



# 2021 Sustainability Report Summary





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

## About This Report

California Resources Corporation's (CRC) 2021 Sustainability Report highlights the Company's Environmental, Social, and Governance (ESG) performance and the initiatives we support in the areas where we live and work. This report summary provides an 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. To view the full report, please visit [crc.com/esg](https://crc.com/esg).

Since our inception in 2014, CRC has consistently set a high standard for environmental stewardship, safe, responsible operations and community empowerment. In 2021, CRC 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. Establishing and executing on this goal places CRC among a select few industry peers. Additionally, we updated and expanded our Environmental, Social, and Governance (ESG) goals on methane emissions; freshwater usage; community giving; ethnic, racial and gender diversity in leadership; and linked ESG performance to executive pay.

Mark A. (Mac) McFarland

*President and Chief Executive Officer  
California Resources Corporation*

## CRC at a Glance

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

CRC produces low carbon intensity oil and natural gas in a safe and responsible manner to help support and enhance the quality of life in the local communities where we operate. Our homes, farms, schools, businesses and communities need ample, safe, affordable and reliable energy, and CRC is proud to help meet that need and reduce our state's chronic dependence on imported energy that has a higher carbon intensity than local production.

CRC's highly qualified workforce specializes in applying advanced technology to efficiently operate critical energy infrastructure across our leading mineral acreage position and diverse portfolio under world-leading safety, labor, human rights and environmental standards.

In 2021 CRC produced approximately 100,000 barrels of oil equivalent per day (MBoe/d) and delivered record financial results. At December 31, 2021, we held

approximately 1.9 million net mineral acres spanning three major oil and gas basins, the largest non-governmental mineral acreage position in the state. The Company's proved reserves totaled an estimated 480 million barrels of oil equivalent (MMBoe) as of December 31, 2021.

To further emphasize our commitment to ESG leadership, CRC announced a 2045 Full-Scope Net Zero Goal in November 2021 to achieve permanent storage of captured or removed carbon emissions in a volume equal to all of our Scope 1, 2 and 3 emissions by 2045 (2045 Full-Scope Net Zero). This means that CRC will permanently store carbon in amounts equal to our direct emissions (Scope 1), emissions from energy we use and that is produced by others (Scope 2) and emissions from upstream and downstream processing and use of our products (Scope 3) by 2045. CRC has made strides on our emissions reducing projects through continued investment in our carbon management business and the advancement of our solar initiatives.

CRC's ESG goals focus on providing low carbon intensity fuel today and net zero fuel for the future that will meet or exceed California's unparalleled sustainability standards - not only related to lowering greenhouse gas (GHG) emissions, but also to decreasing methane emissions, reducing freshwater consumption, expanding leadership

CRC has some of  
**THE LOWEST  
CARBON  
INTENSITY  
PRODUCTION**  
in the US



**100,000  
BARRELS OF  
OIL EQUIVALENT**  
oil per day = 10,000

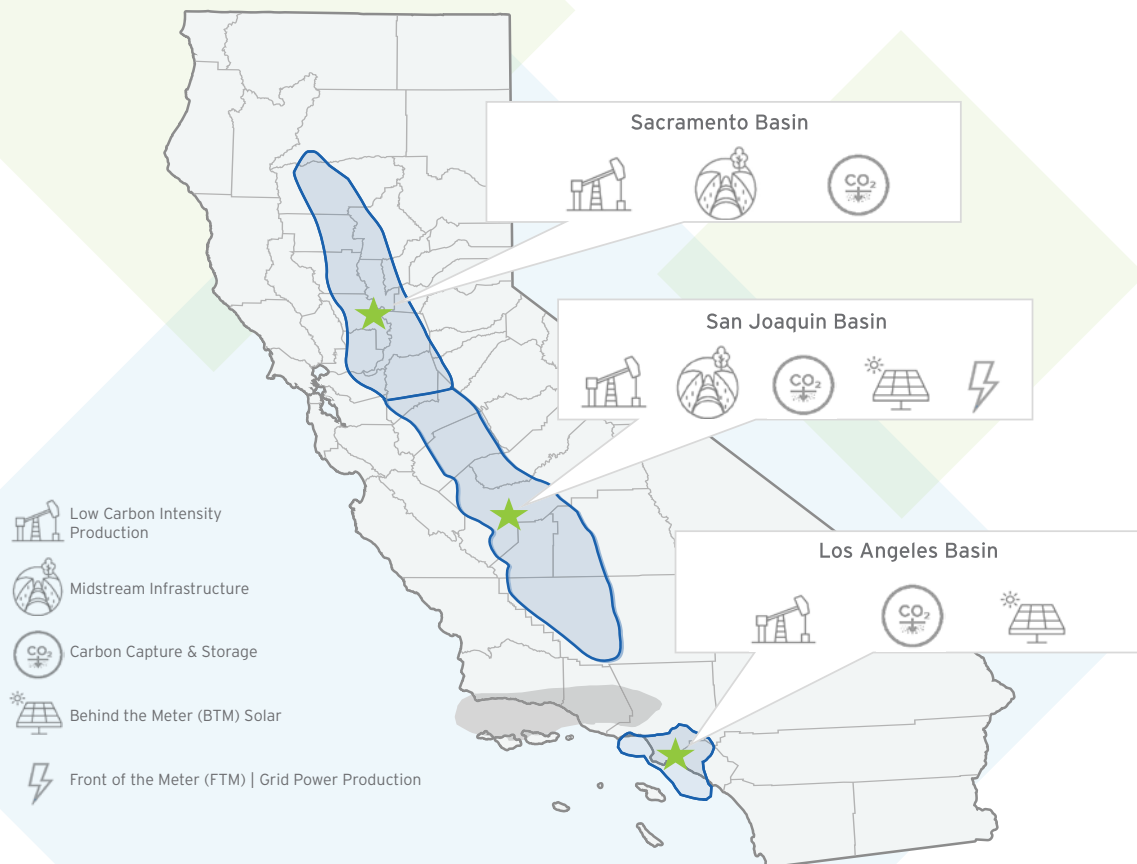
**1.9**   
**MILLION  
NET MINERAL  
ACRES**

full  
**SCOPE<sub>net</sub>  
ZERO**  
  
**2045**

diversity, enhancing community engagement and increasing accountability by strongly linking executive compensation to ESG performance.

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

We are among the few exploration and production (E&P) companies to announce a Full-Scope Net Zero Goal, and we already have assets and scalable projects to make a meaningful impact. Additionally, in April 2022, CRC announced updated and expanded ESG goals that build upon the Company's previous 2030 Sustainability Goals and investment in low carbon initiatives, positioning CRC to be a leader in the energy transition.



<sup>1</sup>Dependent on permitting, capture facility type and the structure, financing and ownership of the project which have not yet been negotiated.  
<sup>2</sup>Internal estimates.  
<sup>3</sup>Does not include minimal emissions from the capture process.  
<sup>4</sup>Carbon intensity as measured by Carb Cl Kg/M.J.

## 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 CCS+, that benefit working families and all parts of our society.

At a high level, CCS technology involves safely capturing carbon from industrial processes and transporting and permanently storing it underground. It is recognized as a key technology in reducing carbon emissions around the world by many national and global organizations.

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 and our CalCapture CCS+ project at Elk Hills in Kern County.

CTV and CalCapture provide pathways for reaching and maintaining carbon neutrality, and helping California meet its ambitious emissions reduction goals. CTV is a series of CCS projects that will inject carbon dioxide (CO<sub>2</sub>) captured from industrial sources into depleted underground oil and gas or saline

### Carbon TerraVault (CCS)

» Carbon TerraVault (CTV) is a series of carbon capture and storage (CCS) projects that inject carbon dioxide (CO<sub>2</sub>) captured from industrial sources into depleted underground oil and gas reservoirs and permanently store CO<sub>2</sub> deep underground. CRC has applied for permits and the environmental review has begun for multiple permanent CTV CCS projects.

» **Targeting: Up to 1 billion metric tons (MT) of potential permanent CO<sub>2</sub> storage capacity**

» **First injection by 2025<sup>1</sup>**

» **200 million MT permitted by 2025**

» **5 million MT per annum injection by 2027<sup>2</sup>**

### CalCapture (CCS+)

» CalCapture is CRC's initial carbon capture and storage+ (CCS+) project that will capture CO<sub>2</sub> from the Elk Hills Power Plant and inject and permanently store that CO<sub>2</sub> deep underground for permanent sequestration in oil producing reservoirs. This project has the potential to produce California's first full-Scope "net zero" barrel of oil made in California by Californians.

» **Targeting: 1.4 million metric tons<sup>3</sup> of CO<sub>2</sub> captured and permanently stored every year**

» **Up to 50 million barrels of "net zero" oil production potential from existing producing reservoirs averaging 7,000 incremental barrels over the life of the project resulting in the lowest carbon intensity<sup>4</sup> oil made in California by Californians**

reservoirs where it will be permanently stored. CRC is evaluating up to 1 billion metric tons of potential CO<sub>2</sub> permanent storage capacity across our oil and gas fields that could contribute to the decarbonization of our local communities by providing carbon capture and sequestration services to industries that would

be otherwise difficult to decarbonize. To date, we have applied for permits and the environmental review has begun for two initial permanent CCS projects at our Elk Hills Field in Kern County - which we collectively refer to as Carbon TerraVault I, or CTV I. In addition, in May 2022, CRC applied for two



permits for an additional 80 million metric tons of permanent CO<sub>2</sub> storage for two new projects - CTV II and III - in the Sacramento basin, which, subject to approval, will bring our total potential permitted storage to 120 million metric tons.

In 2021, we analyzed the Department of Energy-supported FEED study results for our CalCapture CCS+ project to capture over 1 million metric tons of CO<sub>2</sub> per year from our 550-megawatt Elk Hills power plant and inject and permanently store that CO<sub>2</sub> deep underground for permanent sequestration in oil producing reservoirs. CalCapture also has the potential to produce net zero barrels to help implement the energy transition broadly and provide low-carbon baseload power while leveraging existing in-state infrastructure. In May 2022, CRC entered into an agreement with NEXT Carbon Solutions (NCS), a subsidiary of Next Decade Corporation, for a second FEED study for CalCapture to further explore the decarbonization of the Elk Hills power plant through the application of NCS' proprietary post-combustion carbon capture processes. The CalCapture CCS+ project is expected to yield approximately 28 million metric tons of injected CO<sub>2</sub> over the life of the project and produce an incremental 7,000 barrels of net zero oil per day.



In August 2022, we formed a joint venture with Brookfield Renewable (Brookfield) for the development of a carbon management business in California. The joint venture, through a series of wholly owned subsidiaries, will build, install, operate and maintain CO<sub>2</sub> capture equipment, transportation assets and storage facilities. Brookfield has committed an initial \$500 million to invest in carbon capture and sequestration projects that are jointly approved through the JV.

# Conventional Opportunities

Our large portfolio of low-risk and low-decline conventional opportunities comprised approximately 73% of our proved reserves across the three oil and natural gas basins in which we operated at year-end 2021. With decades of proven, low-decline reserves, we expect to continue to self-fund our low carbon intensity E&P business, sustainably deploy additional shareholder returns and fund our carbon management activities.

The members of our operational management and technical teams have an average of more than 18 years of experience in the oil and natural gas industry, with an average of more than 10 years focused on our oil and natural gas operations through different price cycles.

Our teams have a proven track record of safely and responsibly applying modern technologies and operating methods to develop our assets and improve their operating efficiencies.

Our accomplishments in 2021 include:

- Total Scope 1, 2, and 3 GHG emissions of 18.9 million metric tons (MMT) CO<sub>2</sub>e - a reduction of 1 MMT from 2020 to 2021
- Net Electricity Supplier
- 2021 Workforce Total Recordable Incident Rate (TRIR) of 0.43 - better than most office-based sectors

- Oil Spill Prevention Rate: 99.9997%

CRC shares and endorses the state of California's commitment to conserve our natural resources, mitigate climate change and protect our environment. We manage our assets in a manner that seeks to safeguard people and protects the environment, and we engage proactively with regulatory agencies, communities and other stakeholders to pursue mutually beneficial outcomes. We benefit the communities where we live and work through capital investments and employee volunteerism, job creation and payment of taxes and royalties, and by actively promoting conservation of water, habitat and energy. 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. Facilities are designed and maintained throughout the state with our neighbors, communities and the environment in mind.

Since our founding in 2014, CRC has consistently set a high standard for environmental stewardship, safe and responsible operations, and community empowerment. CRC serves as a responsible steward of our vast natural resources. This amplifies our positive and long-lasting impact on the economy and the well-being of our stakeholders and communities.

This document summarizes our strategic objectives and initiatives in environmental stewardship, workforce

development, community involvement and corporate governance, and summarizes our sustainability strategy, goals and performance.



## VISION

To be the premier leader in the energy transition, providing locally produced low carbon intensity energy and sustainable carbon management solutions.



## MISSION

To deliver long-term investment value by safely and responsibly developing our portfolio of low carbon intensity 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:** California's high standards for safety and environmental protection

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

# ESG at CRC

## ESG Goals

CRC's 2045 Full-Scope Net Zero Goal and updated methane, water, diversity, community giving and executive pay performance metrics are designed to meet or exceed California's high standards for corporate and social sustainability. Our goals also demonstrate CRC's strong commitment to being a leader in the energy transition while providing safe and reliable energy sources.





SCOPE 3  
NET ZERO  
2045

## 2045 FULL-SCOPE NET ZERO

CRC's 2045 Full-Scope Net Zero Goal for Scope 1, 2 and 3 emissions places CRC among a select few industry peers to include Scope 3 emissions in their Net Zero goal. CRC's 2045 goal puts the company on a timeframe five years sooner than most other companies' Net Zero goals and aligns CRC with the state of California's 2045 net zero ambitions.

The company's strong operational and financial performance enables it to produce stable, low-carbon fuel and invest meaningful ESG projects such as Carbon TerraVault I that will help California achieve its ambitious emissions reduction goals today and in the future.



## METHANE REDUCTION

CRC's updated Methane Emissions Reduction Goal commits the company to further reduce methane emissions by 30% from our 2020 baseline by 2030. This goal builds on our previous methane reduction goal to lower methane emissions by 50% from our 2013 baseline by 2030, which we surpassed in 2018, 12 years ahead of schedule. Because we have been able to achieve significant methane reductions to date, our updated goal exceeds California's own 2030 methane reduction goal.



## FRESHWATER USAGE REDUCTION

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

CRC consistently produces more water for California water districts (approximately 5 billion gallons of treated, reclaimed water in 2021) than we consume for our own operations, which means we are a net water provider.



## ETHNIC, RACIAL AND GENDER DIVERSITY IN LEADERSHIP

Our Ethnic, Racial and Gender Diversity in Leadership Goal prioritizes diversity in CRC leadership positions and on the Board of Directors by 2030:

- Maintain greater than 20% of ethnically and racially diverse professionals in leadership positions
- Increase gender diverse professionals in leadership positions to 30%
- Maintain current board composition with at least 30% ethnically, racially and gender diverse board members



## COMMUNITY GIVING

CRC's Community Giving Goal exceeds many of our sector peers on a donation per revenue basis and further gives back to our local California communities where we produce low carbon intensity fuel and develop carbon management initiatives. Since 2015, CRC has provided more than \$15 million to local non-profits and organizations, and we are proud to continue investing in our communities where we live and work.



## EXECUTIVE PAY

CRC's Executive Pay Goal links 30% of executive annual incentive pay related to company performance to ESG metrics, among the highest ESG weighting in the industry, underscoring the commitment of CRC's leadership to achieving our ESG goals.

# 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 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 California State Building and Construction Trades Council and the United Steelworkers.

## Emissions Management

In our ongoing pursuit to reduce operational emissions, CRC has implemented a 2045 Full-Scope Net Zero Goal for Scope 1, 2 and 3 emissions. Our methane emissions reduction goal was recently updated as we surpassed our initial target 12 years ahead of schedule in 2018 - to lower methane emissions by 50% from our 2013 baseline by 2030. To improve our emissions mitigation strategy, we regularly review innovative technologies to integrate into our operations. We also continue to evaluate ways to reduce or eliminate criteria pollutants, working with local air districts to reduce criteria emissions - nitrogen oxides ( $\text{NO}_x$ ), sulfur dioxide ( $\text{SO}_x$ ), carbon monoxide ( $\text{CO}$ ), and volatile organic compounds ( $\text{VOC}$ ) - from all combustion units including heaters, engines, turbines and fugitive components.

*See figure 0.1*

## Environmental Impact

CRC is dedicated to the continual environmental integrity of our operations. As such, we adhere to robust environmental management practices.

For example, we begin facility design assessment and conduct receptor analysis to ensure minimal environmental impacts. 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.

CRC works closely with the U.S. Fish and Wildlife Service, the U.S. Bureau of Land Management, the California Department of Fish and Wildlife, universities and non-profit organizations such as the Wildlife Habitat Council (WHC) to promote habitat conservation and biodiversity. We support and research native flora and fauna in our operating locations, minimize disruption of those species and conserve and restore habitat.

### Spill Prevention and Planning

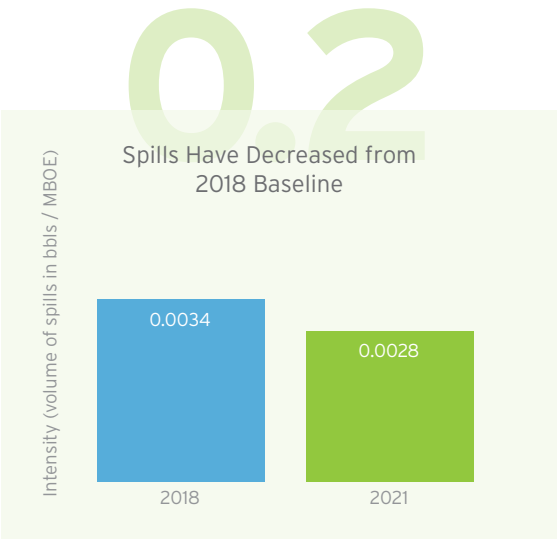
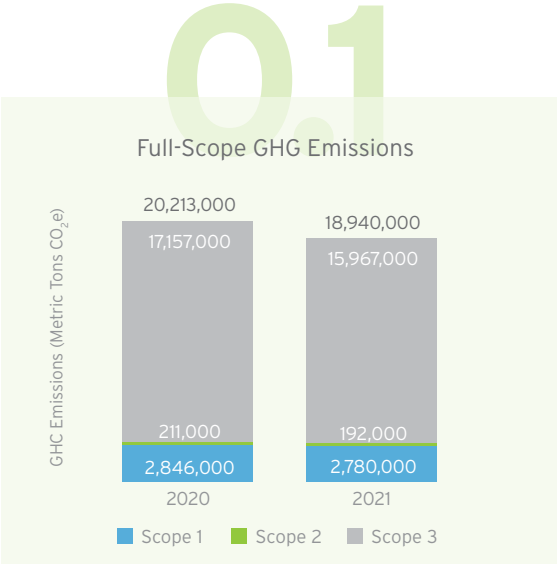
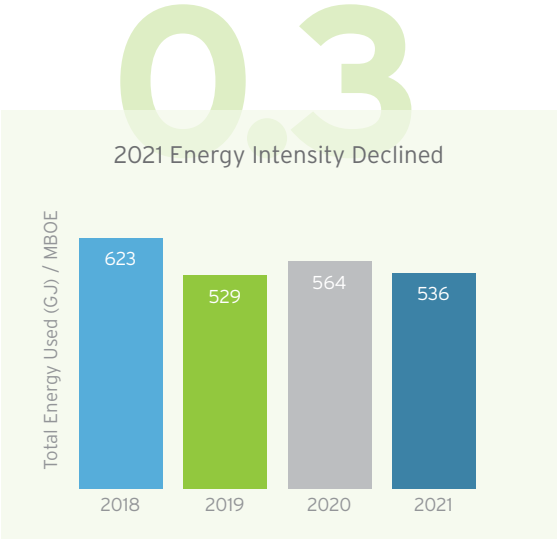
As a responsible steward of the environment and ecosystems in which we operate, we are resolutely focused on mitigating and preventing spills as a part of our operations. CRC continues to expand our automated process, pipeline and well monitoring and control systems to minimize the potential for releases and to rapidly detect and mitigate spills that occur.

See figure 0.2

### Energy Management

Energy use and efficiency is a key metric for our operations as renewables will help us both reduce the carbon intensity of our production and our Scope 2 emissions to achieve our 2045 Full-Scope Net Zero Goal. Thus, we are dedicated to enhancing the energy efficiency of our operations and increasing the amount of renewable energy we utilize.

See figure 0.3



# Water Management

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 gas producers in other parts of the world who are net consumers of water, CRC is a net fresh water supplier to the state. In 2021, CRC delivered approximately 5 billion gallons of treated, reclaimed water for agriculture.

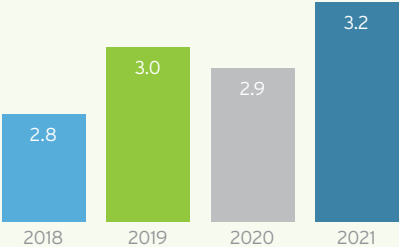
Recycling and reclaiming produced water add to California’s water balance as a new source for agriculture and industry and extend supplies from existing water sources. This produced water helps provide much-needed water to sustain thousands of acres of productive farmland, especially during the droughts that are so common in the state. 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.

See figure 0.4



0.4

Ratio of Water to Agriculture to Water Purchased



Unlike most oil and gas producers in other parts of the world who are net consumers of water, CRC is a net fresh water supplier to the state.

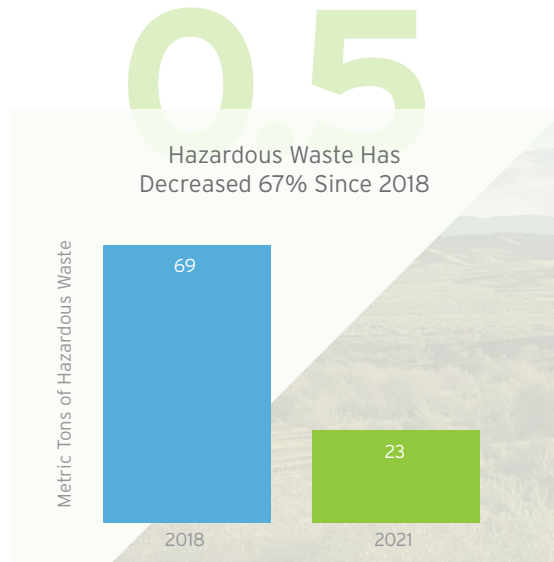


## Waste Management

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.

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. 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.

*See figure 0.5*





# Social



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 reliable 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.

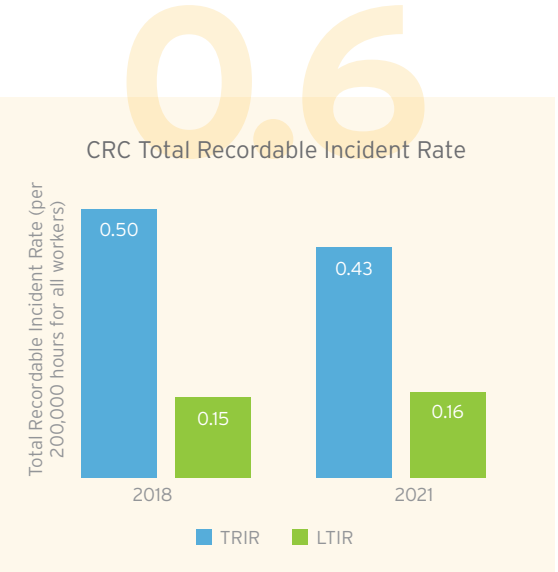
## Health, Safety and the Environment

At CRC, health and safety and the environment are our top priority. 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.

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

- Safe production is our standard
- Our goal is zero injuries
- Everyone is a Safety Leader
- No job is worth an injury

See figure 0.6



# SAFE PRODUCTION IS OUR STANDARD





Each employee completed  
**14 hours**  
of training in 2021



A total of  
**12,085**  
hours spent on  
health & safety



**All**  
of employees  
receive annual  
performance reviews

## 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.

**Retaining Our Workforce** - To ensure we keep a diverse and top performing workforce, we offer a suite of programs and benefits. Namely health advocates, educational assistance, gym subsidies, and a retail discount program.

**Continued Development of Our Employees** - CRC puts a strong emphasis on the continued development of our employees. Our employee training opportunities are provided to enhance leadership development and expand career opportunities.

## Diversity

As a company, we put immense value on building an open and diverse culture. The breadth of ideas, experience and knowledge not only helps us gain better understanding but grow as a company too. Providing upward economic mobility for employees across the educational spectrum, offering ample career advancement and championing that strength through diversity is how we achieve success.

With these principles guiding our diversity strategy, we have implemented a 2030 ethnic, racial and gender diversity leadership goal that prioritizes ethnic, racial and gender diversity in company leadership positions and on the Board of Directors. Our goal is three pronged, to maintain greater than 20% of ethnically and racially diverse professionals in leadership positions, increase gender diverse professionals in leadership positions to 30% and maintain current board composition with at least 30% ethnically, racially and gender diverse board members.

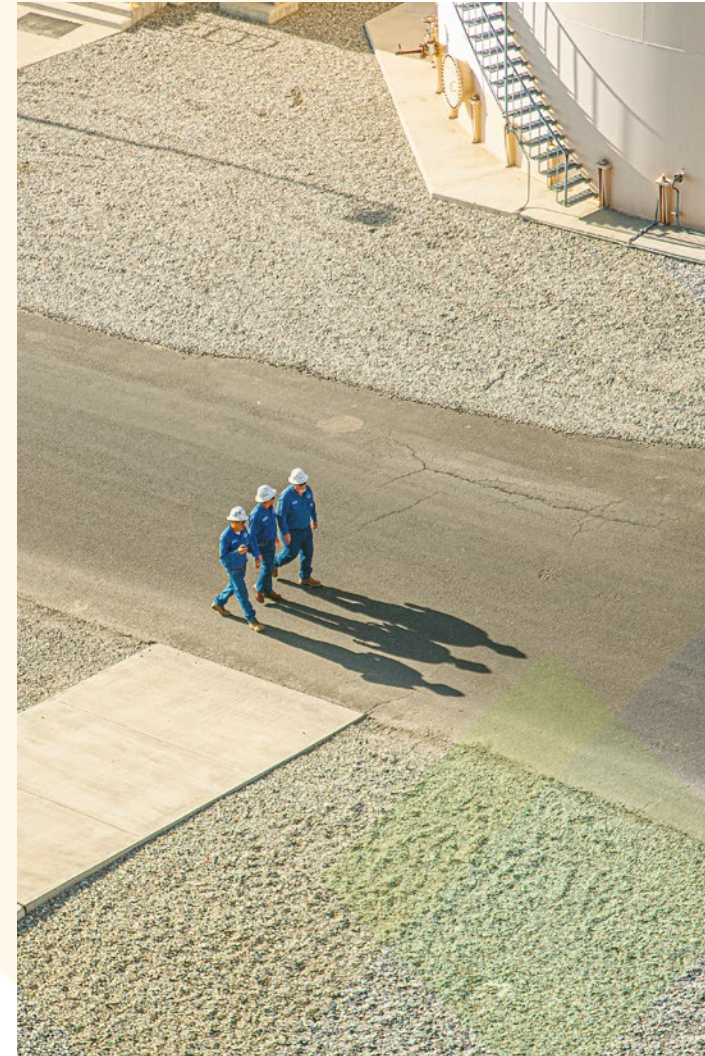
CRC is proud to be part of an industry that provides high wages and benefits for working families, regardless of educational background, and reflects the ethnic diversity of the state that is unmatched by other industries. Our industry also reflects California's diversity with a labor force that is 28% Latino, 10% Asian and 6% Black. CRC is proud to provide careers with median incomes that enable working families to thrive in the Golden State.

## Supply Chain Management

CRC relies on suppliers to provide goods and services that are critical to our success. Our partnerships with these suppliers allow us to support efficient operations, maintain high HSE standards, and mitigate environmental and social risks. We continuously work to build a more sustainable and transparent supply chain.

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.

Additionally, we have a statewide Project Labor Agreement (PLA) with the California State Building and Construction Trades Council, 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.



## 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. At our Huntington Beach facility, we employ fence line monitoring to mitigate potential odor complaints. Our operations employ methods to reduce potential noise coming from our activities. If any concerns arise, our name and contact information are posted on signs near our facilities. In addition, 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.

## Community Involvement

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 to advance community interests, and strengthen our community relations to be a neighbor of choice.

Reaching beyond CRC's carbon management initiatives, low carbon intensity energy production and the economic and environmental benefits, CRC's operations and employees support our community partners through impactful charitable donations and volunteerism. Our charitable contributions all support one of the following three focus areas:

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 and well-being, focusing on health and wellness in underprivileged communities and public safety professionals, and environmental stewardship.

2

**STEM/Job Training** – The energy sector provides opportunities for burgeoning scientists and technicians to the middle class. 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.

3

**Diversity, Equity and Inclusion (DEI)** – 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, skills and expertise.





Orlie's Shoe Drive

*California Resources truly stands behind the communities they live and work in. Their continual sponsorship and support have provided over three hundred pairs of new tennis shoes to children in need in Kern County. It is an item that is often taken for granted, yet thousands of children in the United States are forced to wear shoes that do not properly fit, are falling apart, or go barefoot altogether. Dozens of medical studies over the years have linked a lack of proper footwear to a decrease in school attendance, health and even self-esteem among peers. Thank you, California Resources, for helping us meet our goal as we strive to never let a single child go without.*

Alex Vigil, Co-Founder and President,  
Orlie's Shoe



Kern County Hispanic Chamber of Commerce

*Being a valuable resource for new and existing small businesses, entrepreneurs and student programs has always been a priority for the Kern County Hispanic Chamber of Commerce (KCHCC). We work closely with our community partner, California Resources Corporation, to provide our annual KCHCC Energy Academy to ensure student participants have access to best curriculum, speakers and presenters to ensure their success along their academy journey. Thank you, CRC, for your continued support in providing extensive resources to our business community and our future leaders from our Energy Academy. You truly play a critical role in transforming young minds into future leaders.*

Jay Tamsi, President and CEO,  
Kern County Hispanic Chamber of Commerce



Latina Leaders of Kern County

*California Resources Corporation continues to ensure that Central Valley Latinas have access to critical programs and opportunities for leadership development. Your support ensured that the women and girls participating in the Latina Leaders of Kern County Youth Leadership program were able to spend a day at the Capitol participating in HOPE's Latina Action Day and that they were prepared to meet their local representatives. Thank you for your continued support of Latina Leaders of Kern County and leadership development in the Central Valley. Together we will continue to 'strengthen our communities, one leader at a time.'*













Norma Rojas-Mora, Past President, Board Member, Latina Leaders of Kern County











































































# Governance

At CRC, 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.

## Board of Directors

### Summary of Director Qualifications and Experience

-  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

Andrew Bremner	Douglas Brooks	Tiffany (TJ) Thom Cepak	James Chapman	Mark (Mac) McFarland	Nicole Neeman Brady	Julio Quintana	William Roby	Alejandra (Ale) Veltmann
								
								
								
								
								
								
								
								
								
								
								
								

## Compensation and Incentives

HSE and ESG have become an integral part of CRC's compensation policies and are included in management's strategic priorities. 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.

## Ethics

CRC has a history of producing oil and natural gas that stretches back many decades. We have an obligation to carry that tradition into the future in an ethical and responsible way that makes us all proud of our company and our operations.

- **Whistleblower Policy** – In order 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) or on [www.ethicspoint.com](http://www.ethicspoint.com).

- **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.
- **Business Ethics** – Our business ethics are based on CRC's core values of Character, Responsibility and Commitment.
- **Human Rights** – CRC is driven to conduct all of 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.

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

## Management of the Legal and 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 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. 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. We also are members of the Western States Petroleum Association (WSPA) and California Independent Petroleum Association's (CIPA) and contribute to state and local candidates and political organizations that share our interest in promoting a self-sufficient, sustainable society with greater economic and energy equality for California's diverse communities.



# Conclusion

We are proud of the progress we have made during 2021 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 outreach and diversifying our workforce. CRC will move forward and pursue 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.





# Contacts

Chris Gould  
*Chief Sustainability Officer*

David Lawson  
*Sr Director, Sustainability*

Investor Relations  
(818) 848-4754  
[CRC\\_IR@crc.com](mailto:CRC_IR@crc.com)

Media  
(818) 661-6014  
[CRC.Communications@crc.com](mailto:CRC.Communications@crc.com)

