

2021 Sustainability Report Highlights

2021 proved to be an important year in CRC's sustainability journey, as we advanced our commitment to the energy transition and decarbonization of local economies. Here are a few highlights:

- **Announced 2045 Full-Scope Net Zero Goal** and updated and expanded ESG goals on **methane emissions, freshwater usage, community giving, ethnic and gender diversity in leadership** and linked **ESG performance to executive pay**
- **Continued** our path to provide a cleaner and more sustainable energy mix by **reducing our total Scope 1, 2, and 3 emissions by 1 million metric tons** in the first year of our 2045 Full-Scope Net Zero Goal
- **Hired** first Chief Sustainability Officer
- **Established** Project Management Office of Asset Retirement Obligations (ARO)
- **Advanced** our Carbon Management Business including our **Carbon TerraVault (CTV)** carbon capture and storage (CCS) projects, and **CalCapture CCS+** project

**LOW CARBON
INTENSITY FUEL
FOR TODAY
AND NET ZERO
FUEL FOR
THE FUTURE**



ENVIRONMENT

- **ENVIRONMENTAL GOALS**
 - **2045 Full-Scope Net Zero Goal** - for Scope 1, 2 and 3 emissions reductions
 - **Methane Reduction** - 30% reduction by 2030
 - **Freshwater Usage Reduction** - 30% reduction by 2025
- **Full-scope** GHG emissions and Other Air Emissions continue to decrease
- **Expansion** of automated process, pipeline and well monitoring and control systems to minimize potential for releases; continued decrease of spills based on 2018 baseline
- **Continued** to improve energy use and efficiency metric; Energy Intensity (Total Energy Used / MBOE) continued to decline
- **Continued** to be a net supplier of both fresh water and electricity
 - Produced more water for California water districts (approximately 5 billion gallons of treated, reclaimed water in 2021) than we consumed for our own operations
 - Recycled or reclaimed nearly 100% of the produced water from steam flood operations at our Kern Front Field
- **Presented** with Wildlife Habitat Council Award recognizing CRC's excellence in corporate conservation of the Elk Hills Conservation Area

full
SCOPE_{net}
ZERO





SOCIAL



- **SOCIAL GOALS**
 - **Ethnic, Racial and Gender Diversity in Leadership** - Prioritizes ethnic, racial and gender diversity in CRC leadership positions and on the Board of Directors by 2030
 - **Community Giving** - Prioritizes giving back to our local California communities where we produce low carbon intensity fuel and develop carbon management initiatives
- **Safely** operated and maintained our wells and facilities that are vital to providing low carbon intensity energy
- **Continued** to rank among the safest companies in the United States; in 2021, our workforce achieved a better safety performance rating than many non-industrial sectors
- **Earned 26** National Safety Achievement Awards in each of our operating areas and companywide in 2021 for our performance
- **On average**, each of our employees completed 14 hours of training in 2021; 12,085 of those total hours focused on health and safety policies and procedures
- **Supported** our communities through impactful 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
- **Achieved "A-"** grade (leadership level) for our 2021 CDP climate disclosure submittal, the highest score received by any oil and gas producer in the U.S. and tied with one other U.S.-based company with global operations Conservation Area



GOVERNANCE

- **GOVERNANCE GOAL**
 - **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
- **Eight out of nine** Board members are independent
- **Anti-Hedging** and **Anti-Pledging** Policy added to Insider Trading Policy
- **Maintain** an Overboarding Policy
- **Maintain** a Clawback Policy
- **Board** is not classified; directors are elected on an annual basis
- **No stockholder** rights plan ("poison pill") in effect
- **Annual** CEO and management evaluation process



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