR	NR	NR	742,000					
Energy Use without Divestitures										
Energy Use Total	GJ	39,977,360	39,843,316	38,968,456	46,671,370	(a), (c), (f)		CCE-6	302-1	
Renewable Energy Total	GJ	900,000	1,308,000	1,021,000	1,215,000	(a), (f)			302-1	
Renewable Energy Percentage	Rate	2.25%	3.28%	2.62%	2.60%	(a)			302-3	
Energy Intensity	GJ/MBOE	1,098	1,054	-	-					

Performance Data Tables 3

		2023	2022	2021	2020				
Other Air Emissions									
Nitrogen Oxides (NOX)	Metric Tons	202	209	202	210	(c)	EM-EP-120a.1	ENV-5	305-7
Sulfur Dioxide (SOX)	Metric Tons	13	13	21	29	(c)	EM-EP-120a.1	ENV-5	305-7
Volatile Organic Compounds (VOC)	Metric Tons	167	353	367	395	(c)	EM-EP-120a.1	ENV-5	305-7
Particulate Matter	Metric Tons	33				(c)			
Environmental Impact									
Number of Hydrocarbon Spills	#	6	3	18	8	(d)	EM-EP-160a.2	ENV-6	306-3 (2016)
Volume of Hydrocarbon Spills - Net barrels lost	Bbls	14	9	118	23	(d)	EM-EP-160a.2	ENV-6	306-3 (2016)
Volume of Hydrocarbon Spills Recovered	Bbls	471	426	-	-	(d)	EM-EP-160a.2	ENV-6	
Percent of Proven Reserves in or Near Sites with Protected Conservation Status	Percentage of proven reserves in or near sites with protected conservation status or endangered species habitat	1%	3%	5%	NA		EM-EP-160a.3	ENV-4	304-1
Number of Produced, Flowback, and other oilfield water waste spills	#	11	13	-	-		EM-EP-160a.2	ENV-6	306-3 (2016)
Volume of Produced, Flowback, and other oilfield water waste spills - Net barrels lost	Bbls	466	636	-	-		EM-EP-160a.2	ENV-6	306-3 (2016)
Volume of Produced, Flowback, and other oilfield water waste spills - Recovered	Bbls	6,403	1,183						
Environmental Fines	\$ Million	0.4	0.3	0.5	0.1				
Remediation Expenses	\$ Million	1.9	1.0	0.7	1.6			ENV-8	
Water									
Freshwater Withdrawal Total	Barrels	36,700,000	34,500,000	39,200,000	39,600,000	(e)	EM-EP-140a.1	ENV-1	303-3
Freshwater Withdrawn without Agriculture Use	Barrels	29,800,000	30,500,000	31,000,000	35,600,000	(e)	EM-EP-140a.1	ENV-1	303-3
Freshwater Purchased	Barrels	29,800,000	30,500,000	36,600,000	37,700,000	(e)			

Performance Data Tables 4

		2023	2022	2021	2020					
Freshwater Consumed Total	Barrels	36,700,000	34,500,000	39,200,000	39,600,000	(e)	EM-EP-140a.1	ENV-1	303-5	✓
Produced Water Recycled, Reused, or Reclaimed	Barrels	945,100,000	934,000,000	942,000,000	943,900,000	(e)	EM-EP-140a.2		303-3	✓
Produced Water Recycled to Agriculture	Barrels	113,200,000	118,400,000	116,300,000	110,400,000	(e)	EM-EP-140a.2		303-3	✓
Produced Water Injected into Disposal Wells	Barrels	113,000,000	115,100,000	95,500,000	83,400,000	(e)	EM-EP-140a.2	ENV-2	303-4	
Freshwater Consumed for Oil Production Barrels	Barrels	4,046,107	5,765,436			(e)				✓
Freshwater Intensity (Oil Production) Barrels	Barrels / MBOE	111	152			(e)				
Water Conservation Metric	Reclaimed Water to Ag / Purchased Freshwater	3.8	3.9	3.2	2.9	(e)				
Number of hydraulically fractured wells - Total	#	0	0							
Hydraulically fractured wells with public disclosure of fracturing fluid chemicals - Total	%	0%	0%							
Hydraulic fracturing sites where ground or surface water quality deteriorated - Total	%	0%	0%							
Waste										
Hazardous Waste	Metric Tons	100	16	23	4			ENV-7	306-3	
Hazardous Waste Intensity	Metric Tons/MBOE	0.0027	0.00041318	-	-			ENV-7		
Disturbed Land	Acres	8.4	0.3	-	-			ENV-8		
Health & Safety										
Total Recordable Incident Rate (TRIR) Combined	Per 200,000 hours worked	0.31	0.62	0.43	0.28		EM-EP-320a.1	SHS-3	403-9	✓
TRIR Employees	Per 200,000 hours worked	0.28	0.18	0.09	0.17		EM-EP-320a.1	SHS-3	403-9	✓
TRIR Contractors	Per 200,000 hours worked	0.34	0.88	0.67	0.37		EM-EP-320a.1	SHS-3	403-9	✓
Total Lost Time Incident Rate (LTIR) Combined	Per 200,000 hours worked	0.08	0.17	0.16	0.16		EM-EP-320a.1	SHS-3	403-9	
LTIR Employees	Per 200,000 hours worked	0.07	0.18	0.09	0.15		EM-EP-320a.1	SHS-3	403-9	

Performance Data Tables 5

		2023	2022	2021	2020				
LTIR Contractors	Per 200,000 hours worked	0.09	0.17	0.20	0.17		EM-EP-320a.1	SHS-3	403-9
Combined Fatalities	#	0	0	0	0		EM-EP-320a.1	SHS-3	403-9
Employee Fatalities	#	0	0	0	0		EM-EP-320a.1	SHS-3	403-9
Contractor Fatalities	#	0	0	0	0		EM-EP-320a.1	SHS-3	403-9
Employee Health and Safety Training Hours	Hours	10,399	17,273	12,085	15,373		EM-EP-320a.1	SHS-1	404-1
Average HSE Training Hours	Hours / Employees	10.7	13.1	12.5	13.9				403-5
Human Capital Management									
Total Employees	# of Employees	969	1,064	967	1,104				
Total Turnover	%	15%	7%	21%	15%				401-1
Involuntary Turnover	%	9%	1%	14%	11%				401-1
Voluntary Turnover	%	6%	6%	7%	4%				401-1
Total Training Hours	Hours	32,669	23,273	13,171	16,571				
Average Training Hours	Hours / Employees	33.7	21.9	13.6	15.0		EM-EP-320a.1		404-1
Diversity									
Gender Diverse Board Members	%	33%	33%	33%	22%	(g)		SOC-5	405-1
Ethnically Diverse Board Members	%	44%	33%	33%	NA	(g)		SOC-5	405-1
Gender Diverse Executives	%	28%	22%	18%	21%			SOC-5	405-1
Ethnically Diverse Executives	%	28%	26%	21%	28%			SOC-5	405-1
Gender Diverse Managers	%	23%	20%	18%	20%			SOC-5	405-1
Ethnically Diverse Managers	%	27%	23%	21%	27%			SOC-5	405-1
Gender Diverse Employees	%	19%	20%	19%	20%			SOC-5	405-1

Performance Data Tables 6

		2023	2022	2021	2020		
Ethnically Diverse Employees	%	39%	40%	38%	36%		SOC-5 405-1
Social Supply Chain							
Number of suppliers surveyed for Social & Environmental Impacts.	#	553	553				414-2
Suppliers identified as having significant actual and potential negative social impacts with which relationships were terminated as a result of assessment, and why	%	0	0				414-2
Significant contracts with relevant human rights clauses	%	100	100				414-1
Donations Total							
Charitable Donations Total	\$ Million	\$2.5	\$2.6	\$0.6	\$1.3		SOC-13
Political Donations Total	\$ Million	\$0.5	\$0.6	\$0.0	\$1.7		GOV-5 415-1

Footnotes

(a) Operated upstream direct emissions include Scope 1 GHG emissions from oil and gas drilling and production at fields operated by CRC and exclude those from the midstream operations of the Elk Hills gas and power plants and Long Beach power plant. For 2021, emissions are excluded for the Ventura Basin assets that were sold in 2021. Emissions are calculated, reported and verified in accordance with California regulations and emissions estimation protocols.

(b) Scope 3 includes Category 1, 7, 10-11 for 2020 and Category 1-15 for 2021 - 2023.

(c) Total GHG emissions from upstream and midstream operations include operated upstream direct emissions (see footnote a for exclusions) plus Scope 1 GHG emissions from the midstream operations of the Elk Hills and Long Beach power plants, as well as gas processing at Elk Hills and the Santa Clara Valley Gas Plants in the Ventura Basin subject to the exclusion in footnote (a) for 2021. Emissions are calculated, reported and verified in accordance with California regulations and emissions estimation protocols.

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

(e) See page 83 of CRC's 2023 Sustainability Report for water definitions applied by CRC.

(f) Energy use and intensity exclude energy used by the midstream operations of the Elk Hills and Long Beach power plants, as well as gas processing at Elk Hills.

(g) Board of Directors metrics per CRC's Proxy Statement filed in March 2024, and does not reflect subsequent changes to the Board.

IPIECA Index 1

International Petroleum Industry Environmental Conservation Association (IPIECA) Index

MODULES	ISSUES	INDICATORS	API	DATA	LOCATION
Governance	Governance and Management Systems	GOV-1: Governance approach	GOV-1		Pages 47-50
Governance	Governance and Management Systems	GOV-2: Management systems	GOV-2		Pages 47-50
Governance	Business Ethics & Transparency	GOV-3: Preventing corruption	GOV-3		Page 56
Governance	Business Ethics & Transparency	GOV-4: Transparency of payments to host governments	GOV-4		KPI Performance Tables
Governance	Business Ethics & Transparency	GOV-5: Public advocacy and lobbying	GOV-5		Pages 60-61
Environmental	Climate Strategy and Risk	CCE-1: Climate governance and strategy	CCE-1		Pages 52-55
Environmental	Climate Strategy and Risk	CCE-2: Climate risk and opportunities	CCE-2		Pages 52-55
Environmental	Technology	CCE-3: Lower-carbon technology	CCE-3		Page 16-21, 52-55
Environmental	Emissions	CCE-4: Greenhouse gas (GHG) emissions	CCE-4	2023 Data Scope 1 Emissions: 2,603,265 MT CO ₂ e Scope 2 Emissions: 152,267 MT CO ₂ e Scope 3 Emissions 14,748,621 MT CO ₂ e	KPI Performance Tables
Environmental	Emissions	CCE-5: Methane emissions	CCE-5	2023 Data Methane: 3,064 MT CH ₄ Methane Intensity: 0.084 MT CO ₂ e	KPI Performance Tables
Environmental	Energy Use	CCE-6: Energy use	CCE-6	Energy Use Total: 39,977,359 GJ	KPI Performance Tables
Environmental	Flaring	CCE-7: Flared gas	CCE-7	Flared: 39,833 MT CO ₂ e Other (fuel) Combustion: 613,828 MT CO ₂ e Other: 69,928 MT CO ₂ e	KPI Performance Tables
Environmental	Water	ENV-1: Freshwater	ENV-1	Freshwater Withdrawal: 36,767,111 Barrels Freshwater Withdrawn without Agriculture Use: 29,888,242 Barrels Freshwater Consumed: 36,767,111 Barrels	KPI Performance Tables

IPIECA Index 2

International Petroleum Industry Environmental Conservation Association (IPIECA) Index

Environmental	Water	ENV-2: Discharges to water	ENV-2	2023 Data Produced Water Recycled, Reused, or Reclaimed: 945141458 Barrels Produced Water Recycled to Agriculture: 113,173,542 Barrels Produced Water Injected into Disposal Wells: 113,025,123 Barrels	KPI Performance Tables
Environmental	Biodiversity	ENV-3: biodiversity policy and strategy	ENV-3		Pages 25-28
Environmental	Biodiversity	ENV-4: Protected and priority areas for biodiversity conservation	ENV-4		Pages 25-28
Environmental	Air Emissions	ENV-5: Emissions to air	ENV-5	2023 NOx: 202 MT 2023 SOx: 13 MT 2023 VOC: 167 MT	KPI Performance Tables
Environmental	Spills	ENV-6: Spills to the environment	ENV-6	2023 Data Number of Hydrocarbon Spills: 6 Volume of Hydrocarbon Spills: 14 Volume of Hydrocarbon Spills Recovered: 471	KPI Performance Tables
Environmental	Materials Management	ENV-7: Materials management	ENV-7		Pages 33
Environmental	Decommissioning	ENV-8: Decommissioning	ENV-8		NA
Social	Workforce Protection	SHS-1: Safety, health and security engagement	SHS-1		Pages 35-37
Social	Workforce Protection	SHS-2: Workforce health	SHS-2		Pages 35-37
Social	Workforce Protection	SHS-3: Occupational injury and illness incidents	SHS-3		Pages 35-37
Social	Workforce Protection	SHS-4: Transport safety	SHS-4		Pages 35-37
Social	Product Health, Safety and Environmental Risk	SHS-5: Product stewardship	SHS-5		Pages 35-37
Social	Process Safety	SHS-6: Process safety	SHS-6		Pages 35-37
Social	Security	SHS-7: Security risk management	SHS-7		Pages 35-37

IPIECA Index 3

International Petroleum Industry Environmental Conservation Association (IPIECA) Index

Social	Human Rights Management	SOC-1: Human rights due diligence	SOC-1	Page 56
Social	Human Rights Management	SOC-2: Suppliers and human rights	SOC-2	Page 56
Social	Human Rights Management	SOC-3: Security and human rights	SOC-3	Page 56
Social	Labor Practices	SOC-4: Site-based labor practices and worker accommodation	SOC-4	Pages 35-37
Social	Labor Practices	SOC-5: Workforce diversity and inclusion	SOC-5	Page 40
Social	Labor Practices	SOC-6: Workforce engagement	SOC-6	Pages 38-40
Social	Labor Practices	SOC-7: Workforce training and development	SOC-7	Pages 38-40
Social	Labor Practices	SOC-8: Workforce non-retaliation and grievance mechanisms	SOC-8	Page 56
Social	Community Engagement	SOC-9: Local community impacts and engagement	SOC-9	Page 41-45
Social	Community Engagement	SOC-10: Indigenous peoples	SOC-10	Page 41-45
Social	Community Engagement	SOC-11: Land acquisition and involuntary resettlement	SOC-11	Page 41-45
Social	Community Engagement	SOC-12: Community grievance mechanisms	SOC-12	Page 41-45
Social	Community Engagement	SOC-13: Social investment	SOC-13	Page 41-45
Social	Local Content	SOC-14: Local procurement and supplier development	SOC-14	Pages 58-59
Social	Local Content	SOC-15: Local hiring practices	SOC-15	Pages 38-40

GRI Index 1

Global Reporting Initiative (GRI) Index

GRI STANDARD	DISCLOSURE	INDIVIDUAL CODE	2023 DATA	LOCATION
GRI 2: General Disclosures 2021	2-1 Organizational details	2-1		Pages 8-14
	2-2 Entities included in the organization's sustainability reporting	2-2		Pages 5-6
	2-3 Reporting period, frequency and contact point	2-3		Pages 5-6
	2-4 Restatements of information	2-4		KPI Performance Tables
	2-5 External assurance	2-5		Page 63
	2-6 Activities, value chain and other business relationships	2-6		Pages 5-14
	2-7 Employees	2-7		Page 12
	2-8 Workers who are not employees	2-8		KPI Performance Tables
	2-9 Governance structure and composition	2-9		Pages 47-50
	2-10 Nomination and selection of the highest governance body	2-10		Pages 47-50
	2-11 Chair of the highest governance body	2-11		Pages 48-50
	2-12 Role of the highest governance body in overseeing the management of impacts	2-12		Pages 48-50
	2-13 Delegation of responsibility for managing impacts	2-13		Pages 48-50
	2-14 Role of the highest governance body in sustainability reporting	2-14		Pages 48-50
	2-15 Conflicts of interest	2-15		Page 56
	2-16 Communication of critical concerns	2-16		Page 56
	2-17 Collective knowledge of the highest governance body	2-17		Page 49

	2-18 Evaluation of the performance of the highest governance body	2-18	Pages 48-50
	2-19 Remuneration policies	2-19	Pages 48-50
	2-20 Process to determine remuneration	2-20	Pages 48-50
	2-21 Annual total compensation ratio	2-21	NA
	2-22 Statement on sustainable development strategy	2-22	Pages 52-55
	2-23 Policy commitments	2-23	Pages 56-61
	2-24 Embedding policy commitments	2-24	Pages 56-61
	2-25 Processes to remediate negative impacts	2-25	Page 51
	2-26 Mechanisms for seeking advice and raising concerns	2-26	Page 56
	2-27 Compliance with laws and regulations	2-27	Page 60-61
	2-28 Membership associations	2-28	Page 60-61
	2-29 Approach to stakeholder engagement	2-29	Page 14
	2-30 Collective bargaining agreements	2-30	NA
GRI 3: Material Topics 2021	3-1 Process to determine material topics	3-1	Pages 5-6
	3-2 List of material topics	3-2	Page 6
	3-3 Management of material topics	3-3	Page 6
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	201-1	NA
	201-2 Financial implications and other risks and opportunities due to climate change	201-2	Pages 52-55

GRI Index 3

Global Reporting Initiative (GRI) Index

	201-3 Defined benefit plan obligations and other retirement plans	201-3		Pages 38-39
	201-4 Financial assistance received from government	201-4	None	NA
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	202-1		NA
	202-2 Proportion of senior management hired from the local community	202-2		NA
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	203-1		Pages 7-12
	203-2 Significant indirect economic impacts	203-2		Pages 7-12
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	204-1		KPI Performance Tables
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	205-1		Page 56
	205-2 Communication and training about anti-corruption policies and procedures	205-2		Page 56
	205-3 Confirmed incidents of corruption and actions taken	205-3	None	NA
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	206-1		NA
GRI 207: Tax 2019	207-1 Approach to tax	207-1		NA
	207-2 Tax governance, control, and risk management	207-2		NA
	207-3 Stakeholder engagement and management of concerns related to tax	207-3		NA
	207-4 Country-by-country reporting	207-4		NA
GRI 301: Materials 2016	301-1 Materials used by weight or volume	301-1	100 Metric Tons (MT)	KPI Performance Tables
	301-2 Recycled input materials used	301-2		Page 33
	301-3 Reclaimed products and their packaging materials	301-3		Page 33

GRI Index 4

Global Reporting Initiative (GRI) Index

GRI 302: Energy 2016	302-1 Energy consumption within the organization	302-1		Page 29
	302-2 Energy consumption outside of the organization	302-2		NA
	302-3 Energy intensity	302-3	Energy Intensity = 1,098 (Total Energy Use GJ / MBOE)	
	302-4 Reduction of energy consumption	302-4		Page 29
	302-5 Reductions in energy requirements of products and services	302-5		Page 16-22
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	303-1		Page 30-32
	303-2 Management of water discharge-related impacts	303-2		Page 30-32
	303-3 Water withdrawal	303-3	Freshwater Withdrawal: 36,767,111 Barrels	KPI Performance Tables
	303-4 Water discharge	303-4	Produced Water Injected into Disposal Wells: 113,025,123 Barrels	KPI Performance Tables
	303-5 Water consumption	303-5	Freshwater Consumed: 36,767,111 Barrels	KPI Performance Tables
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	304-1		KPI Performance Tables
	304-2 Significant impacts of activities, products and services on biodiversity	304-2		Pages 25-28
	304-3 Habitats protected or restored	304-3		Pages 25-28
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	304-4		Pages 25-28
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	305-1	2023 Scope 1 Emissions: 2,603,265 MT CO ₂ e	KPI Performance Tables
	305-2 Energy indirect (Scope 2) GHG emissions	305-2	2023 Scope 2 Emissions: 152,267 MT CO ₂ e	KPI Performance Tables
	305-3 Other indirect (Scope 3) GHG emissions	305-3	2023 Scope 3 Emissions 14,748,621 MT CO ₂ e	KPI Performance Tables

	305-4 GHG emissions intensity	305-4	Total Scope 1 & 2 Carbon Intensity: 11.9 MT CO ₂ e Total Scope 3 Carbon Intensity: 63.8 MT CO ₂ e Total Scope 1, 2, & 3 Carbon Intensity: 75.7 MT CO ₂ e Methane Intensity: 0.084 MT CO ₂ e	KPI Performance Tables
	305-5 Reduction of GHG emissions	305-5	2022 to 2023 Scope 2 Emissions Reduction: 94,003 MT CO ₂ e 2022 to 2023 Scope 3 Emissions Reduction: 746,133 MT CO ₂ e	KPI Performance Tables
	305-6 Emissions of ozone-depleting substances (ODS)	305-6		NA
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	305-7	2023 NOx: 202 MT 2023 SOx: 13 MT 2023 VOC: 167 MT	KPI Performance Tables
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	306-1		Page 33
	306-2 Management of significant waste-related impacts	306-2		Page 33
	306-3 Waste generated	306-3	2023 Hazardous Waste: 100 MT	KPI Performance Tables
	306-4 Waste diverted from disposal	306-4		NA
	306-5 Waste directed to disposal	306-5		NA
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	308-1	2023: 553	KPI Performance Tables
	308-2 Negative environmental impacts in the supply chain and actions taken	308-2	None	NA
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	401-1	2023 Total Turnover: 15%	KPI Performance Tables
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	401-2		Pages 38-40
	401-3 Parental leave	401-3		Pages 38-40

GRI Index 6

Global Reporting Initiative (GRI) Index

GRI 402: Labor/Management Relations	402-1 Minimum notice periods regarding operational changes	402-1		NA
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	403-1		Pages 35-37
	403-2 Hazard identification, risk assessment, and incident investigation	403-2		Pages 35-37
	403-3 Occupational health services	403-3		Pages 35-37
	403-4 Worker participation, consultation, and communication on occupational health and safety	403-4		Pages 35-37
	403-5 Worker training on occupational health and safety	403-5		Pages 35-37
	403-6 Promotion of worker health	403-6		Pages 35-37
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	403-7		Pages 35-37
	403-8 Workers covered by an occupational health and safety management system	403-8		Pages 35-37
	403-9 Work-related injuries	403-9	2023 Combined TRIR: 0.31	KPI Performance Tables
	403-10 Work-related ill health	403-10	None	NA
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	404-1	2023 Average Training Hours: 10.7	KPI Performance Tables
	404-2 Programs for upgrading employee skills and transition assistance programs	404-2		Pages 38-40
	404-3 Percentage of employees receiving regular performance and career development reviews	404-3		Pages 38-40
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	405-1	Women Board Members: 33% Ethnically Diverse Board Members: 44% Women Executives: 28% Ethnically Diverse Executives: 28% Women Managers: 23% Ethnically Diverse Managers: 27% Women Employees: 29% Ethnically Diverse Employees: 39%	KPI Performance Tables

GRI Index 7

Global Reporting Initiative (GRI) Index

	405-2 Ratio of basic salary and remuneration of women to men	405-2		NA
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	406-1	None	NA
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	407-1		NA
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	408-1		NA
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	409-1		NA
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	410-1		NA
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	411-1		NA
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	413-1		Pages 41-45
	413-2 Operations with significant actual and potential negative impacts on local communities	413-2	None	NA
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	414-1		KPI Performance Tables
	414-2 Negative social impacts in the supply chain and actions taken	414-2		NA
GRI 415: Public Policy 2016	415-1 Political contributions	415-1	2023 Political Contributions: \$0.5 Million	KPI Performance Tables
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	416-1		NA
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	416-2		NA
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	417-1		NA
	417-2 Incidents of non-compliance concerning product and service information and labeling	417-2	None	NA
	417-3 Incidents of non-compliance concerning marketing communications	417-3	None	NA
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	418-1	None	NA

SASB Index 1

Sustainability Accounting Standards Board (SASB) Index

TOPIC	CODE	DATA	LOCATION
Greenhouse Gas Emissions			
Gross global Scope 1 emissions, percentage methane, percentage covered under emissions-limiting regulations	EM-EP-110a.1	(1) Scope 1: 2,603,266 Metric Tons CO ₂ e (2) Percentage of Methane: 3.3% (3) Percentage Covered under Emissions-Limiting Regulations: 100%	Performance Data Table
Amount of gross global Scope 1 emissions from: (1) flared hydrocarbons, (2) other combustion, (3) process emissions, (4) other vented emissions, and (5) fugitive emissions	EM-EP-110a.2	(1) Scope 1 From Flaring: 38.834 Metric Tons CO ₂ e (2) Scope 1 From Combustion: 613,828 Metric Tons CO ₂ e Scope 1 From Other Sources: 69,928 Metric Tons CO ₂ e	Performance Data Table
Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	EM-EP-110a.3		Emissions Management
Air Quality			
Air emissions of the following pollutants: (1) NO _x (excluding N ₂ O), (2) SO _x , (3) volatile organic compounds (VOCs), and (4) particulate matter (PM ₁₀)	EM-EP-120a.1	NO _x : 202.25 Metric Tons SO _x : 13.02 Metric Tons VOCs: 167.42 Metric Tons	Performance Data Table
Water Management			
(1) Total fresh water withdrawn, (2) total fresh water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	EM-EP-140a.1	Fresh Water Withdrawn: 36,701,777 Barrels Fresh Water Consumed: 36,701,777 Barrels	Performance Data Table
Volume of produced water and flowback generated; percentage (1) discharged, (2) injected, (3) recycled; hydrocarbon content in discharged water	EM-EP-140a.2	Produced & Flowback Water: 945,141,458 Barrels Percent Discharge: 10.7% Percent Injected: 10.7% Percent Recycled: 89.3% Hydrocarbon content in discharged water: N/A	Performance Data Table
Percentage of hydraulically fractured wells for which there is public disclosure of all fracturing fluid chemicals used	EM-EP-140a.3	0 hydraulically fractured wells	Performance Data Table
Percentage of hydraulic fracturing sites where ground or surface water quality deteriorated compared to a baseline	EM-EP-140a.4	0 hydraulically fractured wells	Performance Data Table
Biodiversity Impacts			

SASB Index 2

Sustainability Accounting Standards Board (SASB) Index

Description of environmental management policies and practices for active operations	EM-EP-160a.1	CRC seeks to prevent disturbance and loss of biodiversity and habitat through mandatory personnel training and by adhering to a mitigation program hierarchy focused on avoidance.	Biodiversity
Number and aggregate volume of hydrocarbon spills, volume in Arctic, volume impacting shorelines with ESI rankings 8-10, and volume recovered	EM-EP-160a.2	# of Spills: 6 Volume of Spills: 485 Barrels Volume in Arctic: N/A Volume impacting shorelines with ESI rankings 8-10: 0 Barrels Volume Recovered: 471 Barrels	Performance Data Table
Percentage of (1) proved and (2) probable reserves OR land owned in or near sites with protected conservation status or endangered species habitat	EM-EP-160a.3	(1) Percent of Proven Reserves in or near sites with protected conservation status: 1.49%	Performance Data Table
Security, Human Rights & Rights of Indigenous Peoples			
Percentage of (1) proved and (2) probable reserves in or near areas of conflict	EM-EP-210a.1	0%	NA
Percentage of (1) proved and (2) probable reserves in or near Indigenous land	EM-EP-210a.2	0%	NA
Discussion of engagement processes and due diligence practices with respect to human rights, Indigenous rights, and operation in areas of conflict	EM-EP-210a.1		Human Rights, Community Involvement
Community Relations			
Discussion of process to manage risks and opportunities associated with community rights and interests	EM-EP-210b.1		HSE, Community Involvement
Number and duration of non-technical delays	EM-EP-210b.2	N/A	NA
Workforce Health & Safety			
(1) Total recordable incident rate (TRIR), (2) fatality rate, (3) near miss frequency rate (NMFR), and (4) average hours of health, safety, and emergency response training for (a) full-time employees, (b) contract employees, and (c) short-service employees	EM-EP-320a.1	(1) TRIR: 0.31 (2) LTIR: 0.08 (3) NMFR: N/A (4) Average HSE Training: 101	Performance Data Table
Discussion of management systems used to integrate a culture of safety throughout the exploration and production lifecycle	EM-EP-320a.2		Health & Safety

SASB Index 3

Sustainability Accounting Standards Board (SASB) Index

Reserves Valuation & Capital Expenditures

<p>Sensitivity of hydrocarbon reserve levels to future price projection scenarios that account for a price on carbon emissions</p>	<p>EM-EP-420a.1</p>	<p>Greenhouse gas taxes under California's existing cap-and-trade program are considered in estimates of proved reserves volumes. The average Auction Clearing Price for California Carbon Allowances in 2023 was \$33.06/MT. Under the current program, an increase in the average GHG tax cost \$55/MT would not result in a decrease in proved reserves volumes.</p> <p>The current California cap-and-trade program runs through 2030. Should the existing program be extended indefinitely beyond 2030, price increases to \$35/MT, \$45/MT, and \$55/MT would result in 1%, 1%, and 2% decreases in reserves volume (respectively).</p>	<p>See Full 2022 CRC Sustainability report</p>
<p>Estimated carbon dioxide emissions embedded in proved hydrocarbon reserves</p>	<p>EM-EP-420a.2</p>	<p>There are 15 million metric tons of Scope 1 and 2 GHG emissions from oil and natural gas production and processing associated with the full life of our year end 2023 proved reserves. Of which, our steam flood development at Kern Front makes up 64% due to its high CO₂ intensity, and Elk Hills makes up 28% due to its outsized influence on production/reserves for the company.</p>	<p>See Full 2022 CRC Sustainability report</p>
<p>Amount invested in renewable energy; revenue generated by renewable energy sales</p>	<p>EM-EP-420a.3</p>	<p>CRC continued to invest in both front-of-the-meter (FTM) and behind-the-meter (BTM) solar projects in 2023. CRC supports the growth of renewable energy generation in California by providing renewable developers surface waivers and acreages to utilize for solar projects. We plan to bring up to 45 megawatts (MW) of renewable energy online by installing several BTM solar projects at our Mount Poso and Kern Front fields.</p>	<p>See Full 2022 CRC Sustainability report</p>
<p>Discussion of how price and demand for hydrocarbons and/or climate regulation influence the capital expenditure strategy for exploration, acquisition, and development of assets</p>	<p>EM-EP-420a.4</p>	<p>Greenhouse gas taxes under California's existing cap-and-trade program are considered in estimates of proved reserves volumes. The average Auction Clearing Price for California Carbon Allowances in 2023 was \$33.06/MT. Under the current program, which is authorized to 2030, an increase in the average GHG tax cost to \$55/MT would not result in a decrease in proved reserves volumes.</p> <p>Should the existing program be extended indefinitely beyond 2030, price increases to \$35/MT, \$45/MT, and \$55/MT would result in 1%, 1%, and 2% decreases in reserves volume (respectively) from the 377 MMBOE proved reserves at YE23.</p>	<p>See Full 2022 CRC Sustainability report</p>

Business Ethics & Transparency

SASB Index 4

Sustainability Accounting Standards Board (SASB) Index

Percentage of (1) proved and (2) probable reserves in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	EM-EP-510a.1	0%	
Description of the management system for prevention of corruption and bribery throughout the value chain	EM-EP-510a.2		Business Ethics
Management of the Legal & Regulatory Environment			
Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	EM-EP-530a.1		Management of the Legal & Regulatory Environment
Critical Incident Risk Management			
Process Safety Event (PSE) rates for Loss of Primary Containment (LOPC) of greater consequence (Tier 1)	EM-EP-540a.1	N/A	
Description of management systems used to identify and mitigate catastrophic and tail-end risks	EM-EP-540a.2		Crisis Management
Activity Metrics			
Production of: (1) oil, (2) natural gas, (3) synthetic oil, and (4) synthetic gas	EM-EP-000.A		
Number of offshore sites	EM-EP-000.B	None	NA
Number of terrestrial sites	EM-EP-000.C		

Definitions & Forward-Looking Statements

Definitions

- **Fresh Water:** Water typically purchased from municipal sources, water districts and water companies that requires little or no treatment for use. Fresh water may be potable or non-potable.
- **Potable Water:** Water that is suitable for drinking and residential use.
- **Non-Potable Fresh Water:** Fresh water that is not suitable for drinking or residential use without treatment but that may be used for agriculture or other uses.
- **Produced Water:** Water that originates in oil and gas formations and is brought to the surface during the production of oil and gas.
- **Reclaimed Produced Water:** Produced water that has been treated by separation of oil, gas and solids for delivery to agricultural water districts for use in irrigation or recharge.
- **Recycled Water:** Water that is treated to remove solids and impurities and reused.



Forward Looking Statements

The information included herein contains forward looking statements within the meaning of federal securities laws and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in, or implied by, such statements. For a discussion of these risks and uncertainties, please refer to the "Risk Factors" and "Forward-Looking Statements" described in our Annual Report on Form 10-K for the year ended December 31, 2023 ("Form 10-K") and any subsequently filed Quarterly Reports on Form 10-Q and Current Reports on Form 8-K. With respect to our ability to achieve our 2045 Full-Scope Net Zero goal and other ESG goals, please refer to the risk factor in our Form 10-K: "Our ability to achieve our 2045 Full-Scope Net Zero target and other goals related to our carbon management activities is subject to risks and uncertainties."

All statements, other than statements of historical facts, included in this report that address activities, events or developments that we expect, believe or anticipates will or may occur in the future, are forward-looking statements. Words such as "anticipate," "believe," "budget," "continue," "could," "estimate," "expect," "goal," "forecast," "intend," "likely," "may," "might," "plan," "potential," "project," "seek," "should," "target," "will" or "would" and similar words that reflect the prospective nature of events or outcomes typically identify forward looking statements. In particular, this report contains forward-looking statements that include, but are not limited to, the following: our strategic plans, priorities, outlook and expected performance; ESG and sustainability-related goals, strategies, priorities and initiatives, including, among others, those related to GHG emissions reduction (including our Full-Scope Net-Zero Goal for Scope 1, 2, and 3 GHG emissions by 2045), energy efficiency improvement, investment in renewable energy, water management, carbon management opportunities (including CTV CCS projects), biodiversity, diversity, equity and inclusion, supply chain sustainability, health and safety, human capital management, community engagement and cybersecurity; our plans to achieve our ESG and sustainability-related goals and to monitor and report our progress thereon; stakeholder engagement, commitments and disclosure; and other related items.

The forward-looking statements and statements of intention in this report speak only as of the date of the preparation of this report. In particular we note that, in connection with our recent completed Aera Merger, we are in the process of evaluating the impact of the transaction on our ESG goals and ambitions. The goals communicated throughout this sustainability report, previous sustainability reports or other communications are subject to change following this evaluation process. We undertake no obligation to correct or update any forward-looking statement. The actual conduct of our activities, including the development, implementation, progress towards or continuation of any goals, strategies, priorities, and initiatives discussed or forecasted in this report may differ materially in the future. Moreover, many of the assumptions, standards, methodologies, metrics and measurements used in preparing this report continue to evolve and are based on management assumptions believed to be reasonable at the time of preparation but should not be considered guarantees. These forward-looking statements in this report rely on a number of assumptions concerning future events and are subject to a number of uncertainties, factors and risks as referenced above, many of which are outside our control, such as increased attention to ESG and sustainability-related matters and risks related to our public statements with respect to such matters that may be subject to heightened scrutiny from public and governmental authorities related to the risk of potential "greenwashing," which could cause results to differ materially from those expected by management. Therefore, the reader should not place undue reliance on these forward-looking statements.

This document may also contain information from third party sources. This data may involve a number of assumptions and limitations, and we have not independently verified them and do not warrant the accuracy or completeness of such third-party information.

Unless otherwise provided, the information contained in this report is expressly not incorporated by reference into any filing of CRC made with the SEC, or any other filing, report, application, or statement made by CRC to any federal, state, tribal, or local governmental authority. We have included certain voluntary disclosures regarding our ESG and sustainability-related goals, decarbonization initiatives, targets and metrics, Full-Scope Net Zero goal and related matters because we believe these matters are of interest to our investors; however, we do not believe these disclosures are "material" as that concept (or similar concepts of "materiality") is defined by or construed in accordance with the securities laws or any other laws of the U.S. or any other jurisdiction, or as that concept is used in the context of financial statements and financial reporting.

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