

CLIMATE REPORT 2022

# BUILDING TO NET ZERO

At Oxy, we are leveraging our expertise in carbon management and storage in our plan to achieve Net Zero and accelerate progress on global climate goals of the Paris Agreement.





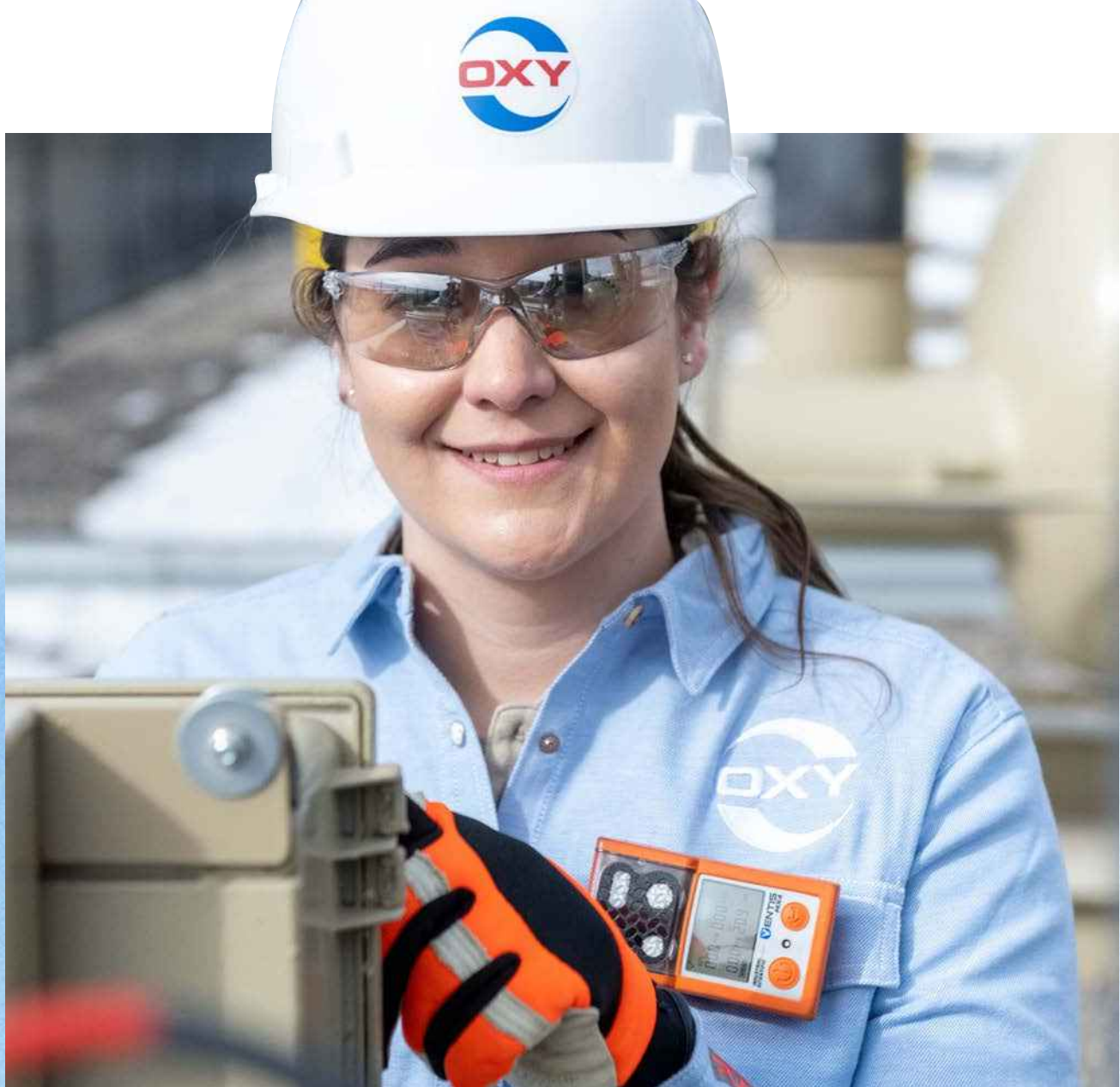
# REPORT HIGHLIGHTS

## BUILDING A NET-ZERO ECONOMY

- Completed Front-End Engineering and Design (FEED) and began site construction activities for the first commercial-scale Direct Air Capture (DAC) plant in the Permian Basin
- Started Pre-FEED activities for our second DAC plant
- Executed agreements for more than 265,000 net acres of pore space access with a capacity to sequester up to 6 billion metric tons of CO<sub>2</sub>
- Filed permit applications for multiple Class VI sequestration wells
- Signed agreements to provide carbon dioxide removal credits from DAC and for future opportunities to supply net-zero oil

## KEY ACHIEVEMENTS IN OPERATIONS

- Achieved Zero Routine Flaring during 2022 across U.S. oil and gas operations, 8 years ahead of the World Bank's 2030 target
- Received agency approval of closed-loop gas capture to mitigate non-routine flaring in the Permian Basin
- Retrofitted or eliminated over 95% of high-bleed pneumatic controllers in U.S. onshore operations since 2020
- Original signatory to the "Aiming for Zero Methane Emissions" pledge



## NET ZERO

As defined by the United Nations' (U.N.) Intergovernmental Panel on Climate Change (IPCC), the term "net zero" balances anthropogenic greenhouse gas (GHG) emissions to the atmosphere with GHGs taken out of the atmosphere. At Oxy, net zero means that we facilitate the reduction, capture, removal and storage of at least the same quantity of GHGs that are emitted directly by our operations (Scope 1), generated by others to create the power we purchase (Scope 2), and generated by customers and consumers using the products we sell (Scope 3). We are taking the steps today to implement the net-zero future called for by the IPCC and world leaders to meet the goals of the Paris Agreement.

# WE ARE OXY

Oxy is an international energy company with assets primarily in the United States, the Middle East and North Africa. We are one of the largest oil and gas producers in the U.S., including a leading producer in the Permian and DJ basins, and offshore Gulf of Mexico. Our midstream and marketing segment provides flow assurance and maximizes the value of our oil and gas. Our chemical subsidiary OxyChem manufactures the building blocks for life-enhancing products. Our Oxy Low Carbon Ventures subsidiary is advancing leading-edge technologies and business solutions that economically grow our business while reducing emissions. We are committed to using our global leadership in carbon management to advance a lower-carbon world.

Throughout this report, "Oxy," "we" and "our" refers to Occidental Petroleum Corporation and/or one or more entities in which it owns a controlling interest.

## ABOUT THIS REPORT

The report begins with a letter from Vicki Hollub, our President and CEO, highlighting our climate-related leadership and the actions we are taking to advance our net-zero goals and ambitions. The report is organized under the framework recommended by the Task Force on Climate-related Financial Disclosures (TCFD)<sup>(1)</sup>, which includes Governance, Strategy, Risk Management, and Metrics and Targets. The report describes the strategic oversight by our Board of Directors and our climate-related policy positions, advocacy and engagement. We presented our [net-zero strategy](#) in detail in our 2021 Pathway to Net Zero, so this report provides key developments, milestones and ongoing business development focused on short-term actions. The report then summarizes our integrated climate-related risk management, including our internal carbon pricing and scenario analysis. Next, the report addresses our actions on our climate-related metrics and targets and reviews our updated GHG emissions data. The Appendices include a table of emissions data from 2019 through 2021, our [Independent Assurance Statement](#), our current GHG goals, a summary of alignment with the original TCFD recommendations and the TCFD's 2021 update, a timeline of our 50+ year legacy of carbon management, and a glossary.

This report reflects updated estimates of emissions from 2019, 2020 and 2021, and the results of the scenario analysis are based on specific assumptions and estimates. Given the inherent uncertainty in predicting and modeling future conditions, caution should be exercised when interpreting the information provided. The results are not indicative of, and this report does not represent, a preferred or expected outcome of the future.

<sup>(1)</sup> The TCFD — established by the Financial Stability Board in response to a request from the G20 Finance Ministers and Central Bank Governors — developed a voluntary disclosure framework for climate-related financial disclosures.



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## CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements based on management's current expectations relating to Oxy's operations, strategies, outlook and business prospects. Words, and variations of words, such as "estimate," "project," "predict," "will," "would," "should," "could," "may," "anticipate," "progress," "commitment," "strategy," "initiative," "plan," "seek," "intend," "believe," "expect," "aim," "ambition," "goal," "target," "objective," and similar expressions that convey the prospective nature of events or outcomes generally indicate forward-looking statements. You should not place undue reliance on these forward-looking statements, which speak only as of the date of this report. Actual results may differ from anticipated results, sometimes materially, and reported results should not be considered an indication of future performance. In addition, historical, current and forward-looking sustainability-related statements may be based on standards for measuring progress that are still developing, internal controls and processes that continue to evolve and assumptions that are subject to change in the future. Factors that could cause results to differ include, but are not limited to: general economic conditions, including slowdowns and recessions, domestically or internationally; our indebtedness and other payment obligations, including the need to generate sufficient cash flows to fund operations and development initiatives; our ability to successfully monetize select assets and repay or refinance debt and the impact of changes in our credit ratings; the scope and duration of the COVID-19 pandemic and ongoing actions taken by governmental authorities and other third parties in response to the pandemic; assumptions about energy markets; global and local commodity and commodity futures pricing fluctuations and volatility; development, financing and deployment of technology necessary to execute our strategy; having sufficient land and appropriate joint venture partners to execute on our strategies; supply and demand considerations for, and the prices of, our products and services; actions by the Organization of the Petroleum Exporting Countries (OPEC) and non-OPEC oil producing countries; results from operations and competitive conditions; future impairments of our proved and unproved oil and gas properties or equity investments, or write-downs of productive assets, causing changes to earnings; unexpected changes in costs; inflation, its impact on markets and economic activity and related monetary policy actions by governments in response to inflation; availability of capital resources, levels of capital expenditures and contractual obligations; the regulatory approval environment, including our ability to timely obtain or maintain permits or other governmental approvals; our ability to successfully complete, or any material delay of, field developments, expansion projects, capital expenditures, efficiency projects, acquisitions or dispositions; risks associated with acquisitions, mergers and joint ventures, such as difficulties integrating businesses, uncertainty associated with financial projections, projected synergies, restructuring, increased costs and adverse tax consequences; uncertainties and liabilities associated with acquired and divested properties and businesses; uncertainties about the estimated quantities of oil, natural gas and natural gas liquids reserves; lower-than-expected production from development projects or acquisitions; exploration, drilling and other operational risks; disruptions to, capacity constraints in, or other limitations on the pipeline systems that deliver our oil and natural gas and other processing and transportation considerations; volatility in the securities, capital or credit markets; governmental actions, war (including the Russia-Ukraine war), and political conditions and events; legislative or regulatory changes, including changes relating to hydraulic fracturing or other oil and natural gas operations, retroactive royalty or production tax regimes, deep-water and onshore drilling and permitting regulations, and environmental regulations (including regulations related to climate change); environmental risks and liability under federal, regional, state, provincial, tribal, local and international

environmental laws and regulations (including remedial actions); our ability to recognize intended benefits from our business strategies and initiatives, such as our low carbon ventures businesses or announced GHG emissions reduction targets or net-zero goals; climate change and other macro events that cannot be predicted over the next 30 years; potential liability resulting from pending or future litigation; disruption or interruption of production or manufacturing or facility damage due to accidents, chemical releases, labor unrest, weather, power outages, natural disasters, cyber-attacks, terrorist acts or insurgent activity; failure of risk management; our ability to retain and hire key personnel; supply, transportation and labor constraints; reorganization or restructuring of our operations; changes in state, federal or international tax rates; actions by third parties that are beyond our control; and the factors set forth in Part I, Item 1A "Risk Factors" of Oxy's Annual Report on Form 10-K for the fiscal year ended December 31, 2021 and in Oxy's other filings with the U.S. Securities and Exchange Commission (SEC). Unless legally required, Oxy does not undertake any obligation to update any forward-looking statements, as a result of new information, future events or otherwise. Targets and expected timing to achieve targets and strategies are subject to change without notice due to a number of factors. Inclusion of information in this report does not necessarily indicate such information is material to an investor in our securities.

## ABOUT THE INTERNATIONAL ENERGY AGENCY SUSTAINABLE DEVELOPMENT SCENARIO AND NET ZERO BY 2050 SCENARIO

The Sustainable Development Scenario (SDS) and Net Zero by 2050 Scenario (NZE) modeled and assessed in this report are derived from assumptions contained in the International Energy Agency's 2021 World Energy Outlook. The SDS and NZE are not forecasts or predictions of the future. There can be no assurance that the scenario modeling and assessment presented in this report are reliable indicators of the actual impact of climate change on Oxy's asset portfolio or business. Statistics and metrics included in this report are estimates and may be based on assumptions or developing standards.

## ABOUT OUR GHG EMISSIONS ESTIMATES

The estimated Oxy GHG emissions described in this report are derived from a combination of measured and estimated data using reasonably available information as of December 31, 2021. Oxy applies operational control as our organizational boundary and primary approach to reporting. We include within this boundary the operated oil and gas assets of Oxy and Anadarko, the operated assets of Occidental Chemical Corporation (OxyChem), and certain assets not part of oil and gas or chemical operations such as company-operated aircraft and property management; we exclude operated assets that are held for sale or sold in a given year. We use industry standards and practices for estimating GHG emissions, including guidance from the GHG Protocol, IPCC, SASB, U.S. EPA, API and IPIECA. Oxy has endeavored to estimate direct GHG emissions from our operations (Scope 1), indirect emissions associated with the generation by others of electricity, steam or heat that we purchase for use in our operations (Scope 2), and the three categories of emissions generated by others in our downstream oil and gas value chain (Scope 3) that we believe are most relevant – downstream transportation and distribution of our oil and gas products (Category 9), processing and refining of our oil and gas products (Category 10), and use of our sold products by consumers (Category 11). We are engaged in an ongoing integration of Oxy and Anadarko processes and systems, including those with respect to equipment inventories and estimation or measurement of GHG emissions. During this effort, we have applied in this report what we

believe are conservative assumptions about the number and type of emissions-generating equipment, which we expect to continue to refine as we develop more comprehensive emissions inventories. The uncertainty associated with Oxy's emissions estimates depends on variation in the processes and operations, the availability of sufficient representative data, the quality of available data, and the methodologies used for measurement and estimation. Accordingly, we expect to continue to review, and may update as warranted, our emissions estimates for the years presented in the event of significant changes as additional data become available, reporting and estimation regulations or protocols are revised, or estimates are supplemented by measurements and to reflect significant changes to Oxy's assets, operations or organizational boundaries.

We also provide certain production and emissions data on an equity basis, where data are available, excluding assets that are held for sale or sold in a given year. Equity-based production data reflect oil and gas production presented in our annual Form 10-K and the production schedule of our earnings release for the fourth quarter of the applicable year, and equity-based Scope 3 emissions estimates reflect that total equity production. Equity-based Scope 1 and 2 emissions data for Oxy's international assets reflect Oxy's proportionate interest in international oil and gas joint ventures, whether operated by Oxy or by third parties. Equity-based Scope 1 and 2 emissions data for Oxy's U.S. assets reflect our average net royalty interest in Oxy's operated U.S. assets, while excluding emissions from Oxy's interests in U.S. plants and fields operated by third parties, for which we do not currently have emissions data. We are evaluating processes to estimate GHG emissions from joint ventures operated by third parties and expect to be in a position to provide more information on those interests in future reports.

Oxy's Scope 3 estimates address the three most relevant categories in our downstream oil and gas value chain – the transportation, refining, and use of our sold oil and gas products (Category 9, 10, and 11, respectively), applying the 2009 and 2021 API Compendium and U.S.-based emission factors and the EPA/IPCC AR4 GWP to our production on an operated and equity basis. The estimates for transportation and refining reflect our production entirely as oil on a BOE basis with further transportation of the refined products, rather than reflecting transportation and processing of natural gas or natural gas liquids (NGLs) that would be expected to generate lower emissions. The estimates for use of our sold products assume 100% combustion of oil, NGLs, natural gas and downstream products and ignore non-emitting uses. While we believe the downstream oil and gas value chain comprises the Scope 3 categories most relevant to Oxy, we are continuing to assess methodologies to estimate emissions associated with these and other Scope 3 categories with respect to our oil and gas, chemicals and other operations and products. Reporting of estimated emissions generated by others helps to evaluate the lifecycle emissions associated with our operations and products and to aid in expressing the magnitude of our net-zero goals and ambitions and does not indicate an acceptance by Oxy of responsibility for the emissions of others.

There are multiple proposed or recently adopted changes to various GHG reporting regulations and protocols, including from the U.S. EPA, the SEC, the GHG Protocol and certain countries and states, as well as for additional controls, fees or taxes on emissions. Given the potential significance of these changes for estimation and reporting, Oxy may update or modify our reported emissions and our current suite of GHG goals and targets to reflect new regulations and protocols, although we expect to retain our overarching net-zero goals and to continue to implement emissions reduction plans that we believe will complement our investments in Direct Air Capture (DAC), Carbon Capture, Utilization and Storage (CCUS) and other low-carbon technologies and infrastructure.





"WE BELIEVE LARGE-SCALE DIRECT AIR CAPTURE WILL BE AN AFFORDABLE AND PRACTICAL INDUSTRIAL DECARBONIZATION SOLUTION AND WILL PLAY AN IMPORTANT ROLE IN HELPING ORGANIZATIONS AND NATIONS ACHIEVE NET ZERO."

CEO LETTER

At Oxy, we're bringing together people, resources, innovative technology and our 50+ year legacy of carbon management to accelerate our pathway to net zero, as well as helping others do the same. As the first U.S. oil and natural gas producer to establish net-zero emissions goals for our operations and products (Scopes 1, 2 and 3) aligned with the goals of the Paris Agreement, we've taken a leadership role in developing solutions to accelerate a lower-carbon economy. Since establishing our climate goals in 2020, other companies have committed to working toward a sustainable future, making a net-zero ambition the new normal.

Over the past year, we have continued to accelerate our net-zero strategy to:

- Reduce GHG emissions from our operations;
- Revolutionize technologies to abate GHG emissions;
- Remove CO<sub>2</sub> directly from the atmosphere through Direct Air Capture (DAC) and enable point-source capture from industrial emitters; and
- Reuse and recycle CO<sub>2</sub> to generate low-carbon transportation fuels, electricity and other products.

In 2022, we focused on advancing DAC solutions and CO<sub>2</sub> sequestration hubs that we believe are essential to meet the goals of the Paris Agreement while supporting the diverse energy supply that society needs. Leveraging our 50+ years of experience managing CO<sub>2</sub> for enhanced oil recovery in the Permian Basin and OxyChem's expertise developing and handling key enabling products uniquely positions us to develop sustainable technologies that can extract CO<sub>2</sub> from the atmosphere or capture CO<sub>2</sub> from point sources, and either sequester or put that CO<sub>2</sub> to use. While some sequestration will be necessary, the use of CO<sub>2</sub> is also important to support the development of critical technologies.

In the second quarter of 2022, Oxy completed the Front-End Engineering and Design (FEED) for the first commercial-scale DAC plant, which will be located in the Permian Basin, with construction activities initiated in the third quarter and anticipated commencement of operations by late 2024. Upon completion, this DAC plant will be the world's largest of its kind and is initially expected to capture up to 500,000 metric tons of CO<sub>2</sub> per year. Through our subsidiary 1PointFive, we have advanced product sales for the plant, including carbon removal credit purchases from Airbus, Shopify and ThermoFisher, and we reached an offtake agreement

with SK Trading International for an opportunity to purchase net-zero oil. We hold an exclusive license for U.S. deployment of DAC technology from Carbon Engineering Ltd. (CE), and a worldwide agreement with CE as the execution partner for all of its DAC deployments.

We are also designing sequestration hubs to safely and securely store CO<sub>2</sub> from DAC plants and point-source capture at industrial facilities. We have secured interests in more than 265,000 acres, or more than 400 square miles, of pore space in southeast Texas and Louisiana that could support up to five hubs with a capacity to sequester up to 6 billion metric tons of CO<sub>2</sub>. A key example is our recent agreement with King Ranch, the largest privately held ranch in the U.S., to lease approximately 106,000 acres that could support up to 30 DAC plants and pore space estimated to accommodate up to 3 billion metric tons of CO<sub>2</sub>. Upon completion, this will be the largest DAC deployment project in the world. We believe large-scale DAC will be an affordable and practical industrial decarbonization solution and will play an important role in helping organizations and nations achieve net zero and provide the scale necessary to make a difference in addressing climate change globally. We have started the pre-FEED for our second DAC plant, which we plan to develop at King Ranch to capture up to 1 million metric tons of CO<sub>2</sub> per year.

The U.S. has taken a leadership role in moving towards net zero, providing key policy support for deploying state-of-the-art technologies needed to address climate change through the Infrastructure Investment and Jobs Act (IIJA) and the Inflation Reduction Act (IRA). In particular, the IRA contains several enhancements to the 45Q tax credit that could accelerate the development of DAC and other carbon capture projects. We expect these enhancements would also allow for an expanding voluntary market of carbon dioxide removal CDR credits for the thousands of leading businesses that have established net-zero goals. Assuming this enhanced U.S. policy support continues, we could increase the number of DAC plants in our current development scenario from 70 online by 2035 to approximately 100 DAC plants by 2035. If other countries similarly expand their net-zero policy support, we currently envision a scenario in which we could deploy up to 135 DAC plants by 2035.

We're also continuing to partner across industry sectors to help others achieve their net-zero goals. In the transportation sector, the demand for liquid fuels with a low carbon intensity is expected to grow significantly. Our investment partner, CE, is pioneering Air to Fuels™ technology to use captured CO<sub>2</sub> to create low-carbon

transportation fuels. In the power generation sector, Oxy was an early investor in NET Power, whose technology generates reliable, zero-emissions electricity from natural gas by capturing and utilizing CO<sub>2</sub>. NET Power is planning its first utility-scale plant near our Permian operations to supply us with emissions-free electricity in coming years. CO<sub>2</sub> generated by the plant could also be captured and sequestered securely underground using our existing infrastructure. We believe that NET Power can accelerate Oxy's efforts to reduce emissions in our existing operations and ultimately supply emissions-free power to future DAC sites and sequestration hubs.

In parallel to deploying our suite of net-zero technologies, we're committed to reducing emissions in our operations and maximizing the beneficial use of our natural gas production. Flaring reduction is a prime example of these efforts. Our U.S. operations have ceased routine flaring, and our international operations are also on track to eliminate routine flaring well ahead of the World Bank's 2030 target.

We are also taking steps to reduce non-routine flaring through innovations such as closed-loop gas capture to minimize flaring during plant and pipeline outages or other temporary operational disruptions. Oxy has received agency approvals for this practice in multiple wells in the Delaware Basin and is submitting additional applications to apply this solution in Texas and New Mexico.

We are an active participant in leading emissions reduction programs including the Oil and Gas Climate Initiative, the Aiming for Zero Methane Emissions Pledge, the Methane Guiding Principles, Oil & Gas Methane Partnership 2.0, The Environmental Partnership, and the World Bank's Pledge for Zero Routine Flaring by 2030.

I'd like to thank Oxy's global workforce and our partners for their dedication to innovating, designing, building, and deploying at scale the game-changing technologies needed to achieve the goals of the Paris Agreement like DAC, point-source capture, sequestration hubs, NET Power and flaring reduction, while continuing to supply reliable energy to support the global economic development and prosperity that are essential to a successful net-zero transition in a way that leverages our core competencies and provides value to our shareholders.

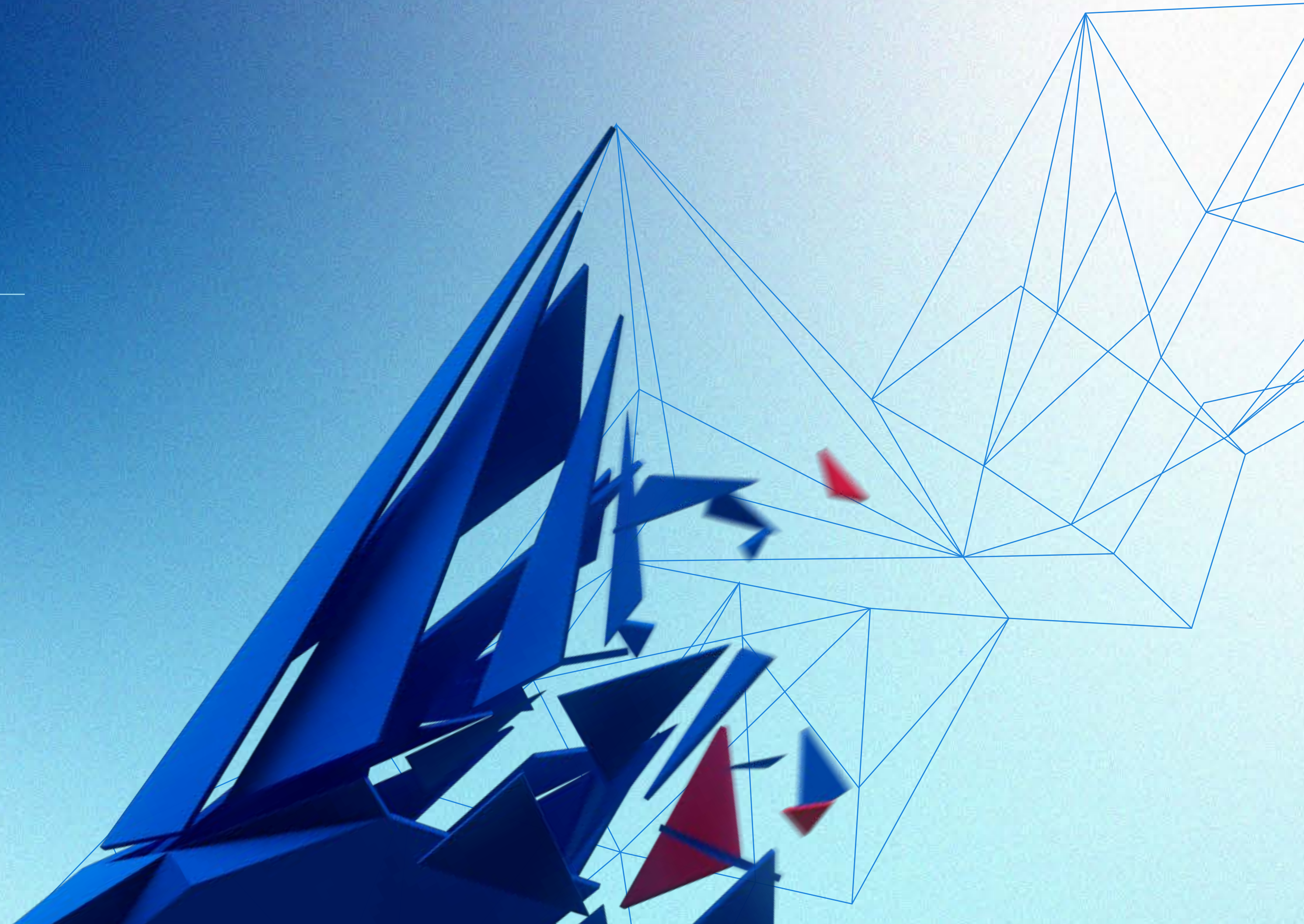
**Vicki Hollub**  
President and Chief Executive Officer



# GOVERNANCE

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BOARD OF DIRECTORS STRATEGIC OVERSIGHT







# GOVERNANCE

In 2022, Oxy’s Board of Directors updated our longstanding [Health, Safety, Environmental \(HSE\) and Sustainability Principles](#) that unify our workforce and exemplify our core values. The Principles reflect Oxy’s ambitious net-zero goals and strategy to advance the goals of the Paris Agreement, our collaboration with host communities in the transition to a net-zero economy, and our drive to provide innovative products, services and solutions to address global challenges.

## BOARD OF DIRECTORS STRATEGIC OVERSIGHT

Our Board of Directors oversees Oxy’s corporate governance, strategy, and risk management, including with respect to climate-related risks and opportunities and our HSE and Sustainability Principles. These matters are incorporated into regular Board and Committee meetings, as well as the Board’s annual strategic review session, as central elements of the company’s strategic planning.

The Board delegates certain elements of its climate-related functions to standing committees, each of which is composed of independent directors. The Charter of each Committee is available in the Investors/Governance section of oxy.com and summarized annually in our Proxy Statement. This committee structure is designed to help ensure the Board and its committees have the appropriate oversight of relevant sustainability issues. These committees regularly report on their reviews to the full Board.

## ENVIRONMENTAL, HEALTH AND SAFETY COMMITTEE

Reviews HSE programs and performance, including with respect to GHG emissions reduction efforts, as part of our risk management and continuous improvement processes.

## AUDIT COMMITTEE

Oversees our Enterprise Risk Management (ERM) process, which involves a cross-functional team reporting to our ERM Council. This group of senior executives is responsible for identifying, assessing, monitoring, managing and reporting enterprise risks, including climate risks.

## SUSTAINABILITY AND SHAREHOLDER ENGAGEMENT COMMITTEE

Oversees engagement with shareholders and other key stakeholders, external reporting on ESG and sustainability matters, and the company’s social responsibility programs. The Committee also monitors climate-related public policy trends and related regulatory matters.

## EXECUTIVE COMPENSATION COMMITTEE

Establishes the parameters and goals that determine executive compensation, including elements related to sustainability performance and climate-related targets.

Since 2018, the Board’s Executive Compensation Committee (the Compensation Committee) has set annual climate-related targets for executive officers, directly linking compensation to Oxy’s sustainability performance. In response to shareholder input, the Compensation Committee in 2021 increased the weight on sustainability metrics to 30% of the company performance portion of annual cash incentive compensation. The Compensation Committee adopted two annual sustainability metrics for 2021 – low-carbon ventures project milestones and emissions reduction efforts. The low-carbon ventures metric focuses on business development for DAC, Carbon Capture, Utilization and Storage (CCUS) and low-carbon products that promote progress toward our 2050 net-zero ambition for our total carbon inventory, including Scope 3 emissions from the use of our sold products. The emissions reduction metric reflects key annual projects to deploy GHG emissions detection, monitoring and control technologies, designs and practices that promote short-term progress to advance our net-zero goal for Scope 1 and 2 emissions before 2040 and our aim to do so before 2035.

For more detail and results regarding these targets from our 2021 annual cash incentive for executive officers, please refer to our update on 2021 Annual Sustainability Metrics [here](#).





Governance	Policy Positions, Advocacy & Engagement	Strategy	Integrated Risk Management	Metrics & Targets	Appendices	8
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Senior management reports to the Board of Directors on environmental and sustainability matters, including climate-related risks and opportunities, during regularly scheduled Board and Committee meetings, annual strategy sessions and informally during regular business. In addition to discussions with management, the Board's oversight process has also included dedicated sessions with external experts on topics such as CO<sub>2</sub> removal and the energy transition. In its meetings throughout 2022, the Board discussed Oxy's net-zero strategy with Oxy's senior management, including leaders of Oxy's business units and its Oxy Low Carbon Ventures (OLCV) team. Topics included, among others, the CO<sub>2</sub> economy and competitive landscape, emissions reduction efforts across our businesses, risk management and low-carbon investment opportunities.

During Board and Committee meetings, the Board also discusses the status of ongoing projects, such as the start of site construction activities for the first commercial-scale DAC facility in September 2022 and the leasing of pore space for planned CO<sub>2</sub> sequestration hubs, both of which are important milestones on the path to achieving Oxy's net-zero ambitions and helping the effort to meet the Paris Agreement's climate goals. These actions reflect the Board's active oversight of Oxy's strategy to enhance shareholder value and thrive while advancing a successful transition to a net-zero economy.

The ongoing implementation of our low carbon strategy is developed for review and approval by the CEO and the Board by the President, U.S. Onshore Resources and Carbon Management, Operations and their direct report, the President of OLCV, in conjunction with the other business line Presidents and the Vice President of Environmental and Sustainability, who are also

accountable for implementing and reporting on the strategy. Also active in climate-related strategy development are the Senior Vice President and Chief Financial Officer and the Vice President of Strategic Planning, Analysis and Business Development.

Future Board strategy discussions will continue to refine and enhance consideration of climate-related risks and opportunities. The Board is committed to a diversity of thought, background and experience, as well as gender and ethnicity, in its membership. Our directors have a wide range of experience, including in government service, non-governmental organizations and private sector industries. The Board's independent chair coordinates and approves meeting agendas and serves as a liaison with Oxy's shareholders.

Oxy's President and CEO, senior management and employees actively participate in voluntary methane emissions reduction and management programs, such as The Environmental Partnership (TEP), the Methane Guiding Principles (MGP), Oil and Gas Methane Partnership 2.0 (OGMP 2.0), the Oil and Gas Climate Initiative (OGCI), the Aiming for Zero Methane Emissions pledge, and the World Bank's Zero Routine Flaring by 2030 initiative. These programs promote continuous performance improvement and develop best practices and guidelines for the application of GHG emissions detection, monitoring and control technologies. OxyChem joined the U.S. Department of Energy's Better Plants program to reduce energy and fuels consumption by 20% over a 10-year period.





# POLICY POSITIONS, ADVOCACY AND ENGAGEMENT

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OXY'S POSITIONS ON CLIMATE-RELATED POLICIES  
OXY'S CLIMATE ADVOCACY AND ENGAGEMENT





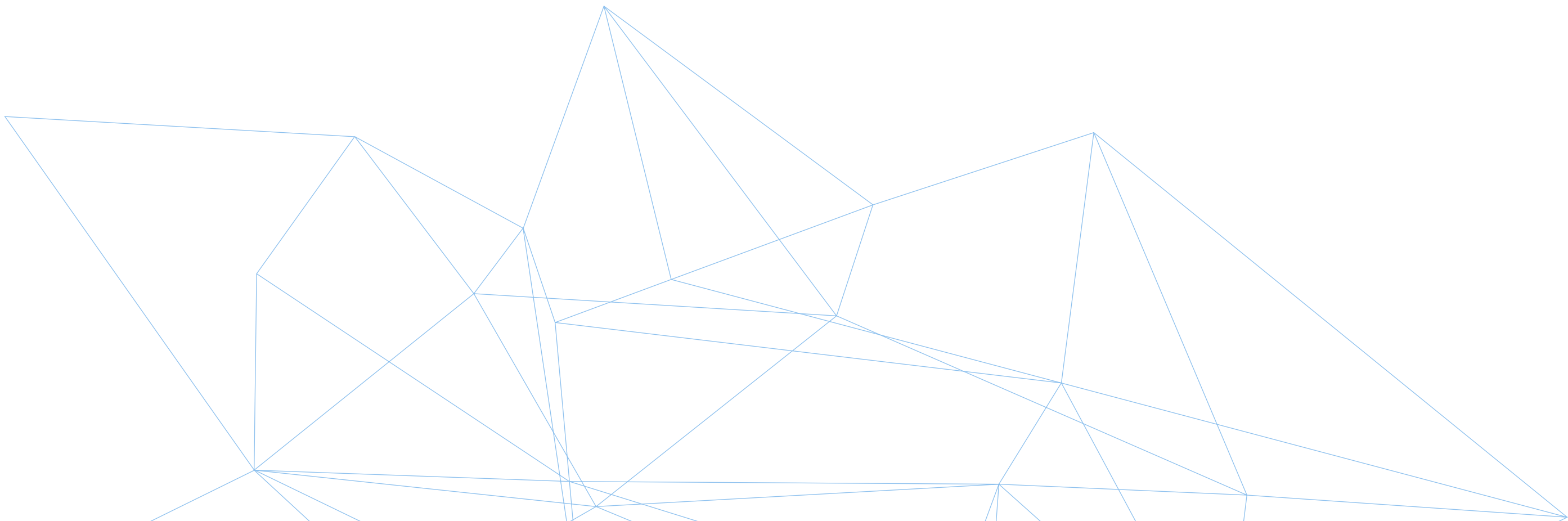


# OXY'S POSITIONS ON CLIMATE-RELATED POLICIES

At Oxy, we recognize the scientific consensus on climate change and the need to lower both GHG emissions and atmospheric concentrations of CO<sub>2</sub>. We also recognize the importance of impactful public policy to achieve the climate goals set forth by the Paris Agreement. As such, we offer a few observations on our climate-related policy beliefs:

## OUR POLICY BELIEFS

- Policy is needed in the short term to accelerate the deployment of technologies, including CCUS and DAC, that reduce or eliminate GHG emissions and atmospheric concentrations of CO<sub>2</sub>.
- Policy should be designed to support the commercial application of technologies and be sufficient, certain and financeable.
- Policy should support the development of chemistries and technology for innovative products such as low global warming potential (GWP) refrigerants and those that use CO<sub>2</sub> as a feedstock.
- Policy should promote advantages of using durable products to achieve a lower carbon lifecycle analysis (LCA).
- Longer term, we believe compliance and voluntary markets will provide commerciality.
- Electrification will continue to grow favoring zero-emissions sources but will not eliminate the need for CCUS.
- CCUS and DAC will remain essential over the long term for hard-to-abate emissions, to address elevated concentrations of atmospheric CO<sub>2</sub>, and to provide CO<sub>2</sub> feedstocks for low-carbon or net-zero fuels and feedstocks.







OXY’S POSITIONS ON CLIMATE-RELATED POLICIES

THE U.S. HAS EXPANDED NET-ZERO POLICY SUPPORT

The U.S. government has dramatically expanded its net-zero policy support through the Infrastructure Investment and Jobs Act of 2021 (IIJA) and the Inflation Reduction Act of 2022 (IRA).

The IIJA focuses on carbon management funding in four major policy areas:

- CCUS research, development, and demonstration (RD&D);
- carbon transport and storage infrastructure and permitting;
- carbon utilization market development; and
- carbon removal.

The IRA significantly enhances the 45Q tax credit for both DAC and CCUS, and incentivizes the market to invest in carbon management projects and infrastructure well into the future.

These laws together reflect the largest investment in commercializing carbon capture to date, and illustrate the United States' commitment to meeting net-zero goals of the Paris Agreement.

CLIMATE PUBLIC POLICY

We believe effective public policies are a key catalyst to enhance the implementation of our net-zero pathway. To advance our vision from a policy perspective, we advocate and engage on climate issues individually and through trade associations, coalitions and other organizations of which we are members. For example, we are an active member of the Carbon Capture Coalition (CCC), comprised of over 80 diverse stakeholder members from industries, unions and NGOs working to support federal legislation, regulations and policies to incentivize CCUS. Through our membership, we helped develop the CCC’s [Federal Policy Blueprint](#) for carbon capture.

We support policies that incentivize investment in and development of these carbon capture technologies, including carbon sequestration tax credits, such as the federal Section 45Q tax credit; the direct payment of these credits; grants and loans for CCUS and DAC technologies and CO<sub>2</sub> infrastructure; and public investments in RD&D of these technologies. We also support policies

that advance the expanded production and use of hydrogen, low GWP refrigerants and products made from captured CO<sub>2</sub>. Because these policy positions were included in the Infrastructure Investment and Jobs Act (IIJA) of 2021 and the Inflation Reduction Act (IRA) of 2022, we advocated for the passage of these important pieces of legislation.

We recognize the growing consensus of international organizations and scientists regarding the need for significant removal of atmospheric CO<sub>2</sub> over the next 10 years to meet the Paris Agreement's goal of limiting climate change to 1.5 degrees Celsius. Initiatives to eliminate emissions are essential factors in reaching the Paris Agreement goals, but without removal of CO<sub>2</sub> from the atmosphere the consensus of international organizations and scientists agree those goals cannot be achieved by 2050. We do not take a prescriptive view as to which policy approach could most efficiently meet society's climate goals. Rather, we support a range of policies aimed to achieve the goals of

the Paris Agreement and focus our efforts on the design of proposed policies seeking to advance technological solutions that can deliver significant rapid reductions in current CO<sub>2</sub> emissions and atmospheric CO<sub>2</sub> concentrations by leveraging existing infrastructure while continuing to supply consumers with affordable, reliable energy sources and essential products. We believe both DAC and CCUS can, with targeted and certain incentives early in their full-scale development and deployment, enable rapid cost and scale improvements that turn commercial in the medium term supported by an emerging global voluntary and compliance market. While broader societal changes to national electric grids and transportation systems could - with trillions of dollars of investment - significantly help reduce emissions in the long term, CCUS will remain necessary for manufacturing, mining and other industrial facilities and DAC will be essential to reduce and maintain appropriate atmospheric CO<sub>2</sub> levels.





OXY’S POSITIONS ON CLIMATE-RELATED POLICIES

PARIS AGREEMENT

We endorse the goals of the Paris Agreement – including its aim to substantially reduce global GHG emissions in an effort to limit the global temperature increase in this century to 2 degrees Celsius above preindustrial levels, while pursuing the means to limit the increase to 1.5 degrees. More importantly, we have developed our net-zero pathway and strategy specifically to align with those goals. Putting our pathway into action, we have started construction on our first commercial-scale DAC plant and have applied for permits for sequestration hubs in multiple locations.

NET-ZERO EMISSIONS

In Chapter 4 of its Sixth Synthesis Report released in September 2021, the IPCC notes that “to compensate for greenhouse gas emissions from sectors that cannot completely decarbonize or which may take a long time to do so,” the deployment of carbon dioxide removal (CDR) technologies, such as DAC, is necessary to achieve the aggregate emissions reductions called for in the Paris Agreement. Oxy believes that the quickest and most efficient path to net zero will be the development of technologies that reduce or eliminate emissions and facilitate the use of negative emission credits.

TECHNOLOGY AND INNOVATION INCENTIVES

Just as governments have supported the growth of renewable energy, we believe that public policy incentives and investments are critical for enabling the early deployment and scale-up of DAC and other CCUS technologies and supporting infrastructure. This is true even where broader emissions reduction policies exist. Therefore, we continue to support

incentives for DAC and other CCUS technologies that reduce and eliminate CO<sub>2</sub> emissions, create negative emissions and help multiple industry sectors to achieve net zero.

- **Carbon Capture, Utilization and Storage (CCUS):** We strongly support CCUS, which is a proven solution for reducing CO<sub>2</sub> emissions from point sources. We advocate for policies that incentivize its widespread deployment.
- **Direct Air Capture (DAC):** DAC is a vital technology necessary to remove CO<sub>2</sub> directly from the atmosphere and will play a key role in Oxy's net-zero pathway. We strongly support policy incentives to make the technology more economical and to accelerate its widespread deployment.
- **Hydrogen:** Hydrogen is a key byproduct and growing zero-carbon fuel source in our chemical operations. We support incentives in the IRA that encourage the production and use of hydrogen from all sources.

EMISSIONS REDUCTION POLICIES

We support proposals that reduce GHG emissions, stimulate investment in DAC and other CCUS technologies and help develop the infrastructure needed for economy-wide CCUS deployment. We also continue to support regulations that improve environmental quality and promote the health and well-being of communities and the environment.

- **Carbon Pricing and Implementation:** Oxy believes that, while a variety of policies can enable emissions reductions to achieve the goals of the Paris Agreement, a market-based mechanism should complement a functional regulatory framework. We are focused on the design of proposed policies seeking to ensure technological solutions, like carbon capture, removal, utilization, and storage, are included and adequate measures to ensure the rapid deployment of these technologies are addressed. We also believe that any approach for establishing a carbon price should be developed in collaboration with interested stakeholders and revenue raised should be invested in technologies to eliminate and reduce emissions.
- **Carbon Tax:** With proper design, we believe that a carbon tax could complement the technology-based incentives discussed above. However, we believe that revenues raised from any carbon tax should primarily be invested in the development of CCUS and DAC technologies and infrastructure to optimize the rapid development of these technologies, particularly in energy-producing communities to promote an equitable transition. The IPCC and the International Energy Agency (IEA) have recognized the importance of pursuing these technologies to achieve significant GHG emissions reductions, which we believe could, in turn, render the tax no longer necessary. We also believe that any tax should not limit the availability of reliable, affordable energy to those who need it most, particularly to farmers, businesses producing essential goods, and disadvantaged communities.

- **Carbon Border Adjustment Mechanism:** We believe that international trade and climate policies should reward less carbon intensive products as determined by transparent lifecycle analyses and uniform reporting protocols. We also believe that these policies should be aligned around the common goals of the Paris Agreement and must be carefully developed to prevent carbon leakage to non-participating nations while ensuring that U.S. manufacturers and exporters are not disadvantaged and remain competitive.
- **Cap and Trade System:** We believe that a trading system for GHG emissions must account for emissions avoided through CCUS and for negative emissions created by technologies like DAC and nature-based solutions.
- **Clean Energy Standard (CES):** We believe that a CES which incorporates DAC and other CCUS technologies can be an effective policy for reducing CO<sub>2</sub> emissions within the power sector. Oxy's investments in solar power and NET Power, a zero-emissions technology for generating electricity from natural gas, strongly align with a CES.





OXY’S POSITIONS ON CLIMATE-RELATED POLICIES

- **Low Carbon Fuel Standard (LCFS):** We believe a LCFS regulatory approach for reducing emissions in the transportation sector must include DAC and other CCUS technologies. We believe LCFS programs, like the one established in California, are a very effective way to incentivize DAC and CCUS technologies, which are necessary for these programs to successfully achieve their emissions reduction goals.
- **American Innovation and Manufacturing (AIM) Act:** We support the phasedown of hydrofluorocarbon (HFC) production and consumption as a means to facilitate the conversion to the next generation of low GWP refrigerants.
- **Clean Hydrogen Production Standard (CHPS):** We support policies that accelerate the production and use of hydrogen from all sources as a key advancement in reducing CO<sub>2</sub> emissions. We believe any CHPS regulatory approach should incorporate transparent lifecycle assessment of carbon emissions using carbon analysis tools that align with ISO Standard 14040 and 14067 methodologies while allowing producers and industrial facilities the flexibility to use a carbon accounting model that best fits their internal processes.

ENERGY TRANSITION

Oxy was the only U.S.-based energy producer to join a group of multi-national energy companies who jointly developed and agreed upon six Energy Transition Principles and who support incentives that encourage the transition to a net-zero economy. We believe this transition will occur more quickly by deploying DAC and other CCUS technologies at scale.

The six Energy Transition Principles are:

- **Public Support for the Goals of the Paris Agreement:** publicly support the goals of the Paris Agreement, including international cooperation as a vehicle to ensure these goals can be achieved at the lowest overall cost to the economy.
- **Industry Decarbonization:** in line with each company's individual strategy, ambitions and aims, work to reduce emissions from their own operations and strive to reduce emissions from use of energy, together with customers and society. Companies may measure their contributions using carbon intensity and/or absolute metrics at different points in the value chain as determined by their approach.
- **Energy System Collaboration:** collaborate with interested stakeholders, including energy users, investors and governments, to develop and promote approaches to reduce emissions from use of energy, in support of countries delivering their Nationally Determined Contributions (NDCs) towards achieving the goals of the Paris Agreement.
- **Development of Carbon Sinks:** continue to support and promote development of emissions sinks, such as CCUS technology and natural sinks.
- **Transparency:** provide disclosure related to climate change risks and opportunities consistent with the aims of the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).
- **Industry and Trade Associations:** report information about their memberships of main industry and trade associations and their alignment with the companies’ key climate advocacy and policy positions.

TARGETED POLICIES

**Flaring:** We believe that the routine flaring of natural gas represents a gap in the value chain that must be filled through targeted infrastructure to convey natural gas from field locations to transmission pipelines or gas processing plants or expanded beneficial use of field gas for operational purposes, such as reinjection for gas lift or pressure maintenance, compression into a compressed natural gas fuel, or on-site power generation. We were the first U.S. company to join the World Bank's pledge to achieve [Zero Routine Flaring](#) by 2030. We also support regulations, like those in Colorado and New Mexico, that encourage infrastructure design and development that eliminate or reduce the need for flaring of natural gas.

**Methane Regulation:** Methane is a greenhouse gas that should be regulated. While we believe that voluntary efforts, including the EPA's Natural Gas STAR program, the Global Methane Initiative and The Environmental Partnership (TEP), help achieve significant reductions in methane emissions by sharing best management practices, regulations create a baseline to consistently control emissions. Our industry can help regulators by sharing data and operating information so that effective regulations are promulgated that ensure producers and their customers, such as utilities, refineries and industrial facilities, use the vast majority of methane for beneficial uses and reduce unnecessary emissions. We supported the efforts by the U.S. Congress in 2021 to restore federal methane regulations under the Congressional Review Act and submitted a comment letter to the U.S. Environmental Protection Agency (EPA) supporting and offering constructive input on its proposed framework for additional methane regulation.

COLLECTIVE CLIMATE ADVOCACY

From time to time, Oxy joins with environmental, business and labor groups, other non-governmental organizations (NGOs) and other companies to advocate for climate policies aimed at achieving the goals of the Paris Agreement. In addition to the Energy Transition Principles that Oxy endorsed with

other leading energy companies (see above), Oxy is a member of the Carbon Capture Coalition and the Carbon Utilization Research Council, organizations focused on policies that support the development and deployment of DAC and other CCUS technologies, as well as other organizations that support broader climate policies consistent with our climate positions. National efforts including the U.S.-UAE Partnership to Accelerate Transition to Clean Energy (PACE) are also important opportunities to implement policies that enable net zero. Where the positions held by the associations, coalitions and other organizations with which we participate differ from our own, we offer our views and engage in constructive conversations to encourage those organizations to incorporate or reflect our views. For further detail on the associations, coalitions and other organizations with which we participate and their related positions or public statements on climate change, please refer to our [Climate Advocacy and Engagement](#).

TRANSPARENCY

Transparent approaches to emissions and negative emissions accounting, robust lifecycle analyses, public reporting and external verification are important to maintain public trust, as are the transparency of GHG accounting systems, and the implementation of Article 6 of the Paris Agreement. Since 2018, Oxy has published a report on climate-related risks and opportunities informed by the recommendations of the TCFD and supports TCFD-aligned reporting.

GOVERNANCE

The policies and guidelines above have been established by Oxy's management and are overseen by the Sustainability and Shareholder Engagement Committee of Oxy's Board of Directors. They are intended to help ensure alignment with Oxy's corporate strategy and core values.





# OXY'S CLIMATE ADVOCACY AND ENGAGEMENT

AS OF NOVEMBER 2022

Oxy recognizes the significant challenge that climate change poses to our society and is fully committed to be part of the solution.

## ORGANIZATIONS

AMERICAN CHEMISTRY COUNCIL (ACC)

AMERICAN PETROLEUM INSTITUTE (API)

CARBON CAPTURE COALITION

CARBON UTILIZATION RESEARCH COUNCIL (CURC)

OIL AND GAS CLIMATE INITIATIVE (OGCI)

U.S. CHAMBER OF COMMERCE

We believe that public policy is a critical tool to catalyze the deployment of state-of-the-art technologies needed to address the urgency and scale of climate change. To that end, we advocate and engage on a range of climate issues individually and through trade associations, coalitions, environmental organizations, and other groups of which we are members. Our aim with these organizations is to promote positive engagement with policymakers and other interested stakeholders to achieve durable public policy measures that reduce greenhouse gas emissions, support community welfare, and safeguard human health and the environment.

Our climate positions are generally consistent with the positions held by the associations, coalitions

and other organizations with which we participate and that are listed below. While Oxy does not control, and may not always agree with, positions taken by trade associations, coalitions and other organizations of which we are a member, we believe membership is important in order to engage other companies and industry experts in discussing industry practices and standards across a wide breadth of issues, including, but not limited to, climate-related standards and policies. We are committed to sharing our views and positions with the organizations of which we are members. Where positions differ, we encourage those organizations to incorporate or reflect our views and inform key stakeholders, including policymakers, of our positions. The positions of the organizations stated

below, and our assessment of consistency with our climate policy positions, are summarized as of November 2022 and are subject to change.

We routinely compare our views with the positions of associations and coalitions in which we participate and take action, including expanding our participation or, conversely, terminating our membership, where appropriate.

Oxy's policies and guidelines relating to climate advocacy and engagement - including related trade association and coalition memberships - have been established by Oxy's management and are overseen by the Sustainability and Shareholder Engagement Committee of Oxy's Board of Directors.





OXY’S CLIMATE ADVOCACY AND ENGAGEMENT

ASSOCIATION, COALITION OR OTHER ORGANIZATION	ALIGNMENT	ORGANIZATION’S POSITIONS OR PUBLIC STATEMENTS ON CLIMATE CHANGE
American Chemistry Council (ACC)	Generally Consistent	<p>Chemistry is a crucial element in enabling the energy transition and combating climate change. To combat negative impacts on climate, the chemical industry will need to work together to develop effective solutions that will reduce GHG emissions.</p> <p>American chemistry is taking action to address climate change. First and foremost, industry is exploring, developing, and deploying new technologies to reduce our own emissions. These include carbon capture, utilization and storage (CCUS); lower-emission hydrogen, steam, and electricity; the use of biomaterials and circular feedstocks instead of virgin materials; cracker electrification; and industrial energy efficiency programs.</p> <p>As Congress develops policies to address climate change, the ACC has developed a set of policy recommendations to enable dramatic reductions in GHG emissions while preserving U.S. chemical industry competitiveness.</p> <p>To support climate progress, ACC calls on Congress to enact legislation to:</p> <ul style="list-style-type: none"><li>• Increase government investment and scientific resources to develop and deploy low emissions technologies in the manufacturing sector;</li><li>• Adopt transparent, predictable, technology- and revenue-neutral, market-based, economy-wide carbon price signals; and</li><li>• Encourage adoption of emissions-avoiding solutions and technologies throughout the economy to achieve significant emissions savings.</li></ul> <p><a href="#">Learn more</a> about ACC’s official policy position on climate change.</p>





OXY’S CLIMATE ADVOCACY AND ENGAGEMENT

ASSOCIATION, COALITION OR OTHER ORGANIZATION	ALIGNMENT	ORGANIZATION’S POSITIONS OR PUBLIC STATEMENTS ON CLIMATE CHANGE
American Petroleum Institute (API)	Generally Consistent	<p>API shares with global leaders the goal of reduced emissions across the broader economy and, specifically, those from energy production, transportation and use by society. To achieve meaningful emissions reductions that meet the climate challenge, it will take a combination of policies, innovation, industry initiatives and a partnership of government and economic sectors. The objective is large enough that no single approach can achieve it. API’s Climate Framework consists of five industry actions:</p> <ol style="list-style-type: none"><li><b>Accelerate technology and innovation</b> to reduce emissions while meeting growing energy needs<ul style="list-style-type: none"><li>Advocate for federal funding for low-carbon RD&amp;D</li><li>Fast-track the commercial deployment of carbon capture, utilization and storage (CCUS)</li><li>Advance hydrogen technology, innovation, and infrastructure</li></ul></li><li><b>Further mitigate emissions from operations<sup>(1)</sup></b> to advance additional environmental progress<ul style="list-style-type: none"><li>Advance direct regulation of methane from new and existing sources</li><li>Develop methane detection technologies</li><li>Promote reductions in refinery GHG emissions and mitigate upstream flaring emissions</li></ul></li><li><b>Endorse a carbon price policy<sup>(2)</sup></b> by government to drive economywide, market-based solutions<ul style="list-style-type: none"><li>Potential approach would price carbon dioxide emissions across the economy</li><li>Support policies that provide transparency for consumers</li><li>Minimize duplicative regulations and help maintain U.S. competitiveness</li><li>Avoid carbon leakage and integrate with global carbon markets, while focusing on net emissions</li></ul></li><li><b>Advance cleaner fuels</b> to provide lower-carbon choices for consumers<ul style="list-style-type: none"><li>Develop markets for differentiated U.S. natural gas</li><li>Support policies to advance lower-carbon electricity</li><li>Reduce lifecycle emissions in the transportation sector</li></ul></li><li><b>Drive climate reporting</b> to provide consistency and transparency<ul style="list-style-type: none"><li>Expand use of ESG reporting guidance for the natural gas &amp; oil industry</li><li>Report comparable climate-related indicators in new template</li><li>Build on the API compendium of greenhouse gas emissions methodologies for the natural gas and oil industry</li></ul></li></ol> <p><a href="#">Learn more</a> about the API’s Climate Action Framework.</p>

<sup>(1)</sup> Oxy is a member of [The Environmental Partnership](#) (TEP). TEP is committed to the continued improvement of the oil and gas industry's environmental performance and the reduction of methane and other greenhouse gases in operations.

<sup>(2)</sup> Oxy believes that, while a variety of policies can enable emissions reductions to achieve the aims of the Paris Agreement, a market-based mechanism should complement a functional regulatory framework. We are focused on the design of proposed policies seeking to ensure technological solutions, like carbon capture, removal, utilization, and storage, are included and adequate measures to ensure the rapid deployment of these technologies are addressed. We also believe that any approach for establishing a carbon price should be developed in collaboration with interested stakeholders and revenue raised should be invested in technologies to eliminate and reduce emissions. Please see [Oxy's Positions on Climate-Related Policies](#).





OXY’S CLIMATE ADVOCACY AND ENGAGEMENT

ASSOCIATION, COALITION OR OTHER ORGANIZATION	ALIGNMENT	ORGANIZATION’S POSITIONS OR PUBLIC STATEMENTS ON CLIMATE CHANGE
Carbon Capture Coalition	Generally Consistent	<p>Members of the Carbon Capture Coalition work together to achieve a common goal: economywide deployment of carbon capture, removal, transport, utilization, and storage. The mission of the Coalition is to reduce carbon emissions to meet midcentury climate goals, foster domestic energy and industrial production, and support a high-wage jobs base through widespread adoption of carbon capture technologies.</p> <p>The Coalition supports the mission by advancing a comprehensive agenda of federal policies and actions that will accelerate deployment of:</p> <ul style="list-style-type: none"><li>• Capture of carbon dioxide (CO<sub>2</sub>) and carbon monoxide (CO) from power plants and industrial facilities.</li><li>• Carbon removal technologies, including DAC, bioenergy with carbon capture and storage and other advanced technologies that remove CO<sub>2</sub> already in the atmosphere.</li><li>• Transport infrastructure to carry CO<sub>2</sub> from where it is captured to where it can be geologically stored or put to beneficial use.</li><li>• Utilization of captured CO<sub>2</sub> and CO to produce low-carbon fuels, chemicals, materials, and other useful products.</li><li>• Storage of CO<sub>2</sub> in secure geologic reservoirs, such as saline geologic formations and oil and gas fields.</li></ul> <p><a href="#">Learn more</a> about federal policy actions the Carbon Capture Coalition supports.</p>
Carbon Utilization Research Council (CURC)	Generally Consistent	<p>The Carbon Utilization Research Council recognizes that carbon capture (CCUS) is an ecosystem of several distinct processes, all of which are critical to reduce emissions. According to international and domestic climate authorities, substantial deployment of CCUS technologies is required to meet global emissions reduction objectives in the electric power and industrial sectors. CCUS is also necessary to produce low-carbon fuels and will help to maintain and create good-paying jobs. Any policy designed to reduce GHG emissions gases must:</p> <ul style="list-style-type: none"><li>• Recognize the need for CCUS and provide for a robust and complementary set of incentives to develop and deploy cost-effective CCUS technologies.</li><li>• Ensure energy consumers continue to have access to secure, low-cost, and accessible forms of energy.</li><li>• Have a clear and harmonized set of requirements and incentives needed to support CCUS infrastructure, including CO<sub>2</sub> transport and storage.</li><li>• Provide the additional policy support required to expand regional geological characterization, collect and analyze data, address regional monitoring, permitting, and policy challenges, and assure environmental integrity in storage projects.</li></ul> <p><a href="#">Learn more</a> about CURC’s vision for technology to meet emissions reduction objectives.</p>





OXY’S CLIMATE ADVOCACY AND ENGAGEMENT

ASSOCIATION, COALITION OR OTHER ORGANIZATION	ALIGNMENT	ORGANIZATION’S POSITIONS OR PUBLIC STATEMENTS ON CLIMATE CHANGE
Oil and Gas Climate Initiative (OGCI)	Generally Consistent	<p>OGCI member companies work individually and collectively to accelerate action towards a net zero emissions future. A condition of membership is company support for the Paris Agreement. OGCI has developed a set of principles and a strategy to guide our action. The principles are as follows:</p> <ul style="list-style-type: none"><li>• Accelerate action towards a net zero emissions future consistent with the Paris Agreement.</li><li>• Reduce the methane and CO<sub>2</sub> intensity of our operations towards net zero.</li><li>• Strive to reach near zero methane emissions and zero routine flaring from operated oil and gas assets by 2030.</li><li>• Work proactively with the entire oil and gas industry towards net zero operations.</li><li>• Act to help decarbonize society by supporting and implementing a wide range of low carbon solutions.</li><li>• Publish accurate, consistent, and transparent data, backed by third-party review.</li><li>• Support government policies that consider a value for carbon, explicitly or implicitly.</li><li>• Support the implementation of regulations tackling methane emissions.</li><li>• Engage responsibly with stakeholders and foster candid and constructive dialogue.</li><li>• Invest in and support OGCI Climate Investments’ \$1bn+ fund over a 10-year period.</li></ul> <p><a href="#">Learn more</a> about OGCI’s strategy and principles.</p>
U.S. Chamber of Commerce	Generally Consistent	<p>The climate is changing and humans are contributing to these changes. The Chamber believes that there is much common ground on which all sides of this discussion could come together to address climate change with policies that are practical, flexible, predictable, and durable. The Chamber believes in a policy approach that acknowledges the costs of action and inaction and the competitiveness of the U.S. economy.</p> <p>The Chamber believes that an effective climate policy should:</p> <ul style="list-style-type: none"><li>▪ <b>Support a market-based approach to accelerate GHG emissions reductions across the U.S. economy:</b> The Chamber believes that durable climate policy must be made by Congress, and that it should encourage innovation and investment to ensure significant emissions reductions, while avoiding economic harm for businesses, consumers and disadvantaged communities. This policy should include well designed market mechanisms that are transparent and not distorted by overlapping regulations. U.S. climate policy should recognize the urgent need for action, while maintaining the national and international competitiveness of U.S. industry and ensuring consistency with free enterprise and free trade principles.</li><li>▪ <b>Leverage the power of business:</b> It will be largely up to the business community to develop, finance, build, and operate the solutions needed to power economic growth worldwide, mitigate greenhouse gas emissions, and build resilient, lower-carbon infrastructure. Thousands of businesses already are taking action in their own operations and along their value chains by investing in technology solutions and enhancing their efficiency.</li></ul>

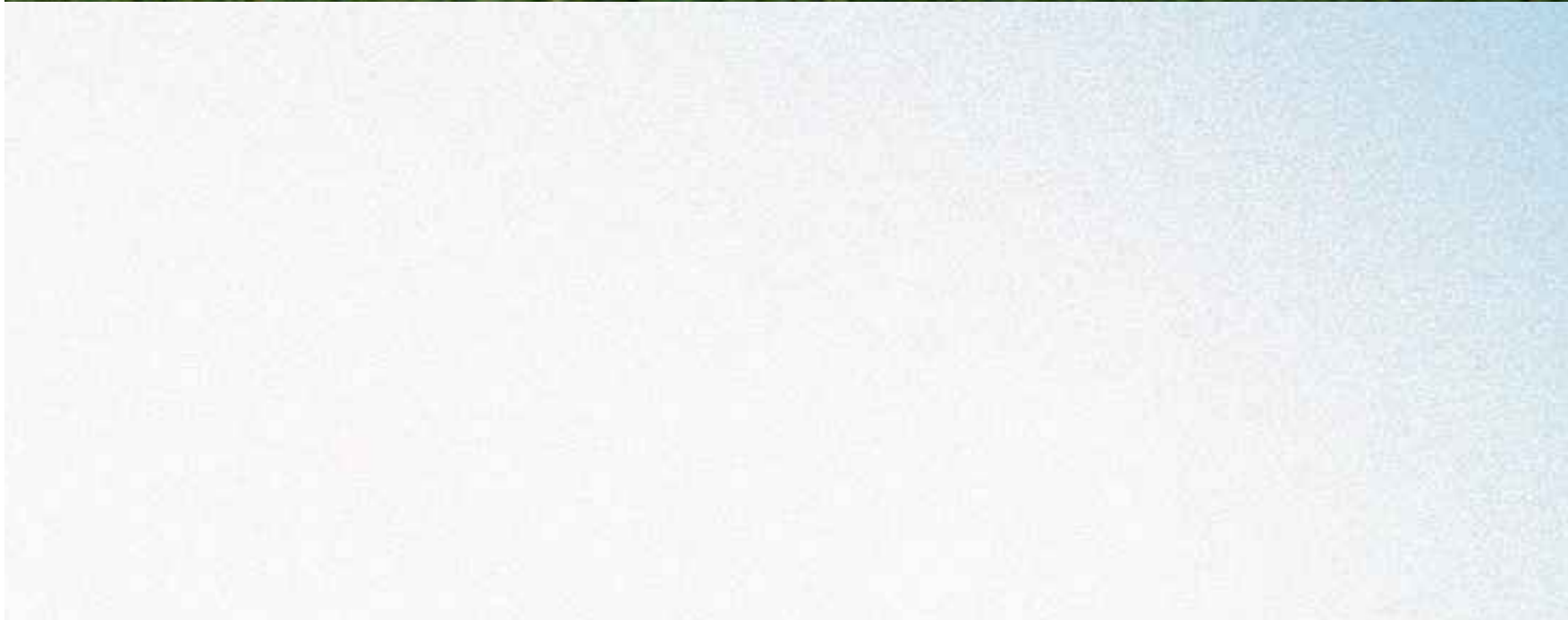




OXY’S CLIMATE ADVOCACY AND ENGAGEMENT

ASSOCIATION, COALITION OR OTHER ORGANIZATION	ALIGNMENT	ORGANIZATION’S POSITIONS OR PUBLIC STATEMENTS ON CLIMATE CHANGE
U.S. Chamber of Commerce (Cont.)	Generally Consistent	<ul style="list-style-type: none"><li>▪ <b>Maintain U.S. leadership in climate science:</b> Climate policy should be informed by the best science and observations available. The U.S. should continue to be the world leader in climate change science and the major sponsor of the research used in multi-lateral scientific forums.</li><li>▪ <b>Aggressively pursue greater energy efficiency:</b> Improving energy efficiency on both the supply and demand sides can bring almost immediate benefits to business operations and the environment.</li><li>▪ <b>Promote climate resilient infrastructure:</b> Adaptation and resilience is critical to minimizing the risk and impacts of climate change. Business is ready to design and build the resilient, low-carbon infrastructure of the future.</li><li>▪ <b>Support trade in U.S. technologies and products:</b> Demand for advanced technologies will offer opportunities for growing exports of American technologies, products, and services. Technology cooperation, public-private partnerships, innovative financing, and capacity building are necessary for facilitating commerce in climate solutions stamped “Made in the USA.” Trade rules should protect intellectual property.</li><li>▪ <b>Encourage international cooperation:</b> The United Nations Framework Convention on Climate Change’s (UNFCCC) Paris Agreement established a comprehensive framework for international action. Greater collaboration between governments and businesses is essential to build the best models to tackle climate challenges, which is why the Chamber supports U.S. participation in the Paris Agreement. The Chamber is an official UNFCCC observer, and it will continue to work with its overseas business partners to pursue a formal channel to push for greater business input to the UNFCCC. Business must be at the table to be part of the solution.</li><li>▪ <b>Inaction is not an option:</b> We call on policymakers to seize on an approach that rises to the challenge of climate change, leveraging business leadership and expertise, America’s energy edge and our ability to innovate.</li></ul> <p><a href="#">Learn more</a> about the U.S. Chamber’s approach to climate change.</p>





Governance	Policy Positions, Advocacy & Engagement	Strategy	Integrated Risk Management	Metrics & Targets	Appendices	20
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STAKEHOLDER ENGAGEMENT

Oxy builds trust through regular and transparent communication and engagement with stakeholders including our shareholders, employees, leaders in the communities in which we operate, policy makers, environmental organizations, and our business partners. Our goal is to understand and proactively address issues to develop beneficial outcomes. The Board’s independent directors regularly meet with shareholders to hear their views on Oxy’s climate strategy, among other topics. We look forward to continuing this dialogue on emissions and climate-related risks and opportunities.

Oxy President and CEO Vicki Hollub and other executives are visible leaders in climate-related forums promoting the essential role of energy producers like Oxy in reducing global GHG emissions and achieving the goals of the Paris Agreement, while ensuring a robust and reliable supply of energy and essential products.

Oxy is a member of the Oil and Gas Climate Initiative (OGCI) , a voluntary CEO-led initiative of 12 major international oil, gas and energy companies taking actions to mitigate climate change. OGCI members continue to leverage their collective strength to lower carbon footprints of energy, manufacturing and transportation value chains via engagements, policies, investments and deployment. Two key examples of OGCI’s work are: the Aiming for Zero Methane Emissions initiative that has garnered endorsements across the industry; and OGCI’s Climate Investment Fund. Oxy executives hold several

leadership positions within OGCI, including Ms. Hollub on the CEO Steering Committee and Richard Jackson, President, U.S. Onshore Resources and Carbon Management, Operations, on the Board of OGCI’s Climate Investments Fund. Since its formation in 2017, the fund has invested in 23 entities developing innovative technologies to detect, capture, recycle, beneficially use and sequester GHG emissions. To date, these entities have achieved a cumulative impact of over 30 million metric tons of CO<sub>2</sub>e in emissions reduction. Annual reductions related to these efforts exceed 15 million metric tons of CO<sub>2</sub>e. The Climate Investment Fund’s latest report can be accessed [here](#).

Ms. Hollub, members of Oxy’s Board of Directors and representatives of investor relations and the environmental and sustainability team regularly engage with stakeholders on ESG matters and opportunities pertinent to Oxy, including our carbon management strategy and the policies, technologies and market mechanisms that advance our net-zero goals and those of a wide range of other industry sectors.

Ms. Hollub is a member of the World Economic Forum, where she is chair of the Forum’s Oil and Gas Community. The Forum engages political, business, cultural and other leaders of society to shape global, regional and industry agendas. Oxy is a signatory to the [Forum’s Stakeholder Capitalism Metrics](#) as well as the Forum’s pledges to develop sustainable aviation fuels and reduce maritime emissions.





OXY PRESIDENT AND CEO VICKI HOLLUB AT ADIPEC 2022

HIGHLIGHTS OF RECENT EXECUTIVE ENGAGEMENT

- **In December 2021, Ms. Hollub** was a keynote speaker at the World Petroleum Congress plenary session on "Building Partnerships," where she highlighted how Oxy is working with vendors and partners to develop and build our DAC and CCUS projects.
- **In March 2022,** the Low Carbon Ventures Investor Update provided detailed progress on Oxy's net-zero strategy, focusing on technology, commercialization, capitalization and development of low-carbon CCUS technologies such as DAC, Point-Source Capture and Sequestration Hubs.
- **In March 2022, Ms. Hollub** held a fireside chat at CERAWeek on the "New Business Strategies for Net Zero" panel. **Mr. Jackson** participated on a panel discussing the growing support for carbon removals. **Dr. Robert Zeller, Vice President of Technology for OLCV,** also presented that week, discussing DAC technology in his feature talk titled "Direct Air Capture: What will it take to scale up enough?"
- **In March 2022, Ms. Hollub** spoke at IPIECA Week in Houston on Oxy's Pathway to Net Zero, the policy support needed to accelerate carbon capture, and how Oxy is focusing on reducing methane emissions.
- **In May 2022, Ms. Hollub** attended the World Economic Forum Annual Meeting in Davos, Switzerland, where she stressed the importance of CCUS's place in the energy transition on a panel titled "Energy Outlook: Overcoming the Crisis."
- **In June 2022, Ms. Hollub** spoke at The Global Carbon, Capture and Storage Institute's 10th Annual DC Forum on CCS. She discussed Oxy's focus on DAC, as well Oxy's plans to help other industries achieve decarbonization.
- **In July 2022, Ms. Hollub** participated in the Sustainability Summit's fireside chat at SEMICON-V in San Francisco, California.
- **In September 2022, Ms. Hollub** participated in the International Emissions Trading Association's (IETA) NY Climate Week CEO Roundtable - "What Does Climate Leadership Look Like in 2022?" discussing the U.S. Inflation Reduction Act and what this means for business operations and investments.
- **In September 2022, Ms. Hollub** spoke on the CEO panel at the Denver Museum of Nature and Science - "Colorado Business Roundtable: View from the Top 2022."
- **In October 2022, Ms. Hollub** spoke at the Annual Technical Conference and Exhibition of the Society of Petroleum Engineers' Opening General Session - "Sustainable Recovery - Transforming the Industry for the Future" on how the energy industry can transform itself and bolster the global economy.
- **In October 2022, Ms. Hollub** spoke at the Energy Intelligence Forum in London on low-carbon oil and the importance of incentives to develop DAC technology, as well as a Breakfast Briefing hosted by OGCI on emissions reduction entitled "Why we are aiming for zero: OGCI perspectives on the methane emissions challenge."
- **In October 2022, Ms. Hollub** attended Abu Dhabi International Petroleum Exhibition and Conference (ADIPEC) in Abu Dhabi, United Arab Emirates, where she spoke on the ADIPEC Strategic Panel and addressed the need for countries to focus on delivering low carbon intensity energy through the transition to meet global demand and highlighted the success of our partnerships in the Middle East.
- **In November 2022, Ms. Hollub** spoke at COP27 on a panel titled "Reimagining Global Energy Markets for a Zero-Carbon Future" where she discussed how to decarbonize global energy markets.
- **In November 2022, Ms. Hollub** was interviewed by Fortune CEO Alan Murray at Fortune's Impact Initiative 2022 - Realizing The Energy Transition, where she discussed DAC and the key role of the oil and gas industry in advancing the transition to a net-zero economy.
- **In November 2022, Ms. Hollub** was a keynote speaker on low-cost energy and the environment and participated in an ESG panel discussion at the 2022 Executive Conference of the Federation of Houston Professional Women.



# STRATEGY

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OPPORTUNITIES IN A NET-ZERO ECONOMY





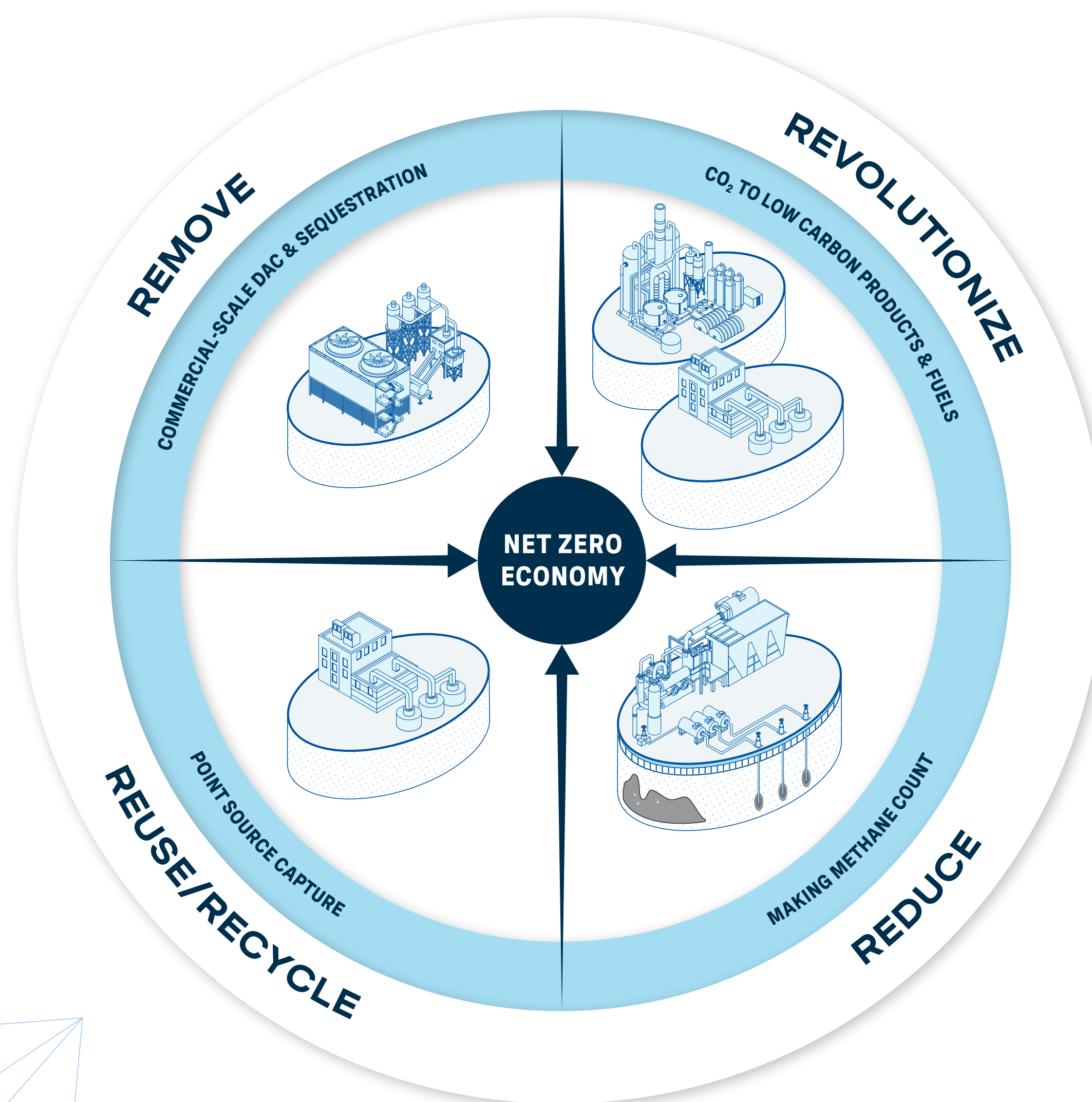


# OPPORTUNITIES IN A NET-ZERO ECONOMY

In our 2021 Climate Report, we detailed the strategies and timelines for our Pathway to Net Zero. This year, we focus on how Oxy is building a portfolio of low-carbon investments that work as a closed-loop system where CO<sub>2</sub> can be captured and sequestered while still ensuring an adequate supply of energy to support industrial and transportation growth.

To meet the goals of the Paris Agreement, the world will see the creation and growth of new industries, while leveraging the knowledge and experience of industries today. Oxy's sustainable business strategy builds upon our strengths as an oil and gas and chemical producer to develop innovative, first-of-a-kind projects as well as repeatable business models that drive efficiency. We have a deep understanding of the geology and geophysics of subsurface formations, drilling and completion of injection wells, the fluid dynamics of CO<sub>2</sub>, operation of critical national infrastructure, and chemical process technology and controls which enables Oxy to be a leader in the net-zero economy.

Oxy's 2022 capital plan includes \$200 to \$400 million for our net-zero initiatives to develop and commercialize new technologies and low-carbon business models. As construction of our DAC plant started in September, we anticipate spending in 2022 will be toward the lower end of this range. This plan includes approximately \$80 million in emissions reduction projects at existing oil and gas, chemical and other midstream operations in 2022, such as retrofitting facilities to reduce CO<sub>2</sub>, methane and other air emissions. More details on project-specific economic modeling can be found in Oxy's Low Carbon Ventures Investor Update from March 2022 and in our earnings call transcript and slides for the third quarter of 2022.







2022 PROGRESS:

- Completed FEED and started site construction activities for DAC-1 in the Permian Basin
- Entered into agreements to provide carbon dioxide removal credits from DAC and to offer future opportunities to supply net-zero oil as markets emerge
- Secured worldwide agreement with Carbon Engineering for deployment and execution of DAC and Air To Fuels™ solutions
- Started pre-FEED activities for a second DAC plant and for Air To Fuels™ technology for a low carbon intensity alternative aviation fuel
- Inflation Reduction Act enhanced value of 45Q tax credits and enables a development planning scenario of up to 100 DAC plants, with up to 135 plants possible by 2035 under a [global net-zero policy support scenario](#)
- Entered into agreements for more than 265,000 net acres of pore space access, primarily in Louisiana and Texas, with a capacity to sequester up to 6 billion metric tons of CO<sub>2</sub> and filed permit applications for multiple Class VI sequestration wells
- Retrofitted or eliminated over 95% of high-bleed pneumatic controllers in our U.S. operations since 2020, and awaiting delivery of equipment to address the remaining devices in 2023
- Approval of closed-loop gas capture technology in New Mexico
- Zero Routine Flaring achieved in U.S. Operations (Rockies, Gulf of Mexico and Permian Basin)

CARBON MANAGEMENT  
BY THE NUMBERS

Oxy’s global leadership in the safe and secure storage of CO<sub>2</sub> is central to our strategy to achieve Net Zero.

A TOP PRODUCER IN THE  
PERMIAN BASIN WITH

2.8 million

NET MINERAL ACRES

CO<sub>2</sub> STORED

Up to 20 million

METRIC TONS STORED ANNUALLY

EXISTING CO<sub>2</sub> INFRASTRUCTURE

13 CO<sub>2</sub>

PROCESSING AND  
RECYCLING PLANTS

2,500 miles

OF CO<sub>2</sub> PIPELINE ACCESS

VERIFICATION

Three U.S. EPA-approved

MONITORING, REPORTING AND VERIFICATION (MRV) PLANS

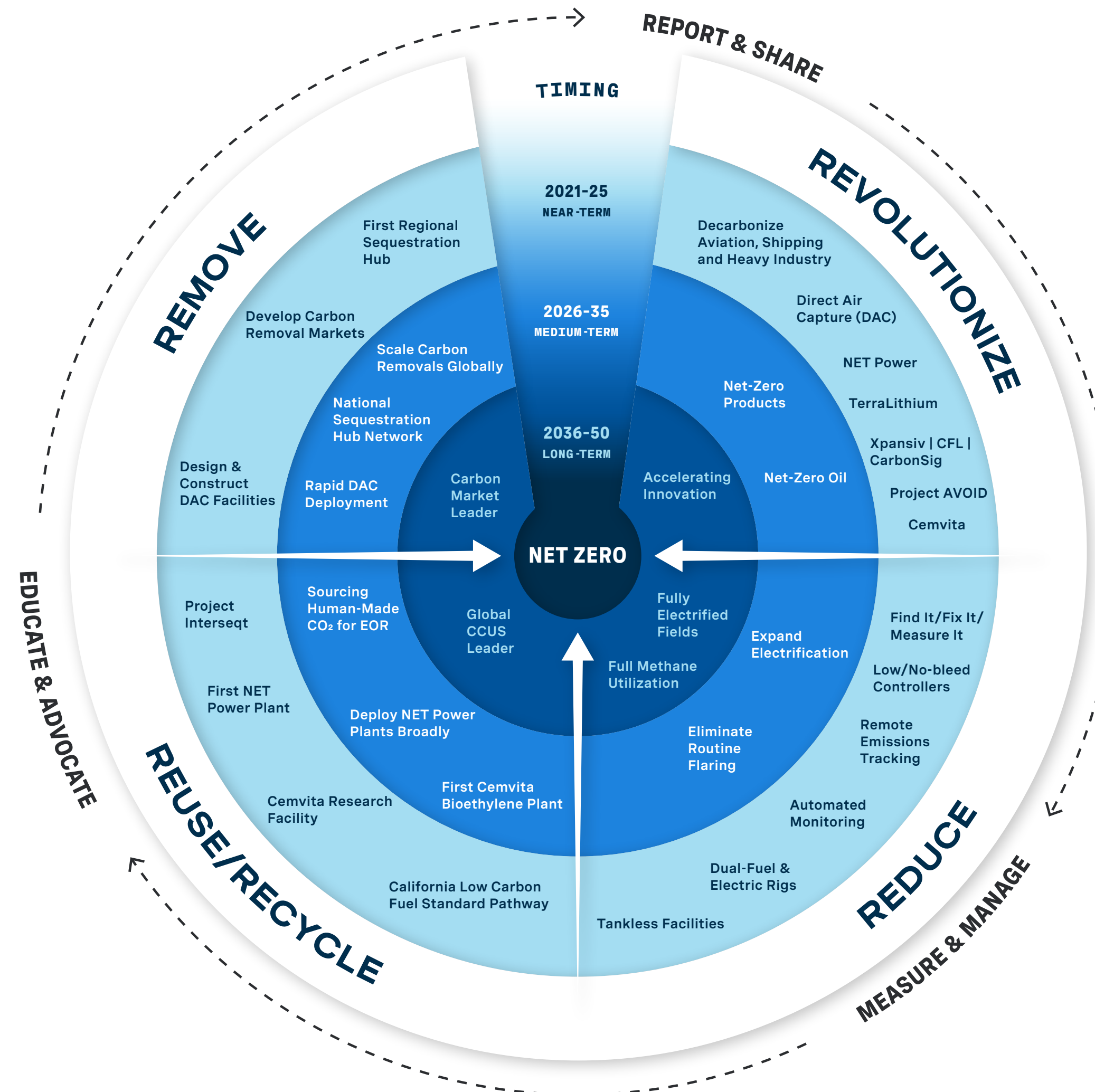
2015: Denver Unit  
2017: Hobbs Field  
2021: West Seminole San Andres Unit





# STRATEGY TO ACHIEVE NET ZERO

Oxy is actively implementing multiple pathways to Net Zero to advance the goals of the Paris Agreement. Our strategy employs four key elements to achieve net-zero emissions in our operations and energy use before 2035 and no later than 2040, and in our total carbon inventory including the use of our products before 2050.



## REVOLUTIONIZE

Revolutionize carbon management by applying our 50+ years of leadership in CO<sub>2</sub> separation, transportation, use, recycling and storage to invest in and deploy leading-edge technologies, and promote collaboration with industry, government and NGOs, using an integrated approach that benefits Oxy's stakeholders and the world

## REDUCE

Reduce emissions across our operations through employee-driven innovation and excellence and state-of-the-art, cost-effective technologies

## REUSE/RECYCLE

Reuse and recycle CO<sub>2</sub> with technologies and partnerships that use captured CO<sub>2</sub> to enhance existing products and produce new low-carbon or zero-emissions products

## REMOVE

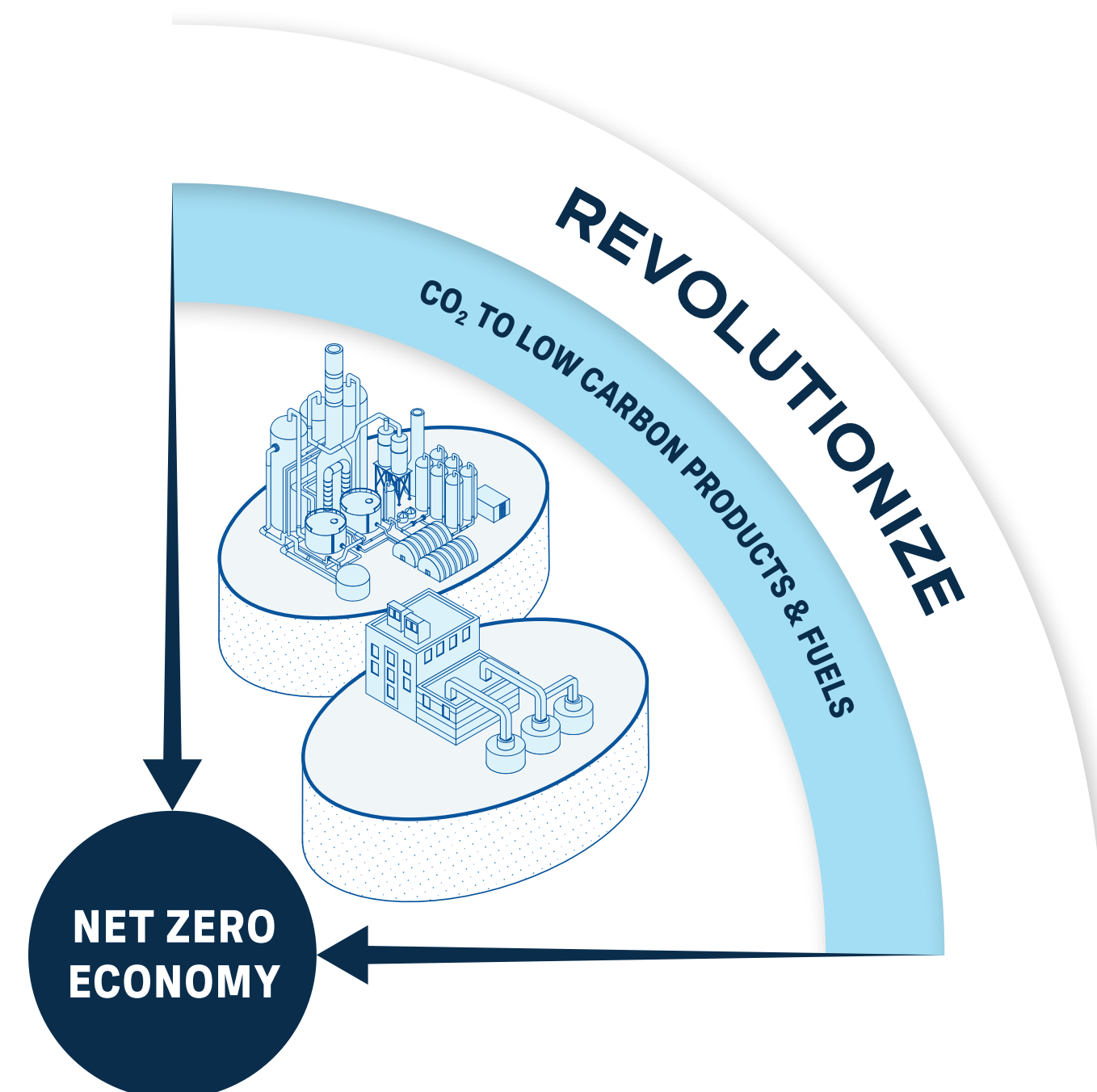
Remove existing CO<sub>2</sub> from the atmosphere in significant amounts for beneficial use and safe, secure sequestration by developing, proving and deploying innovative capture technologies and market mechanisms at commercial scale to further the goals of the Paris Agreement





# REVOLUTIONIZE

Revolutionize carbon management by applying our 50+ years of leadership in CO<sub>2</sub> separation, transportation, use, recycling and storage to invest in and deploy leading-edge technologies, and promote collaboration with industry, government and NGOs, using an integrated approach that benefits Oxy's stakeholders and the world



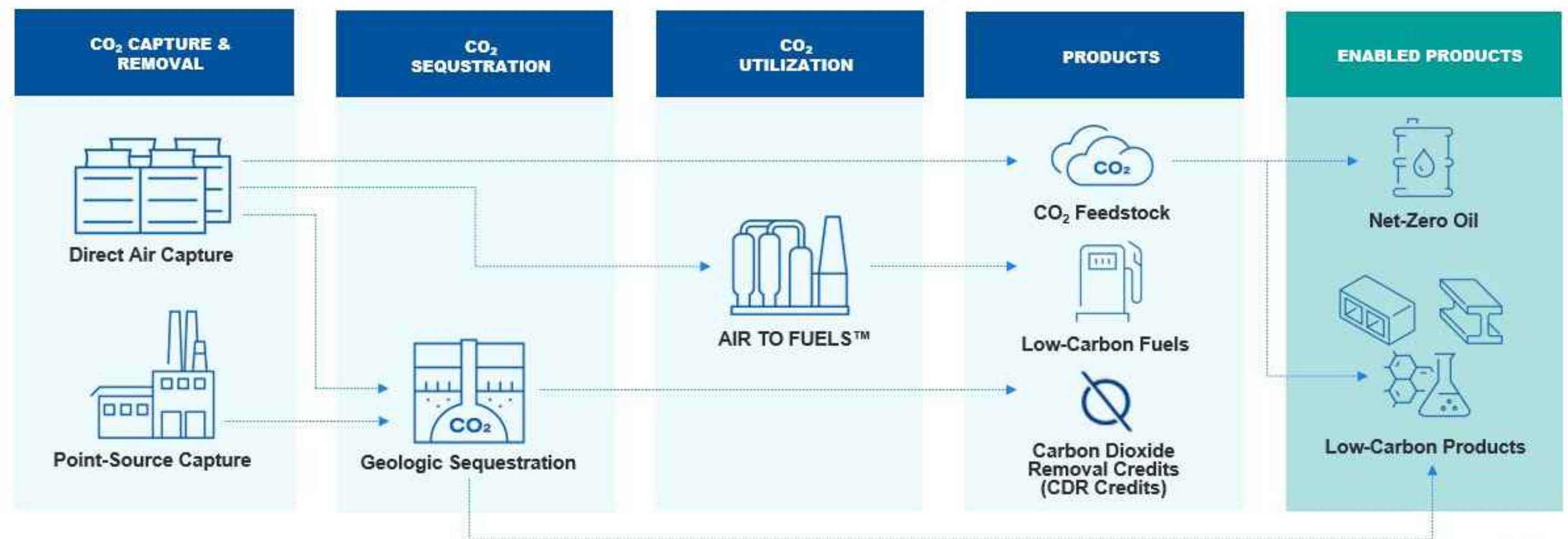
Governance	Policy Positions, Advocacy & Engagement	Strategy	Integrated Risk Management	Metrics & Targets	Appendices	26
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## CO<sub>2</sub> TO LOW-CARBON PRODUCTS AND FUELS

As society progresses toward a net-zero economy, we expect the demand for low-carbon products and solutions to grow rapidly. DAC and Point-Source Capture, along with CO<sub>2</sub> utilization and sequestration, will underpin a suite of low-carbon products such as anthropogenic CO<sub>2</sub> feedstocks, low-carbon fuels and carbon removal credits. These enable the development of products, such as net-zero oil and low-carbon products to supplant those previously produced by heavy industries such as chemicals and cement manufacturing.

Net-zero oil is defined as crude oil combined with negative emissions generated through the removal and secure sequestration of captured atmospheric CO<sub>2</sub> in an EOR reservoir, in an amount equivalent to the CO<sub>2</sub> emissions associated with the complete product lifecycle. In 2022, Oxy and SK Trading International signed an agreement to enable the purchase of up to 200,000 barrels of net-zero oil per year for 5 years to develop net-zero products. In support of the agreement with SK, Oxy would potentially inject and securely store approximately 100,000

metric tons per year of DAC-sourced CO<sub>2</sub> into producing oil and gas formations. This annual quantity is equivalent to the CO<sub>2</sub> emissions from the entire lifecycle (extraction, transportation, storage, shipping, refining and combustion) of the crude oil supplied under this agreement. Net-zero oil, which is compatible with existing refinery infrastructure, can help hard-to-abate industries advance their net-zero commitments by providing an affordable, scalable fuel option that does not contribute to additional atmospheric CO<sub>2</sub>. (Continued on next page)







To achieve Net Zero by 2050, next generation fuels with low carbon intensity will be vital to helping industries that depend on conventional internal combustion engines. CO<sub>2</sub> captured from the air or anthropogenic CO<sub>2</sub> from point sources can be used to make synthetic fuels such as gasoline and even jet fuel, often called Sustainable Aviation Fuel (SAF).

**Carbon Engineering's Air To Fuels™** solution can produce highly scalable synthetic fuels using proven technology. These fuels are drop-in compatible with today's infrastructure and engines, with up to a 90% emissions reduction factor (ERF) when compared to conventional diesel and jet fuels. The process integrates four growing fields – renewable electricity generation, DAC, green hydrogen production, and sustainable fuel synthesis – to deliver a clean fuel solution.

Oxy has selected Worley to provide pre-FEED for the Air To Fuels™ facility. Construction is expected to begin in 2024 in Canada.

Carbon Engineering (CE) recently completed Natural Resources Canada's Sky's the Limit Challenge, where CE successfully used CO<sub>2</sub> sourced from its DAC development center in British Columbia in conjunction with its Air to Fuels™ technology to produce synthetic crude, which was then refined into a low-carbon jet fuel.

OLCV has a license to commercialize and deploy CE's Air to Fuels™ process. For more information on Air To Fuels™ and CE, please see their [website](#).

“THE USE OF SAF IS A PROMISING APPROACH THAT WE BELIEVE CAN SIGNIFICANTLY REDUCE GLOBAL EMISSIONS FROM AVIATION AND FURTHER DECARBONIZATION INITIATIVES TO COMBAT CLIMATE CHANGE.”

– RICHARD JACKSON, PRESIDENT, U.S. ONSHORE RESOURCES AND CARBON MANAGEMENT, OPERATIONS

**Cemvita Factory's Sustainable Aviation Fuel** is another alternative synthetic fuel source. OLCV is a founding investor in Cemvita Factory, which has developed a process using CO<sub>2</sub> and bioengineered microbes to produce a petroleum-free alternative jet fuel. Cemvita is among the first to utilize this process using synthetic biology, in which microbes consume CO<sub>2</sub> and produce useful chemicals or fuels.

In 2022, OLCV partnered with United Airlines Ventures to fund pilot production of this SAF by Cemvita Factory.

### NET POWER

Natural gas is an affordable, reliable fuel. Today, the United States alone has approximately 1,900 natural gas power plants that supply electricity, but without carbon capture they contribute to global CO<sub>2</sub> emissions.

Oxy is an early investor in NET Power, whose technology generates zero-emissions electricity while utilizing and capturing CO<sub>2</sub>. NET Power is the first to decarbonize natural gas power generation, providing zero-emissions power to deliver affordable clean energy. The technology uses the captured CO<sub>2</sub> within its generation process, improving economics and creating reliable, cost-competitive power. NET Power facilities will have a minimal footprint when compared to wind and solar facilities, making them a practical and efficient part of low-carbon power generation. These facilities can be deployed alongside other CO<sub>2</sub> reduction technologies, such as DAC, geologic storage or use in products, to further reduce emissions. With its capacity to produce emissions-free, 24/7 energy, NET Power is expected to be a strong complement to renewables like wind and solar. Power generation with zero emissions, competitive cost and continuous production will be an important part of our low-carbon future.

In November 2021, NET Power's 50MW test facility synchronized with Texas' ERCOT grid for the first time.

In November 2022, Oxy announced plans to utilize clean energy generated by NET Power's first utility scale plant in our Permian oil and gas operations. FEED will begin in early 2023, with construction completion expected in late 2026. The plant will have capacity of 300 MW of clean, dispatchable power, and will produce approximately 860,000 MT of CO<sub>2</sub> per year for saline or EOR sequestration.

### GETTING TO ZERO COALITION - GLOBAL MARITIME FORUM

Oxy is a member of the Getting to Zero Coalition, a partnership formed by the Global Maritime Forum, the Friends of Ocean

Action and the World Economic Forum. This coalition brings together global decision-makers from across the maritime shipping value chain with key stakeholders from the energy sector and from governments with a Call to Action to reduce shipping-related emissions by at least 50% by 2050, and to support industrial scale zero-emissions shipping projects and policy measures to make zero-emissions shipping the default choice by 2030.

Oxy recognizes the challenges associated with reducing emissions in the shipping sector. We believe DAC with sequestration can be a key strategy in meeting these goals.

### PVC AND POTASSIUM HYDROXIDE FOR DIRECT AIR CAPTURE

OxyChem is a world leader in the customized production, handling and usage of polyvinyl chloride, which will be a major component in the construction and ongoing operation of DAC facilities. It is also one of the world's leading producers of potassium hydroxide, the key chemical utilized in CE's DAC process to separate CO<sub>2</sub> for sequestration, carbon-neutral enhanced oil recovery or CO<sub>2</sub> product development.

### 4CPE AUTO REFRIGERANT

OxyChem's Geismar, Louisiana, plant manufactures 4CPe, which is a raw material used in making advanced, low-emissions auto refrigerants. These products have zero ozone-depletion potential and a Global Warming Potential (GWP) of 1 compared to conventional R-134a refrigerant used in the automobile industry, which has a GWP of 1,430. The 4CPe manufacturing process was developed by OxyChem scientists and patented globally.

### TERRALITHIUM

Oxy has invested in TerraLithium, which will use patented technologies like Direct Lithium Extraction, which extracts lithium from geothermal waste brines, and direct lithium hydroxide conversion to produce responsible and cost effective ultra-high purity lithium for the rapidly growing lithium-ion battery market. In 2021, the U.S. Patent Trial and Appeal Board affirmed the validity of 28 claims across two of TerraLithium's patents.

### PROJECT AVOID - AUDIO, VISUAL AND OLFATORY INSPECTION DEVICE

In 2021, Oxy developed a low cost, highly scalable sensor that combines audio, visual and olfactory (AVO) inspection techniques to detect potential emissions at a given location. Throughout 2022, this design was refined to validate accuracy, incorporate image and audio analytics, and provide for intrinsically safe operation. The sensor has been deployed to several locations across Oxy's Onshore Resources and Carbon Management business units which has resulted in further confirmation of the utility, reliability, and scalability of the sensor in various weather conditions.

Oxy is currently preparing for larger-scale deployment across several operated areas and additional work is underway to integrate the data collected from the AVOID sensor into other Oxy operational data sets. The AVOID device enables 24/7 surveillance of remote locations and provides data that goes beyond what is traditionally required during an AVO inspection. We will continue to work with regulators for approval to replace traditional AVO inspections with the AVOID sensor.

### CEMVITA FACTORY

Cemvita has developed technologies for a CO<sub>2</sub> utilization platform that mimics photosynthesis, using CO<sub>2</sub> as feedstock to produce industrial chemicals and polymers. By commercializing these new bioengineered pathways for CO<sub>2</sub>, Cemvita harnesses the power of nature to turn captured CO<sub>2</sub> into a valuable feedstock that can be used to create sustainable products.

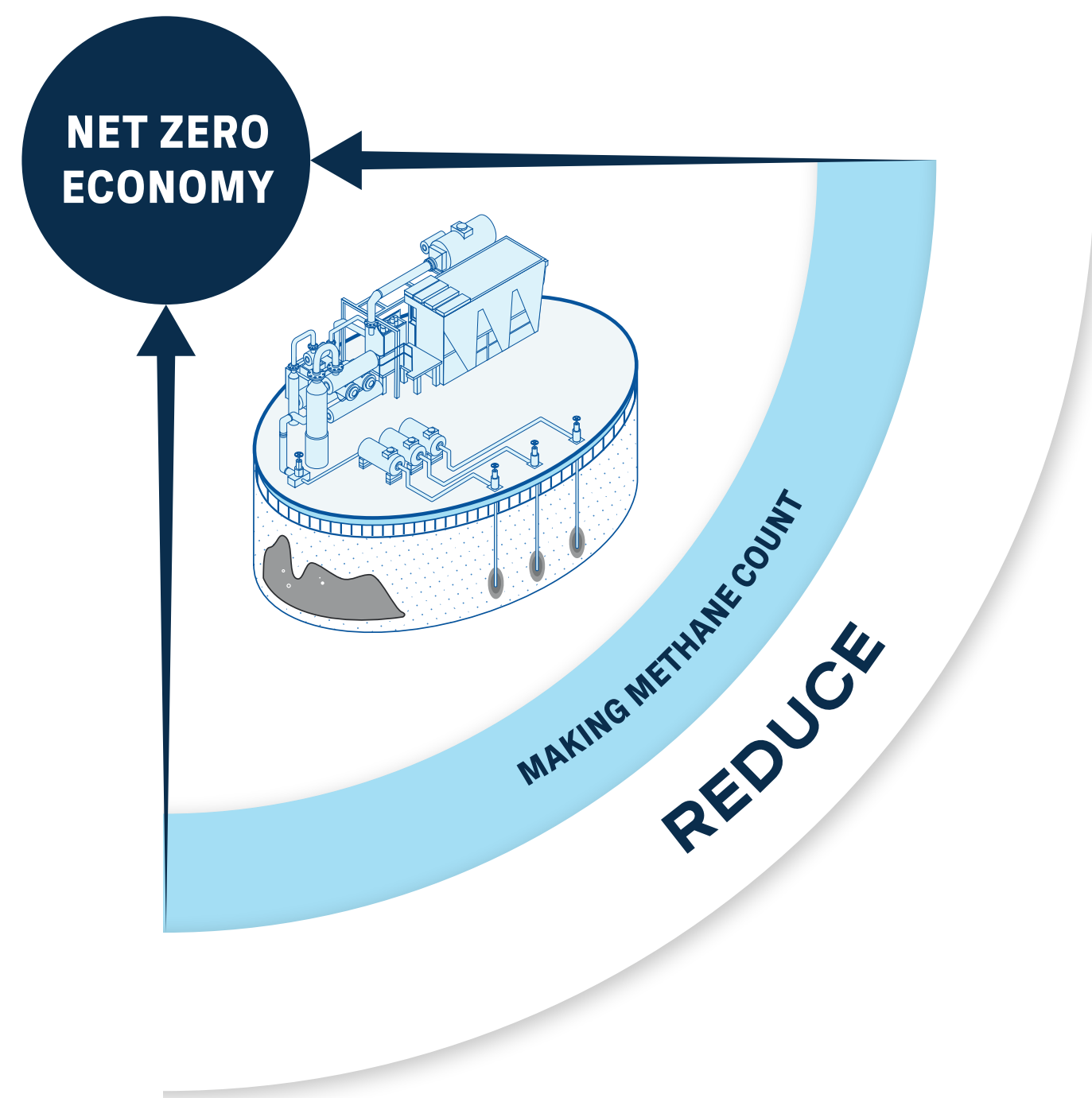
In 2021, Cemvita Factory was the winner of the inaugural GS Beyond Energy Innovation Challenge, which evaluates tech startups addressing the emerging energy transition.





# REDUCE

Reduce emissions across our operations through employee-driven innovation and excellence and state-of-the-art, cost-effective technologies



Oxy is committed to continuously improving operational performance by implementing practices and technologies to reduce our emissions and maximize the use of our natural gas production. Oxy was the first U.S. oil and gas company to endorse the World Bank's initiative for Zero Routine Flaring (ZRF) by 2030. We are implementing a diverse range of projects to capture natural gas that is currently being flared, and use it to boost energy production, maintain field pressure or sell to third parties. We are an active participant in emissions reduction programs propagated through multiple associations including OGCI, the Methane Guiding Principles, Oil & Gas Methane Partnership (OGMP) 2.0 and The Environmental Partnership (TEP).

Through these practices, Oxy achieved ZRF in our Permian Basin operations in 2022, and our Rockies and Gulf of Mexico operations have sustained ZRF since 2020. Our international operations implemented major gas compression and recycling projects in 2022 to significantly reduce flaring, and expect to achieve ZRF well ahead of the World Bank's 2030 target.

## MAKING METHANE COUNT - CLOSED-LOOP GAS CAPTURE FLARE MITIGATION

As Oxy continues to progress toward elimination of routine flaring company-wide, we are also pursuing reduction of non-routine flaring such as during planned maintenance, facility upgrades and third-party plant and pipeline outages.

Closed-loop gas capture is a technique being successfully deployed at Oxy facilities in the Delaware Basin to eliminate flaring during plant and pipeline outages or other temporary operational conditions. Gas is temporarily injected into existing wells instead of flaring gas in instances where shutting in production is not feasible due to surface or subsurface conditions.

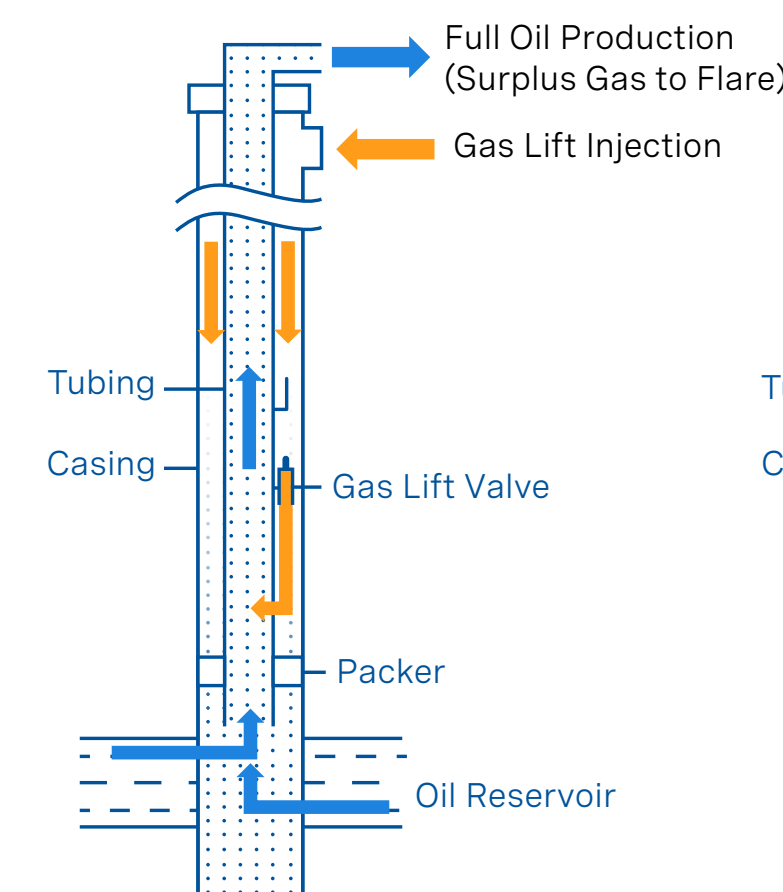
We expect to scale up this innovative gas management technique across our Delaware Basin operations to reduce the need for non-routine flaring. Oxy has received agency approvals for this practice in multiple wells and is submitting additional applications to deploy this solution in Texas and New Mexico. This emissions mitigation technique also complements our installation of tankless facilities which reduce or eliminate oil storage on well pads and route production fluids to central processing facilities.

In 2021, Oxy was recognized by the New Mexico Environment Department (NMED) for endorsing the state Environmental Improvement Board's efforts to reduce flaring through more stringent regulations. These regulations were promoted by a broad coalition of environmental and community groups including the Environmental Defense Fund and the National Park Service. Oxy believes that policies and regulations developed and supported by a consensus of stakeholders who bring different perspectives to the table are more practical and sustainable and can create the best results.

### FLARING MITIGATION DURING TAKEAWAY DOWNTIME

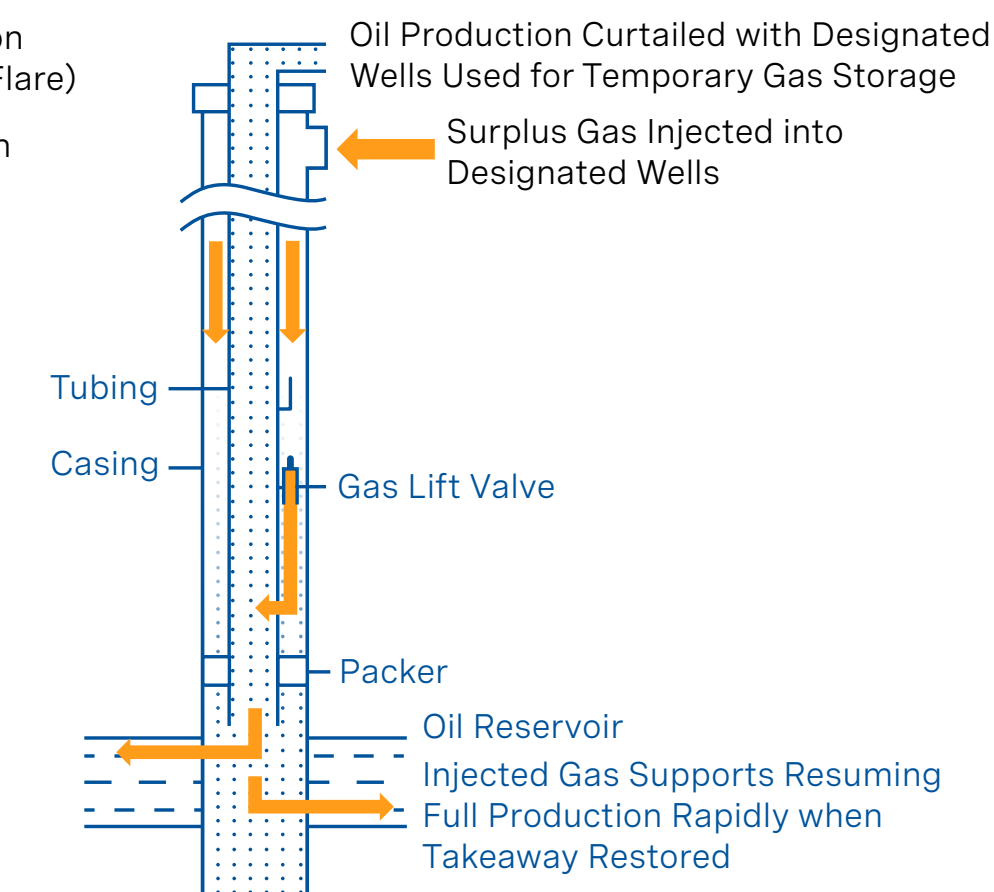
#### TRADITIONAL INDUSTRY APPROACH

Continued Oil Production with Gas Flaring



#### CLOSED-LOOP GAS CAPTURE

Oil Production Deferred and Gas Flaring Avoided







GOLDSMITH 16 MW PV SOLAR

Completed in 2019, Oxy's Goldsmith Solar Plant is a 16 MW photovoltaic solar field and was Texas' first large-scale solar facility that powers oil and gas operations. The Solar Plant directly powers our EOR operations in Goldsmith, and reduces Scope 2 emissions in that area by significantly reducing the need for consumption of power from the electric grid. This project also advances OGC's goal of electrifying operations with renewables where possible.

In 2021, the facility generated 40,447 MWh of electricity, reducing the Goldsmith EOR field's emissions by over 15,000 metric tons of CO<sub>2</sub> compared to electricity purchased from the grid.

INFRARED OGI CAMERAS FOR LEAK DETECTION

Facilities subject to state and federal requirements are surveyed using optical gas imaging (OGI) cameras to monitor emissions. Oxy's operators receive OGI training, which covers the capabilities of the cameras, identifiable gases, camera setup and operation, in-field survey techniques under varying weather conditions, and proper safety practices. Oxy conducts more than 1,000 OGI surveys in our Permian Basin operations annually.

EMISSIONS TECHNOLOGY TEAM

Oxy's Emissions Technology Team is implementing advanced remote emissions monitoring technologies using drones, aircraft and satellites. The technologies help identify, detect, monitor and predict unplanned emissions events, and alert Oxy's operations, maintenance and air quality personnel for rapid action. The Emissions Technology Team is also working with technology providers and data scientists to evaluate improvements to techniques that estimate and measure methane emissions, which is a core component of Oxy's carbon management program.

In 2021, Oxy deployed over 50 Unmanned Aerial Vehicles (UAV), commonly known as drones, at several of our oil and gas production facilities. At our DJ Basin facilities, we use UAVs to survey thousands of wellheads as part of a voluntary initiative to reduce emissions. In the Permian Basin, UAVs help identify emissions from hard-to-access areas of facilities, such as tank hatches. The program enhances safe access to equipment, reduces cost and facilitates early identification of maintenance issues.

This rapidly evolving technology allows us to acquire important operational and environmental data, including detection of emission sources, asset integrity inspection and habitat conservation and restoration. More than 30 Oxy personnel have received Remote Pilot Certificates from the Federal Aviation Administration to operate the drones.

In addition, Oxy has employed aircraft-based methane monitoring solutions across large operated areas. In 2022, Oxy surveyed wellheads, facility and pipeline segments across U.S. operations with fixed-wing aircraft, deploying both broad-coverage campaigns and individual asset surveys.

Internationally, Oxy has leveraged satellite-based methane monitoring programs to provide weekly coverage for Oxy's operations in Oman.

FIND IT | FIX IT | MEASURE IT | PREDICT IT PROGRAM

Oxy's Find It, Fix It, Measure It, Predict It program enlists our key resource - our dedicated operators and maintenance personnel - to identify and fix unplanned emissions. The program includes training, inspection and reporting tools for operations personnel and close coordination with Oxy's Air Quality Team, and leverages reports from on-site and remote-sensing technologies to expedite repairs and minimize emissions.

REDUCED EMISSIONS COMPLETIONS

Oxy implements Reduced Emissions Completions to capture gas at the wellhead during completion and minimize releases to the atmosphere. We also plan our drilling programs and facilities in tandem to deploy the necessary infrastructure in advance of well completion where feasible so that methane and other emissions can be captured and sent to processing facilities and pipelines for sale.

ELIMINATING HIGH-BLEED PNEUMATIC CONTROLLERS

As part of our commitment to TEP, we remain dedicated to reducing methane emissions by retrofitting or replacing high-bleed pneumatic controllers with lower-bleed or non-emitting devices. We have retrofitted or eliminated more than 95% of high-bleed pneumatic controllers in Oxy's U.S. oil and gas operations, and we are awaiting delivery of equipment to address the remaining devices in these operations in 2023.

INSTALLING VAPOR RECOVERY OR VAPOR COMBUSTION UNITS

When designing new facilities and upgrading existing facilities, Oxy seeks to replace flares and vents where feasible and safe with closed systems that route gas to vapor recovery towers or vapor recovery units (VRUs) that capture volatile organic compounds and methane, or to vapor combustion units (VCUs) to combust excess gas when a VRU is unavailable. The installation of VRUs and VCUs is a key element of our efforts to reduce air emissions and flaring. For example, Oxy's New Mexico facilities implemented a closed-loop flowback system with a VRU that captures vapor from flowback fluids directly into the gathering system. This gathering system represents a 60% reduction in CO<sub>2</sub>e flaring emissions compared to a traditional design.

TANKLESS FACILITY DESIGNS

Oxy's designs for new oil and gas facilities in the Permian and DJ Basins use pipelines instead of trucks to transport oil to a central processing facility, eliminating the need for oil storage tanks near wells. These innovative facility designs decrease our environmental footprint by reducing emissions, dust, noise and truck traffic.

COGENERATION, HYDROGEN USE AND INNOVATION AT OXYCHEM

For nearly two decades, natural gas and steam cogeneration has significantly reduced electrical power usage from the grid at OxyChem's facilities and adjacent third-party plants, and enabled Oxy to supply surplus electricity to the grid to serve local and regional communities near some of OxyChem's operations.

OxyChem's Taft, Battleground and Ingleside facilities use hydrogen, a byproduct from the chlor-alkali process, to generate power and reduce its demand for natural gas. Hydrogen substitution has reduced OxyChem's CO<sub>2</sub> emissions by 490,000 MT annually, as well as its GHG intensity.

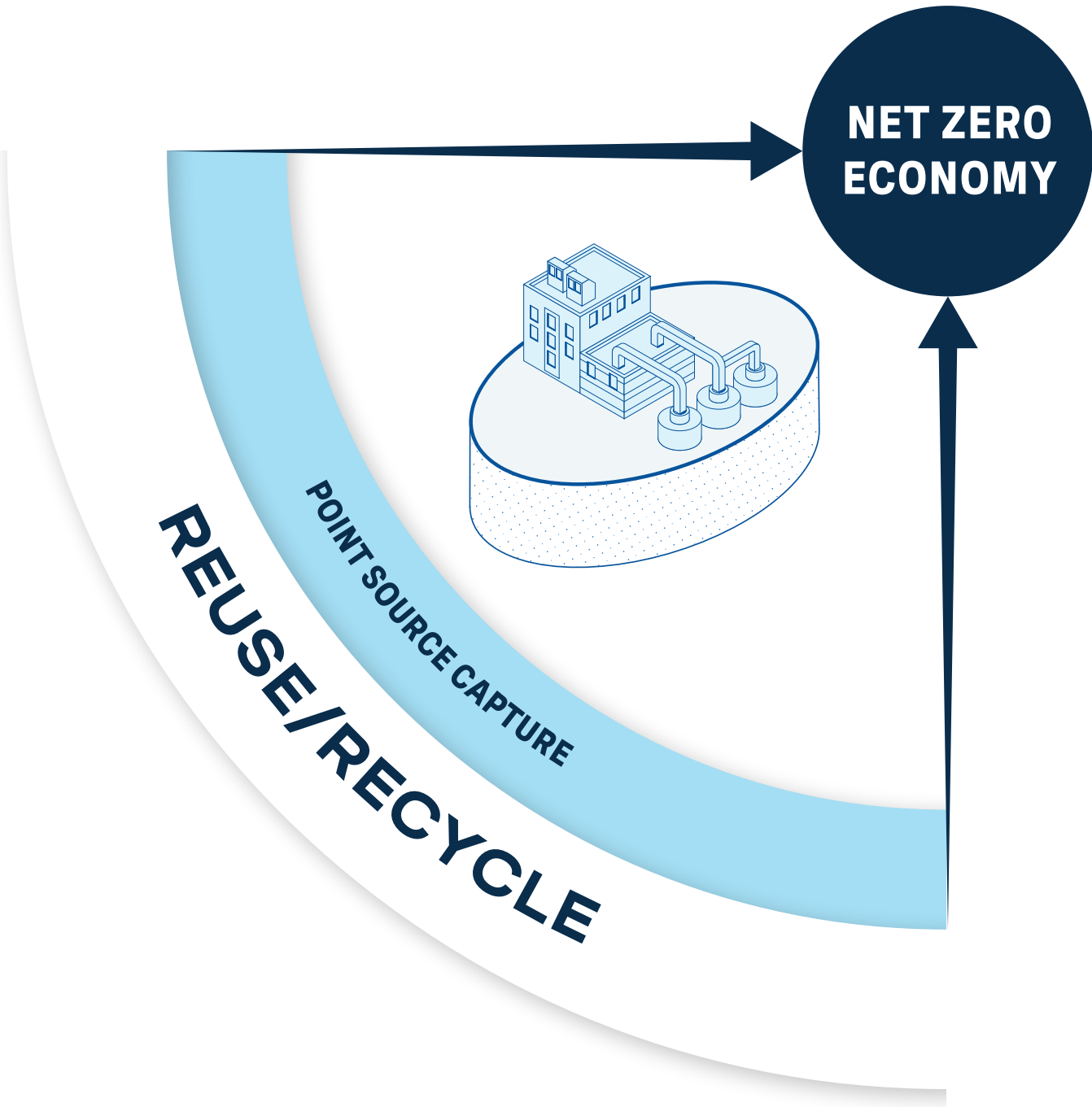
In May 2022, the U.S. Department of Energy honored OxyChem as a Better Practice Award winner, which recognizes companies for innovative and industry-leading accomplishments in energy management. OxyChem received the recognition for incorporating an engineering, training and development program that led to process changes, resulting in energy savings that reduced CO<sub>2</sub> emissions by 7,000 metric tons annually.





# REUSE/RECYCLE

Reuse and recycle CO<sub>2</sub> with technologies and partnerships that use captured CO<sub>2</sub> to enhance existing products and produce new low-carbon or zero-emissions products



## POINT-SOURCE CAPTURE

Point-Source Carbon Capture, Utilization and Sequestration (CCUS) projects are vital to society's ability to reach our common net-zero goals. These projects allow industrial emitters to capture CO<sub>2</sub> and convert it into an array of valuable products, either physical products like hydrocarbons and aggregates, or instruments such as verified carbon dioxide removal credits from sequestration. The OLCV team leverages Oxy's 50+ years of carbon management to engage in a wide range of CCUS project development, as well as advisory services.

- **Ethanol - White Energy and Project Interseqt:** This first-of-its-kind, cross-industry partnership plans to utilize 45Q tax credits to accelerate carbon capture infrastructure development, reduce CO<sub>2</sub> emissions and securely store CO<sub>2</sub> through geologic sequestration. This project is expected to capture up to 700,000 metric tons per year of CO<sub>2</sub> emissions from two of White Energy's ethanol plants in Hereford and Plainview, Texas. Captured CO<sub>2</sub> will then be transported to Oxy's West Seminole EOR field for injection and sequestration. For White Energy, the removal of CO<sub>2</sub> emissions from their operations also reduces the carbon intensity of the ethanol they produce. Oxy and White Energy have submitted a design-based pathway application to the California Air Resources Board (CARB) to obtain credits under Tier II of the California Low Carbon Fuel Standard.
- **Biofuels - Velocys' Bayou Fuels:** The Bayou Fuels facility will take biomass and convert it into various alternative fuels for the transportation industry. Once completed, OLCV will capture and transport the CO<sub>2</sub> produced from the facility and sequester it securely underground. This will help make the facility a net-negative emitter of CO<sub>2</sub>.
- **Cement - Holcim Portland Cement Plant, Colorado:** In conjunction with Svante Inc., LafargeHolcim, Kiewit Engineering Group Inc. and TotalEnergies, OLCV evaluated a proposed commercial-scale carbon capture facility at the Holcim Portland Cement Plant in Florence, Colorado.

**Advisory services** include consulting, engineering, project development and operational management of sequestration sites across the project lifecycle. Engagements and deliverables include feasibility studies, financial models, tax credit assessments, peer reviews and CO<sub>2</sub> monitoring programs. Oxy's

specialized project engineering services integrate a number of disciplines, covering areas from engineering protocols and regulatory processes to the latest technical advances. We provide expertise in capture plant engineering as well as storage site selection, seismic analysis, reservoir modeling and well engineering for geologic storage.

Project Tundra is an initiative to build the world's largest carbon capture facility at the Milton R. Young Station in North Dakota. The project envisages capture and sequestration of about 4 million metric tons of CO<sub>2</sub> per year. Minnkota Power Cooperative is leading the project, along with research support from the Energy & Environmental Research Center at the University of North Dakota. In 2021 the project received a Class VI permit for CO<sub>2</sub> storage from the state of North Dakota, one of two states authorized by the the U.S. EPA to implement an underground injection control program for Class VI injection wells under the Safe Drinking Water Act. With over 50 years of carbon management experience, Oxy partnered with Minnkota Power Cooperative to provided Carbon Storage Consulting Services for Project Tundra.

## NET POWER

Oxy is an investor in NET Power, which utilizes the NET Power Cycle to generate zero-emissions power from natural gas and captured CO<sub>2</sub>. In addition, excess captured CO<sub>2</sub> can be used in other processes such as EOR or manufacturing of low-carbon products. Currently, there are nearly a dozen NET Power projects being developed around the world.

## CEMVITA RESEARCH FACILITY/PILOT PLANT

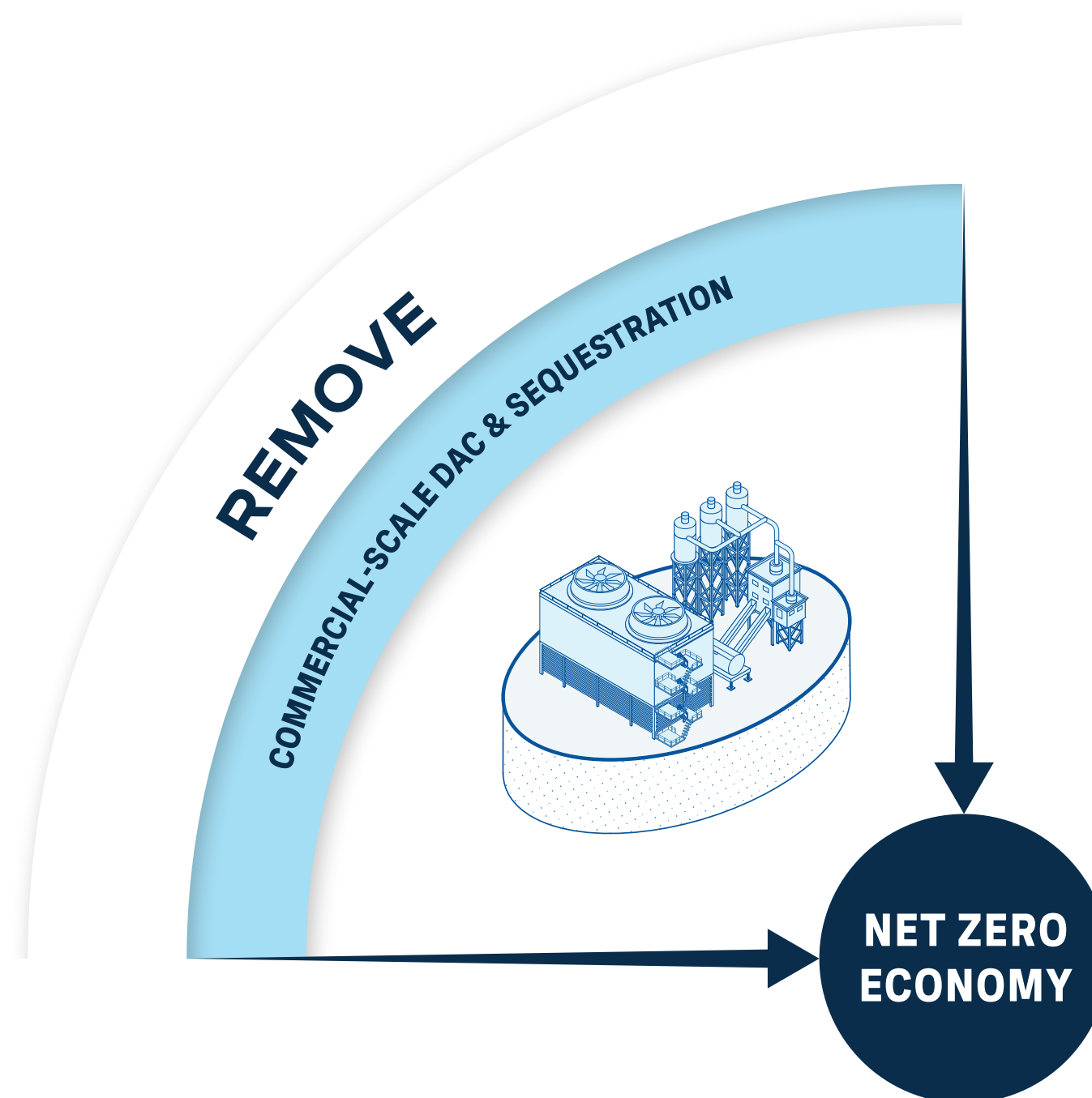
Oxy and bio-engineering startup Cemvita Factory announced a plan to construct and operate a one metric ton per month bio-ethylene pilot plant, applying a jointly developed technology using human-made CO<sub>2</sub> instead of hydrocarbon-sourced feedstocks. The pilot project will scale up the process that was successful in laboratory tests, which demonstrated the technology can be competitive with hydrocarbon-sourced ethylene processes. Ethylene is widely used in the chemical industry, primarily as a precursor to polymers, creating durable, long-life products.





# REMOVE

Remove existing CO<sub>2</sub> from the atmosphere in significant amounts for beneficial use and safe, secure sequestration by developing, proving and deploying innovative capture technologies and market mechanisms at commercial scale to further the goals of the Paris Agreement



## BUILDING DIRECT AIR CAPTURE: BREAKING GROUND ON A GROUNDBREAKING SOLUTION

Oxy formed 1PointFive as a development company to commercialize Carbon Engineering's innovative DAC technology at an industrial scale. 1PointFive holds an exclusive license from CE for DAC deployment in the U.S. and OLCV has a worldwide agreement as the execution partner for all DAC deployments. DAC captures CO<sub>2</sub> from the atmosphere and is regarded by the IPCC, the IEA and other international organizations as a key technology to meet the goals of the Paris Agreement. DAC works by pulling air into a large air-contactor system, which resembles a cooling tower with a series of large fans. The air comes in contact with a solution of potassium hydroxide (KOH, one of OxyChem's products), resulting in a chemical reaction that traps CO<sub>2</sub> from the air in a liquid solution. The CO<sub>2</sub> can then be extracted, purified and used to produce low-carbon fuels and products or injected into subsurface formations for sequestration.

In early 2022, Oxy announced 1PointFive's objective to develop up to 70 DAC plants around the world by 2035 under the then-current policy and market support scenario, and up to 135 plants by 2035 under a net-zero support scenario, which assumes an increase in global policy incentives and demand in markets led by global net-zero targets. The Inflation Reduction Act, signed into law in August 2022, reflects a key step in net-zero policy support, with increased incentives that could further accelerate DAC deployment in the U.S. as a solution to help achieve net zero. Implementation of the IRA should enable an updated DAC development scenario of up to 100 plants by 2035.

We believe that public policy incentives and investments are critical for enabling the early deployment and scale-up of DAC and other CCUS technologies and supporting infrastructure. The IRA's support for DAC and other CCUS technologies that Oxy is actively developing is expected to accelerate their commercialization. Any change in the legislation could hamper progress, and other regulatory, technological and market risks remain. The siting, construction

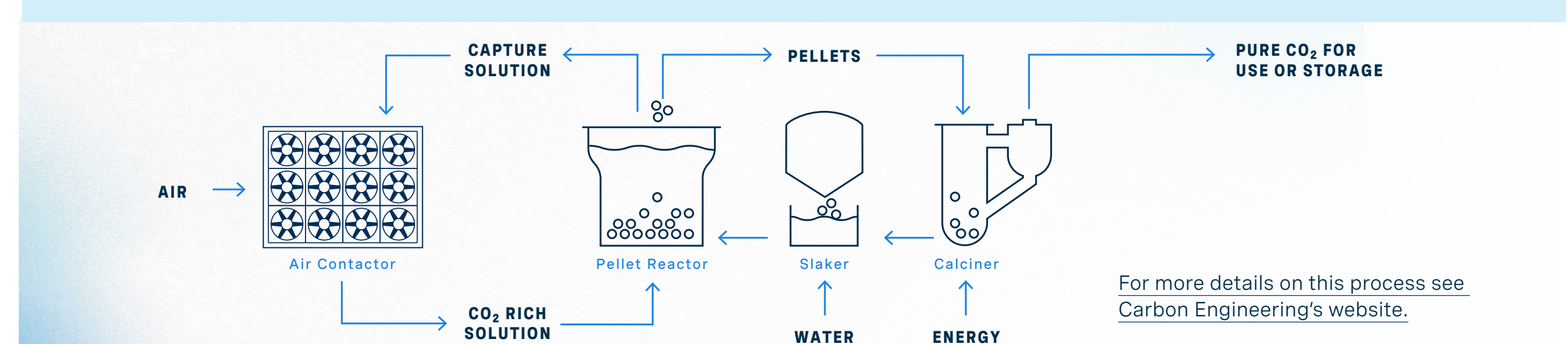
and operation of both capture and storage or sequestration facilities and associated infrastructure are also subject to federal, state and local regulatory and permitting requirements.

DAC is a novel process that has not yet been implemented at a commercial scale; however, Oxy mitigates this risk through a multi-pronged approach including: use of established technology wherever practical; use of materials produced by our OxyChem subsidiary; and preference for materials and equipment sourced through well-established suppliers and channels. In September 2022, 1PointFive commenced site construction activities for the first large-scale DAC plant (DAC-1) in Ector County, Texas, near Oxy's portfolio of acreage and infrastructure that is conducive to storage of CO<sub>2</sub>. The project is expected to employ more than 1,000 people during the construction phase and up to 75 once operational. Start-up is expected in late 2024. Oxy also entered into an agreement with Origis Energy to provide zero-emission solar power for the DAC plant and other projects in the Permian Basin.

DAC-1 is designed to be built and commissioned in stages. The first stage is expected to remove up to 500,000 metric tons of atmospheric CO<sub>2</sub> annually, with the potential to install a second stage to remove an additional 500,000 metric tons of CO<sub>2</sub>. DAC-1 serves as a launching point for the acceleration of commercial-scale DAC deployment as critical infrastructure to help governments and companies around the world meet net-zero targets.

In late 2022, OLCV and Natural Resource Partners L.P. (NRP) announced the execution of an agreement for the evaluation and potential development of a CO<sub>2</sub> sequestration hub located in southeast Texas. The agreement provides OLCV with the exclusive rights to develop a hub on approximately 65,000 acres of pore space controlled by NRP. The site, with an approximate total CO<sub>2</sub> storage potential of at least 500 million metric tons, offers proximity to a large number of industrial CO<sub>2</sub> emitters.

## CARBON ENGINEERING TECHNOLOGY: HOW IT WORKS







In addition, 1PointFive and King Ranch, a privately held agricultural production and resource management company, announced a lease agreement to support large-scale DAC projects on 106,000 acres in Kleberg County, Texas. The agreement provides access to land for the potential to remove up to 30 million metric tons of CO<sub>2</sub> per year through DAC and pore space with an estimated capacity to store up to 3 billion metric tons of CO<sub>2</sub> in geologic formations. Oxy has started the pre-FEED for a new DAC facility on the King Ranch.

Building and deploying DAC at scale is widely recognized as a game-changer by international organizations like the IPCC and IEA, the U.S. government, and those who analyze technology trends. For example, In November 2022, Oxy's President and CEO Vicki Hollub received TrendHunter's Innovation Strategy Award for the Most Ambitious Challenge for Oxy's sustained innovation to build the world's largest DAC facility.

### SEQUESTRATION HUB DEVELOPMENT

Oxy has among the largest CO<sub>2</sub> management operations in the world. This subsurface expertise enables us to broaden our portfolio of storage options beyond oil and gas fields to include sequestration hubs using saline formations. A key differentiator is our comprehensive, enterprise-wide strategy, which is predicated on our 50+ years of experience with integrated carbon management and large-scale carbon separation, transportation, recycling and storage applied in our EOR business. By leveraging this expertise, we are positioned for success in a net-zero economy with a competitive advantage that enhances our existing business and sets us apart from our peers.

During 2021 and 2022, OLCV entered into agreements for more than 265,000 net acres of pore space access, primarily in Louisiana and Texas, with a capacity to sequester up to 6 billion metric tons of CO<sub>2</sub> and has filed permit applications for multiple Class VI sequestration wells. Oxy is expected to have 3 sequestration hubs online by 2025 under a current policy and market support scenario. These projects are subject to funding, permitting, ongoing technological maturation, achieving cost reductions in deployment, construction and operation, and continued development of global markets for carbon removal credits and low-carbon or net-zero fuels and products.

### CDR CREDITS: CARBON DIOXIDE REMOVAL CREDITS

With DAC development underway, 1PointFive is partnering with industries looking to achieve their net-zero commitments through the use of high-quality and durable CDR credits. Although the voluntary carbon markets are nascent and evolving rapidly, we expect an increasing demand for CDR

credits from investors and businesses as part of their decarbonization efforts. Markets for CDR credits will need to develop to support the growth in capture and storage solutions.

During 2022, 1PointFive and Airbus announced an agreement for the offtake of technologically-engineered CDR credits in an amount of 100,000 metric tons per year for four years from DAC-1 utilizing sequestration without oil and gas production. Since the announcement, Airbus has coordinated with a group of airlines interested in acquiring a portion of the offtake. CDR credits are expected to play a key role for the airline industry as it moves to decarbonize by 2050.

In late 2021, BMO Financial became the first bank to pre-purchase CDR credits generated from DAC facilities; these CDR credits were purchased from Carbon Engineering and will be delivered by 1PointFive's DAC projects. London-based climate solutions business BeZero Carbon facilitated this transaction. Removals generated using CE's DAC technology along with geologic sequestration achieves a rating of AAA+ on the BeZero Carbon Rating Framework.

### CARBON FINANCE LABS

As DAC and CCUS projects gain traction, there will be a need for defined, accepted and transparent carbon tracking processes to open new markets for Oxy products. OLCV's Carbon Finance Labs (CFL) venture seeks to do this by leveraging new information technology, updated regulations and marketplaces to craft solutions that create entirely new high-value carbon products and services. Oxy and CFL are among the cofounders of the Carbon Capture and Storage Plus (CCS+) Initiative, the most comprehensive CCS methodology-writing process to date, and have been actively involved in its development to ensure high-integrity, quality, and transparency of the methodology. The CCS+ methodology is pending approval by Verified Carbon Standard (VERRA).

OxyChem is collaborating with its customers to track product-level carbon intensity information across the value chain through the software platform CarbonSig from CFL. This blockchain-based carbon tracking software will aid in Scope 3 emissions reporting. OxyChem sends a sustainability survey to its key suppliers and customers to receive information regarding their sustainability efforts and potential collaboration to enhance environmental and business performance. These surveys demonstrate that OxyChem and its suppliers and customers have similar net-zero emissions goals and are often interested in strengthening business relationships while removing carbon from OxyChem's value chain.



# INTEGRATED RISK MANAGEMENT

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INTEGRATING RISK MANAGEMENT  
SHORT-, MEDIUM- AND LONG-TERM CLIMATE RISKS  
SCENARIO ANALYSIS







# INTEGRATING RISK MANAGEMENT

Oxy’s proactive Enterprise Risk Management (ERM) program is integral to strategic and capital planning and promotes safe, reliable and sustainable operations. Oxy’s ERM program builds upon systematic risk assessment programs in functional disciplines, such as our HSE risk management, security and social responsibility programs and the work of our planning and commercial teams. Climate-related risks, including both physical risks as well as transition risks relating to regulation, legal, reputation, technology and commercial or market risks, are evaluated, prioritized for potential mitigation, and incorporated into risk factors or other disclosures as warranted.

To support strategic planning discussions at senior management and Board levels, Oxy considers various scenarios to assess potential future climate-related impacts on the company’s existing assets. We factor carbon pricing and energy transition risks in a range of scenarios around commodity prices, capital returns and the risks and opportunities of GHG abatement and CO<sub>2</sub> capture and utilization. Our risk evaluation also includes the potential physical and financial impacts of severe weather events and business disruption in flood-prone and water-stressed areas.

Oxy incorporates analyses of short- (1-4 years), medium- (4-12 years) and long-term (beyond 12 years) financial risks of a lower-carbon economy to better understand the resilience of our assets and capital investments. Significantly, this risk evaluation also provides key information to target opportunities, and informs our engagement with shareholders, state and national regulators, industry associations, environmental groups and other stakeholders.

## SHORT-, MEDIUM- AND LONG-TERM CLIMATE-RELATED RISKS

### TRANSITION RISKS

Transitioning to a lower-carbon economy is expected to entail extensive policy, legal, technology, and market changes to mitigate and adapt to climate change, while providing essential resources, goods and services for society. Depending on the nature, speed, and focus of these changes, transition risks may pose varying levels of financial and reputational risk to organizations.

#### Regulatory Risk

**Short- and Medium-Term Risk:** The U.S. and many other countries have enacted laws and regulations to implement the Paris Agreement. The Inflation Reduction Act (IRA) enacted multiple programs to support the development of innovative technologies at commercial scale, including DAC and Point-Source Capture with the captured CO<sub>2</sub> being utilized for EOR or low-carbon products or fuels or sequestered (collectively, CCUS). The IRA’s support for DAC and other CCUS technologies that Oxy is actively developing is expected to accelerate their commercialization, although regulatory, technological and market risks remain. The siting, construction and operation of both capture and storage or sequestration facilities and

associated infrastructure are subject to federal, state and local regulatory and permitting requirements.

The IRA also includes an escalating methane emissions fee that the EPA will impose on certain upstream and midstream oil and gas operations per metric ton of methane emissions above certain thresholds commencing in 2024. The EPA has also proposed to regulate methane and volatile organic compound (VOC) emissions from a broader set of new upstream and midstream operations, as well as various existing operations. The U.S. Securities and Exchange Commission (SEC) has proposed regulations to expand disclosure in financial reporting of GHG emissions as well as financial risks and costs associated with climate change and the energy transition. Oxy has submitted comments on both the EPA and SEC proposed regulations reflecting our support for responsible emissions and disclosure regulations and has made suggestions for enhancing their efficiency and cost effectiveness. Similarly, several state governments have established rules aimed at reducing GHG emissions, some including GHG cap-and-trade programs and others directly regulating equipment that emits GHG, including methane and other compounds. Most of these cap-and-trade programs require major sources of emissions, such as electric power plants, or major producers of fuels, including refineries and natural gas processing plants, to acquire and surrender emission allowances. Other U.S. states, including Colorado, New Mexico and Texas, where Oxy operates, adopted or proposed new regulations, policies or strategies in 2021 or 2022 that increase inspection, recordkeeping, reporting, enforcement and controls on flaring, venting and equipment that emit methane and other compounds at oil and gas facilities. In certain instances, these states anticipate tying the processing and active status of oil and gas permits, including drilling permits, to air emissions and compliance. For example, Colorado has established GHG intensity targets for DJ Basin operators in 2025, 2027 and 2030, which Oxy currently meets.

In addition, government actions relating to GHG and other air emissions could require Oxy to incur increased capital or operating and maintenance costs, including higher rates charged by service providers and costs to purchase, operate and maintain emissions control systems, acquire emission allowances, pay carbon or methane taxes or fees, and comply with new regulatory or reporting requirements, or prevent Oxy from conducting oil and gas development activities in certain areas. Any such legislation or regulatory programs could also increase the cost of consuming - and thereby reduce demand

for - oil, NGLs, natural gas or other products produced by Oxy’s businesses and lower the value of its reserves. Consequently, government actions designed to reduce GHG emissions could have an adverse effect on Oxy’s businesses, financial condition, results of operations, cash flows and reserves.

**Long-Term Risk:** The timing, scope and cost of government actions on climate change, and their ultimate effect on Oxy and our employees, partners and customers, are highly uncertain. Examples of uncertainties include the type and extent of GHG emissions reductions required, the availability and price of emission allowances or CDR credits, the availability and price of alternative fuel sources, the energy or industrial sectors covered, Oxy’s ability to recover the costs incurred through its operating agreements or the pricing of its oil, NGL, natural gas and other products, and whether service providers are able to pass increased costs through to Oxy. Long-term risks are evaluated using [scenario analyses](#). These analyses allow our capital planners and senior management to evaluate the exposure to carbon prices when extending the operating life or reserves of existing fields or entering new projects. We anticipate that EOR and low-carbon oil can be important contributors to meet the continuing long-term demand for liquid fuels and feedstocks projected in many low-carbon scenarios.

#### Technology Risk

**Short- and Medium-Term Risk:** Oxy’s oil and gas and chemicals businesses are based on mature processes that have been commercially proven for decades, and that are frequently enhanced with innovative technologies designed to increase safety, reliability, productivity and efficiency, extend the productive lives of Oxy’s assets and infrastructure, or reduce costs and operational footprints, including emissions. In addition to risks associated with these technological innovations, Oxy’s investments in CCUS, including DAC, Point-Source Capture, sequestration hubs and development of low-carbon products and fuels, and other low-carbon ventures that have not yet been commercialized, entail technology risks. In alignment with the IPCC, IEA and other leading organizations, we believe widescale deployment of DAC and other CCUS technologies is critical to achieving global climate goals, while meeting society’s demands for energy and better standards of living. Accordingly, over the past four years, Oxy has dedicated resources with our investees and partners to advancing CCUS technologies and business opportunities.





DAC technology risk in the short- and medium-term relates to availability and effectiveness of materials and processes as well as associated costs. DAC is a novel process that has not yet been implemented at commercial scale. Oxy mitigates this risk through a multi-pronged approach including:

- use of established technology wherever practical;
- use of materials produced by our OxyChem subsidiary; and
- preference for materials and equipment sourced through well-established suppliers and channels.

With respect to sequestration of captured CO<sub>2</sub> volumes, we believe that Oxy's 50+ years of experience with integrated carbon management and large-scale carbon separation, transportation, use, recycling and storage applied in our EOR business significantly reduces technology risk in this element of the CCUS business.

Legal Risk

**Short- and Medium-Term Risk:** Oxy's operations are subject to stringent federal, state, local and international laws and regulations related to improving or maintaining environmental quality. Under certain circumstances these may apply retroactively and regardless of fault, the legality of the original activities or the current ownership or control of properties. The scope of Oxy's climate-related risk assessment includes the consideration of international accords, treaties, legislation, regulation and fiscal policy initiatives that may affect the raw materials, services and costs to produce our products, and the demand for and potential restrictions on the use of our products. For example, in 2021, the Infrastructure Investment and Jobs Act reinstated the federal Superfund excise taxes on various chemicals that OxyChem manufactures, and the IRA imposed additional taxes on U.S. corporations, as well as the methane emissions fee described above. These taxes and fees could lead to higher costs and impact margins of Oxy's businesses.

Non-compliance with certain laws and regulations may result in strict, joint and several liability and the imposition of significant civil and criminal fines and penalties. In addition, certain governmental entities and private parties have brought litigation against Oxy and other oil and gas producers regarding climate change, which could increase our costs or otherwise adversely affect our businesses. The outcome of this litigation is uncertain, and we intend to pursue a range of defenses that

could absolve or limit Oxy's potential liability. However, as a result of the laws, regulations and claims described above, we may incur substantial liabilities to governmental entities or third parties for which we may not have insurance coverage, which could reduce or eliminate funds available for exploration, development or acquisitions or cause us to incur losses.

Market Risk

**Medium-Term Risk:** Shifting consumer preferences toward lower-carbon products could reduce demand for products and services which use oil and natural gas as inputs or feedstock. These shifts in consumer demand and preferences could promote the use of alternative sources of energy and thereby decrease demand for oil and natural gas.

Oxy is focused on core domestic and international assets that are competitively advantaged through geography and scale and provide long-term business opportunities under a wide range of low-carbon scenarios. Our portfolio generally enables us to adjust to market signals and emerging risks and opportunities. We expect to manage future carbon price impacts by reducing operational emissions, reducing carbon intensity of our products and implementing DAC and other CCUS projects, while also maintaining a competitive advantage compared to higher-cost operators. Production from CO<sub>2</sub>-EOR may decline if we are not able to obtain sufficient amounts of CO<sub>2</sub>. Market conditions may cause the delay or cancellation of the development of naturally occurring CO<sub>2</sub> sources or construction of plants that capture anthropogenic CO<sub>2</sub>, thus limiting the amount of CO<sub>2</sub> available for use in our CO<sub>2</sub>-EOR operations. As the largest commercial purchaser and injector of CO<sub>2</sub> for EOR in the Permian Basin and a global leader in this technology, Oxy seeks to identify and implement commercial opportunities to extend our competitive advantages in CO<sub>2</sub>-EOR while simultaneously investing in and developing CCUS technologies that can accelerate our pathway towards a net-zero economy. The profitability of these projects is dependent upon the costs of developing and operating infrastructure, demand for services from emitters and the availability of tax attributes and CDR credits generated from the capture and storage of CO<sub>2</sub>; as a result, some projects may not be economically viable to pursue.

Reputation Risk

**Short- and Medium-Term Risk:** The oil and gas and chemical industries have a significant role in achieving a successful transition to a net-zero economy, including sustaining energy

supplies and essential products to meet societal needs while significantly reducing GHG emissions.

Oxy's President and CEO, senior management and Board of Directors share a commitment to effective and ethical corporate governance, which we believe enhances reputation and shareholder value. Strong governance also requires active stakeholder engagement. Oxy is taking a leadership role, including multiple actions to leverage our expertise in DAC and other CCUS technologies to enhance our businesses and help society achieve the goals of the Paris Agreement. Oxy is working to apply our skills, expertise and assets to expand the use of CCUS globally, in support of our ambition to achieve net-zero emissions for our total carbon inventory before 2050. We are investing in opportunities to innovatively reduce the carbon footprint of our operations and those in other sectors in ways that sustain and expand our businesses. We also work closely with NGOs, unions, community leaders, and other stakeholders to advocate for policies that serve the goals of the Paris Agreement. We believe these capabilities position Oxy to succeed in our changing world and reinforce our reputation as a respected Partner of Choice®.

PHYSICAL RISKS

Physical risks resulting from climate change can be event-driven (acute) or longer-term shifts (chronic) in climate patterns. Physical risks may have financial implications for organizations, such as direct damage to assets and indirect impacts from supply chain disruption. Organizations' financial performance may also be affected by changes in water availability, sourcing, and quality, food security, and temperature changes affecting organizations' premises, operations, supply chain, transport needs, and employee safety. Oxy identifies risk factors in our annual report on Form 10-K and other periodic filings with the SEC (Risk Factors), including with respect to physical risks, that may adversely affect our assets and operations, those of our suppliers and customers, and our workforce and the communities where we operate, and we evaluate and implement measures we consider reasonable to plan for and mitigate physical risks to the extent practicable. Oxy's assets and operations have generally withstood severe weather events and changes in climate patterns without sustaining damage or losses that are material to the company's financial position.

Acute Risk

**Short- and Medium-Term:** Oxy operates offshore oil and gas platforms and other assets in the Gulf of Mexico and facilities along the U.S. Gulf Coast that have been affected by severe weather at times, and we have interests in similar assets operated by others. We also have numerous suppliers and customers in the Gulf of Mexico region. Beyond that region, other domestic and international assets and operations are at risk of downtime or other impacts from power outages, snow or freezing conditions, cyclones, sandstorms or excessive heat, and those conditions may affect suppliers and customers as well. In operating areas that are exposed to these physical risks, Oxy endeavors to design, build and maintain wells and facilities to withstand anticipated severe weather events to the extent practicable, and these wells and facilities are routinely inspected by Oxy personnel and specialized contractors. Larger facilities also undergo periodic turnarounds for maintenance and upgrades that can increase their efficiency and reliability, reduce emissions, implement additional mitigation measures against physical risks, and extend their productive lives. Our operations activate emergency preparedness and response plans in advance of identified storms. Following severe weather events, wells and facilities undergo detailed inspection and recovery protocols to support a safe and timely return to full production. With respect to assets in which Oxy has a non-operating interest, we collaborate with operators and seek to influence their use of similar measures to plan for and mitigate physical risks of severe weather and changes in climate patterns.

Chronic Risk

**Long-Term:** Chronic physical risks that could arise from long-term shifts in climate, including water or raw material scarcity, changes or disruptions in energy markets, geopolitical risks, or other supply and logistics challenges, are considered as applicable in our long-term field and business development planning, business continuity planning and ERM processes. As noted above, our businesses are subject to various Risk Factors, including physical risks in certain operating areas. We believe our strategy for resilience and sustainability, including investments in infrastructure, communities, resource conservation and logistics, is robust and flexible and periodically review and update our strategy.





# INTEGRATING CLIMATE INTO OXY'S RISK MANAGEMENT APPROACH

We consider various energy scenarios, including the performance of our assets and reserves in modeling based on the International Energy Agency (IEA) World Energy Outlook (WEO) and other sources, to assess potential future climate-related risks to our businesses. Larger capital projects require a carbon price-sensitivity analysis before approval.

We believe our strategy for resilience — utilizing and storing CO<sub>2</sub> at a price and volume that adjust relative to potential economic or regulatory carbon constraints or incentives — can sustain shareholder value in various carbon-constrained scenarios, advance our net-zero goals and align with the goals of the Paris Agreement. We continue to evaluate scenarios and reassess our asset portfolio to consider significant changes in leading market forecasts, carbon pricing regimes and our asset mix.

## THE IEA'S "SUSTAINABLE DEVELOPMENT SCENARIO" AND "NET ZERO EMISSIONS BY 2050 SCENARIO"

We believe sound, externally developed scenarios benefit stakeholders seeking to compare companies across industries. The TCFD recommends organizations use relevant scenarios to test asset-portfolio resilience in regulatory and market environments which are structured to keep global warming to well below a 2°C increase compared with pre-industrial levels. In this section, we discuss our carbon pricing assumptions and portfolio review process, including the performance of our assets and reserves in stress-test modeling based on the IEA's published scenarios. During the past year, we used the Sustainable Development Scenario (SDS) and Net Zero Emissions by 2050 Scenario (NZE) to model portfolio risk from the IEA 2021 WEO.

The SDS reflects a pathway to achieving key energy-related components of the U.N. Sustainable Development Agenda, including universal access to modern energy by 2030, urgent action to tackle climate change and measures to improve air quality. The SDS is aligned with holding the temperature increase to well below 2°C (more precisely, the 2021 SDS scenario is consistent with a 1.65°C increase) with the potential to limit the global temperature increase to 1.5°C by 2100 with some level of negative emissions after 2070. The SDS scenario is also consistent with advanced economies achieving net-zero emissions by 2050. In 2022, Oxy used the 2021 SDS to complete a comprehensive stress test, modeling how a tax-like carbon burden would impact our operated oil and gas assets. This was conducted using specific production, capital investment and reserves profiles based on proved reserves as estimated at year-end 2021.

In 2021, the IEA published the NZE, in which it introduced a model of energy markets and pricing that it ascribed to attaining net-zero globally, rather than only in advanced economies, by 2050. The NZE is a normative scenario that reflects a pathway for the global energy sector to achieve net-zero CO<sub>2</sub> emissions by 2050. This scenario also references key energy-related U.N. Sustainable Development Goals (SDGs), in particular universal energy access by 2030 and improvements in air quality. The NZE does not rely on emissions reductions from outside the energy sector to achieve its goals but assumes that non-energy emissions will be reduced in the same proportion as energy emissions. In 2022, Oxy used the NZE to evaluate, at a high level, the potential impact of related NZE-modeled hydrocarbon prices and carbon emissions burden on proved reserves as estimated at year-end 2021. In addition to serving as a reference to evaluate the resilience of our existing portfolio and reserves, the NZE projects both the continued robust demand for liquid fuels and feedstocks through 2050 and the necessity of rapidly deploying DAC and other CCUS technologies at scale to achieve the goals of the Paris Agreement.

## STRATEGIC AND CAPITAL PLANNING

Across our business segments, Oxy bases its strategic and capital planning processes on a capital-efficient approach that is intended to maximize the value of our portfolio and execute on our priorities. Key elements of our portfolio review and carbon modeling include:

- Referencing the SDS and NZE;
- Developing strategic alternatives expected to maximize shareholder value in a future with uncertain carbon constraints and defined carbon budgets; and
- Developing options for delivering sustainable shareholder value under scenarios with stringent regulation of CO<sub>2</sub> emissions and potentially changing demand for oil and gas and its derived products.

Portfolio impacts are assessed by applying scenarios for oil and natural gas prices and CO<sub>2</sub> prices in the regions where we operate. Currently, no carbon tax applies to Oxy's oil and gas operations or product sales, although the IRA enacted a methane emissions fee that will take effect in 2024 for emissions from certain upstream and midstream oil and gas operations above certain thresholds. As part of our commitment to informed capital planning and risk management, we include an assumed price on carbon in our capital approval process for the purpose of sensitivity modeling. This modeling allows our capital planners and senior management to analyze carbon price exposure when extending the operating life or reserves of existing fields or entering new projects.

The results of these scenario analyses further demonstrate the strength and resiliency of Oxy's assets, including in a lower-carbon economy. We benefit from high-return, short-cycle upstream assets. We believe our assets can generate returns under IEA's low-carbon scenarios and we have the flexibility to shift capital to address sudden changes in policy that could impact project economics.





PORTFOLIO RISK SCENARIO ANALYSIS

THE IEA SUSTAINABLE DEVELOPMENT SCENARIO (SDS)

In 2022, we conducted sensitivity analysis on our portfolio of oil and gas assets by applying the SDS's carbon price projection, which starts at \$100/MT in 2030 and reaches \$160/MT by 2050. We estimated an emissions burden of \$3.29/BOE for our oil and gas portfolio in 2030, increasing linearly to \$4.60/BOE in 2040 and \$5.26/BOE in 2050, based on the recent emissions intensity of Oxy's oil and gas operations and the SDS's carbon pricing projections.

The scenario analysis was based on applying SDS assumptions and parameters to our full portfolio of domestic and international oil and gas assets, as calculated in accordance with SEC rules for estimating proved reserves and reported in our [2021 Form 10-K](#) (our "2021 Reserves"). Our 2021 Reserves included planned

capital spending and expected operating costs from approved development plans, consistent with SEC requirements. The 2021 Reserves used a calculated average West Texas Intermediate (WTI) oil price of \$66.56 and a calculated average Henry Hub gas price of \$3.60, also consistent with SEC requirements. These hydrocarbon prices used in our 2021 Reserves were higher than the prices modeled under the SDS (see pricing table/chart below).

The application of these SDS parameters of hydrocarbon pricing and the attributed carbon emissions burden to Oxy's 2021 Reserves volumes was estimated in this scenario analysis to reduce the reserves volume by approximately 3% from the reserves volume reported pursuant to SEC requirements. Due primarily to the SDS' projected reduction in hydrocarbon prices, applying this scenario modeled a reduction in the value

of the 2021 Reserves of approximately 19% from the value reported pursuant to SEC requirements, if not accompanied by reductions in development and operating costs. We did not model reductions in development and operating costs, but do not expect that our capital program would be significantly modified under this scenario.

DAC AND OTHER CCUS TECHNOLOGIES UNDER THE SDS

Under the SDS there are expanded polices that support wide deployment of DAC and other CCUS technologies. The IEA projects the contribution of CCUS to grow significantly over time as the technology improves, costs fall and cheaper abatement options in some sectors are exhausted. In the SDS, global Net Zero

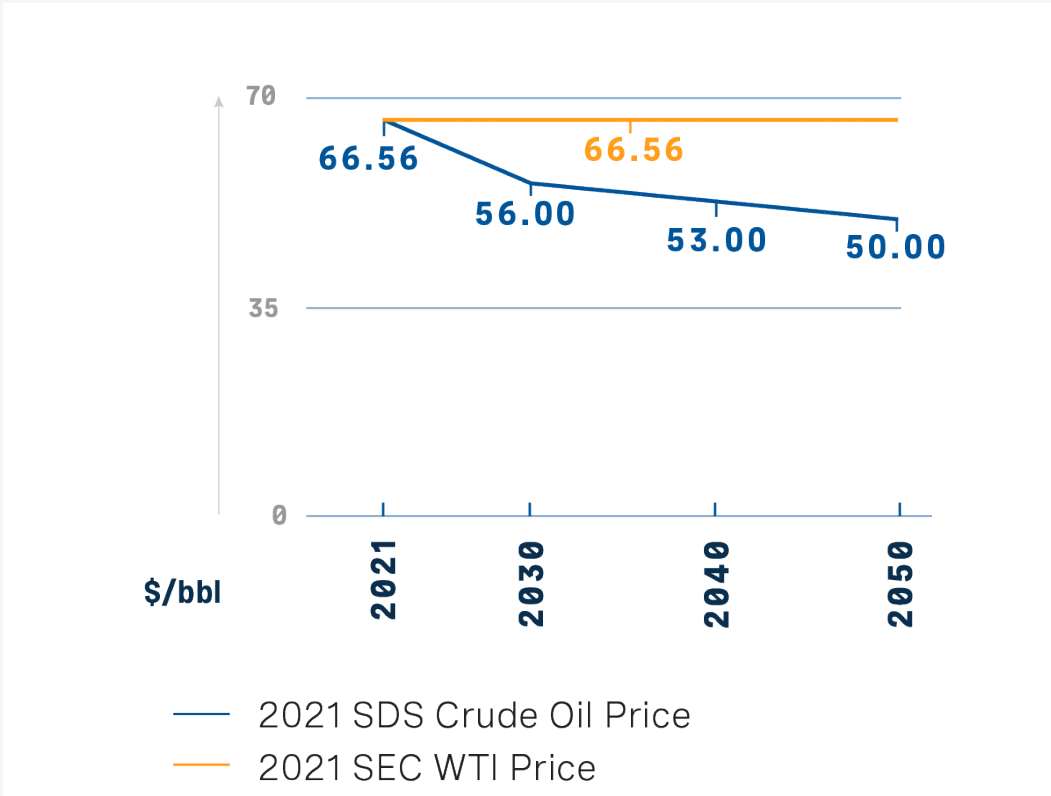
occurs around 2070. In 2070, 10.4 gigatonnes (GT) of CO<sub>2</sub> is estimated to be captured from across the energy sector, of which 9.5 GT CO<sub>2</sub> is sequestered in geologic formations and 0.9 GT is used in products.

More than 90% of all the CO<sub>2</sub> captured over 2020-70 in the SDS is stored, with 80% of the stored CO<sub>2</sub> coming from coal, oil and natural gas sources and industrial processes and 20% from bio-energy and DAC.

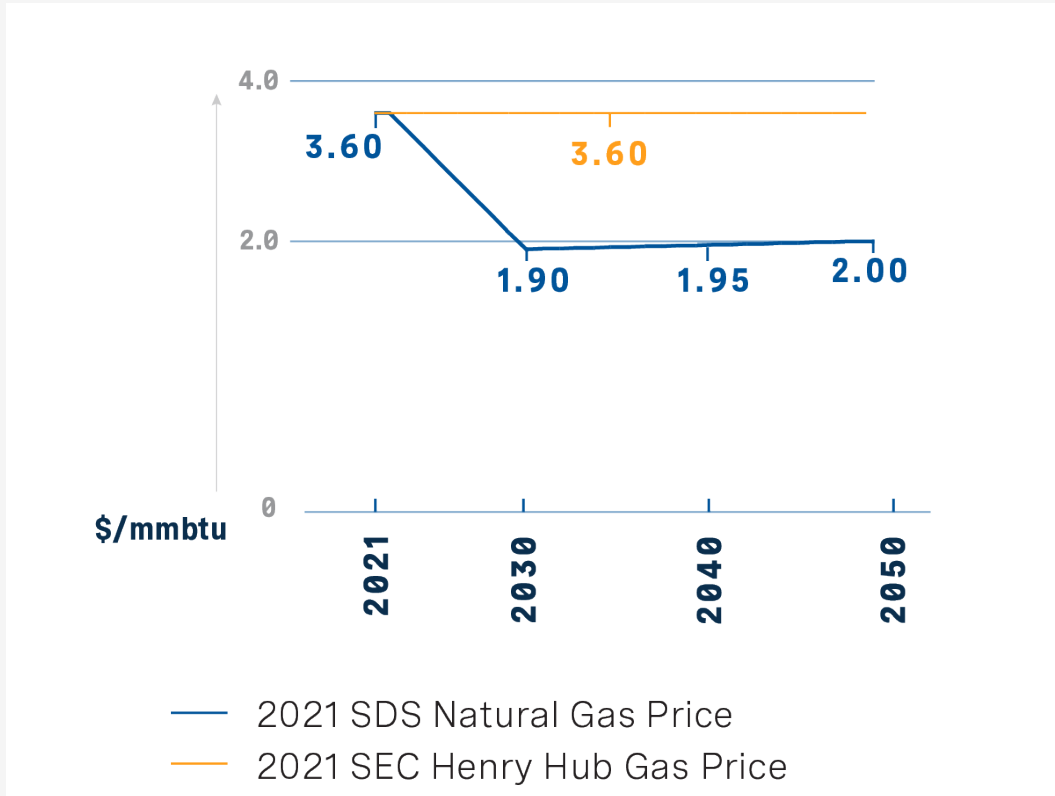
Reused or recycled CO<sub>2</sub> plays an important role in supporting the decarbonization of the transport and industry sectors through the production of transport fuels and as a feedstock for the chemical industry.

Carbon removal accounts for a large and increasing share of the CO<sub>2</sub> captured over the projection horizon in the SDS.

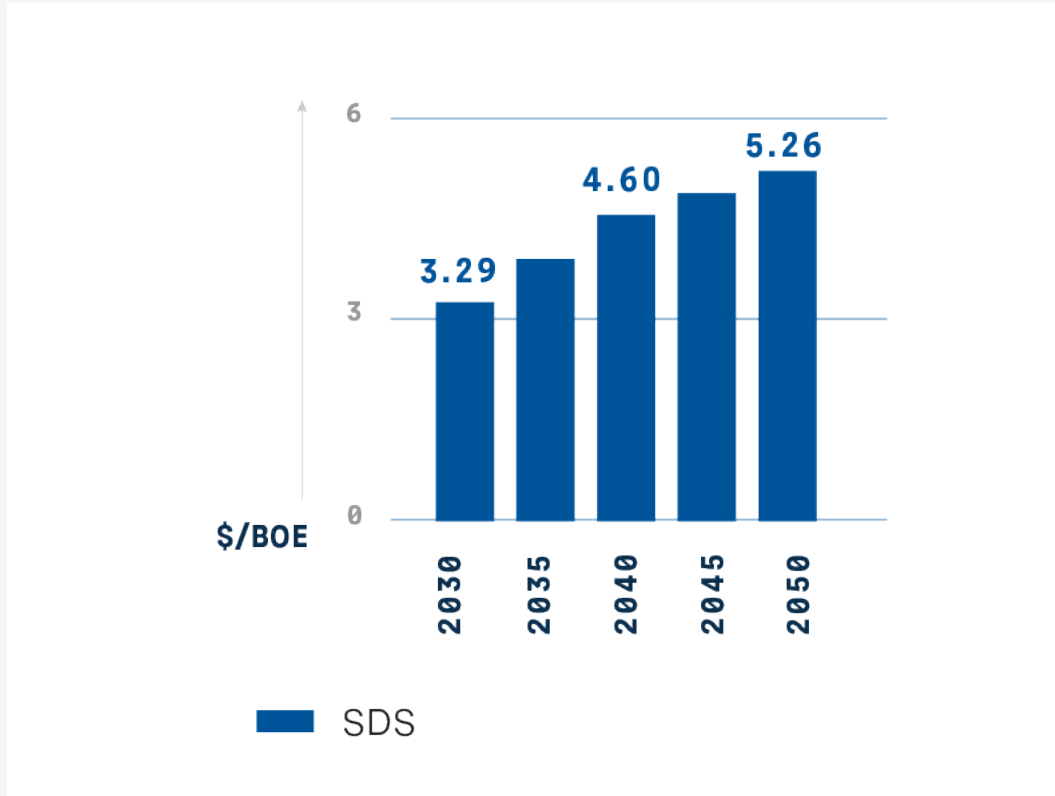
OIL PRICES FOR PORTFOLIO ANALYSIS



NATURAL GAS PRICES FOR PORTFOLIO ANALYSIS



WEO SDS OXY CO<sub>2</sub> EMISSIONS BURDEN

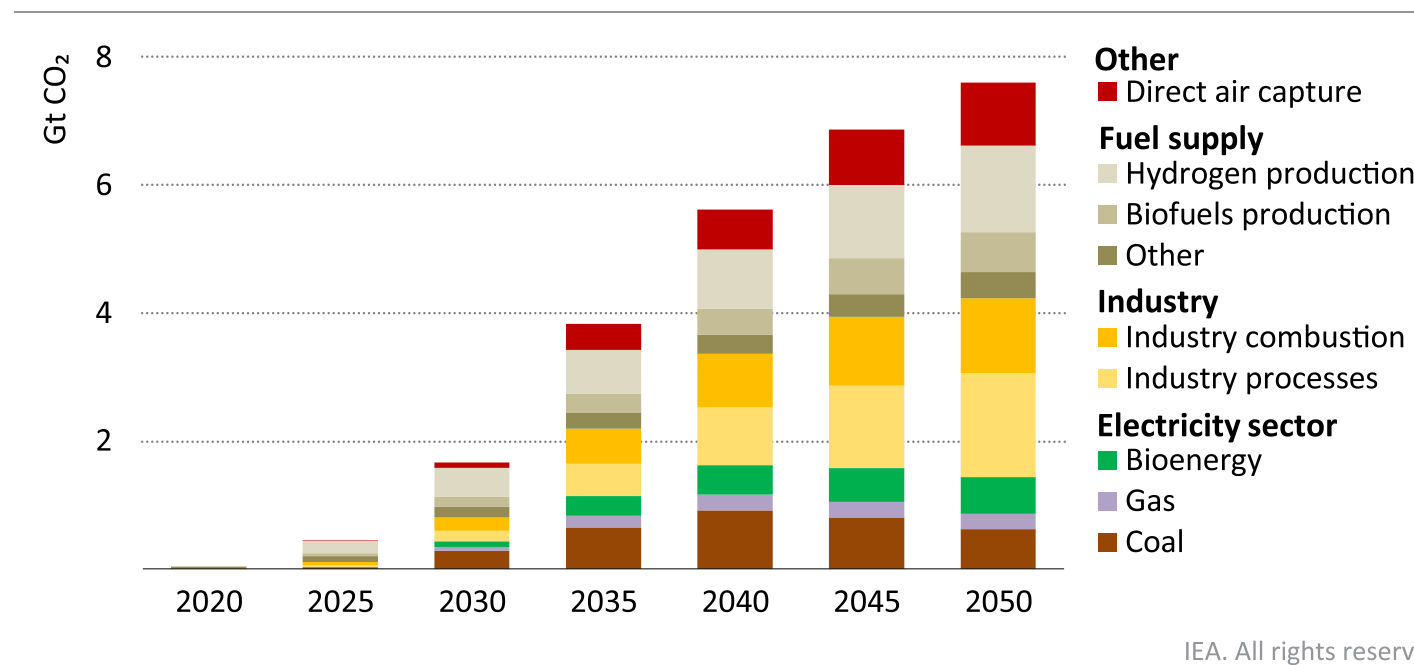






## GLOBAL CO<sub>2</sub> CAPTURE BY SOURCE IN THE NZE

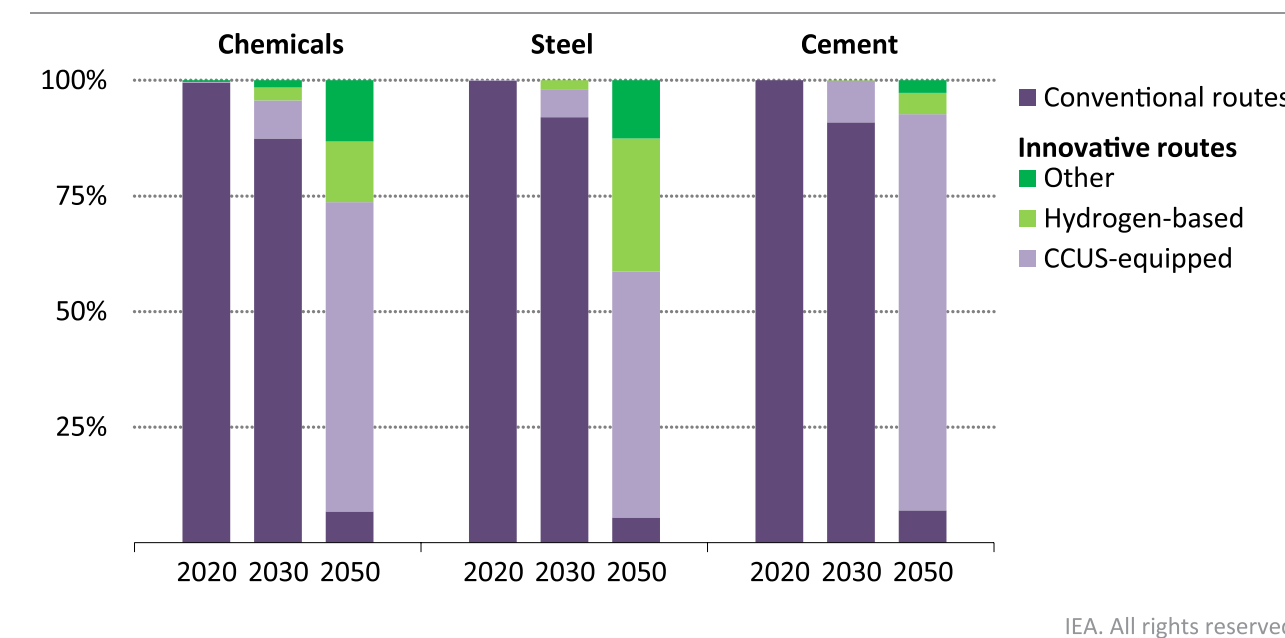
Figure 2.21 ▶ Global CO<sub>2</sub> capture by source in the NZE



By 2050, 7.6 Gt of CO<sub>2</sub> is captured per year from a diverse range of sources. A total of 2.4 Gt CO<sub>2</sub> is captured from bioenergy use and DAC, of which 1.9 Gt CO<sub>2</sub> is permanently stored.

## GLOBAL INDUSTRIAL PRODUCTION OF BULK MATERIALS BY PRODUCTION ROUTE IN THE NZE

Figure 3.19 ▶ Global industrial production of bulk materials by production route in the NZE



Near-zero emissions routes dominate cement, primary steel and chemicals production by 2050, with key roles for CCUS and hydrogen-based technologies

Source: IEA (2021) Net Zero by 2050: A Roadmap for the Global Energy Sector. All rights reserved.

## THE IEA'S NET ZERO EMISSIONS BY 2050 SCENARIO (NZE)

Although our planning for OLCV is informed by the NZE, we do not consider it directly relevant to our oil and gas business. The reasons for this include: (1) we believe our short-cycle assets better align with the SDS; (2) the NZE pricing assumptions preceded the increased energy demand as COVID-19 restrictions were lifted and the Russian war on Ukraine and, as a result, diverge widely from mid-2022 futures strip oil and gas pricing; and (3) the NZE scenario does not assume any differentiated pricing for carbon-neutral or lower-carbon oil and gas, which products are central to Oxy's strategic plans and actions. If one were to routinely apply the NZE pricing for testing our oil and gas operations, we believe it would yield unrealistic results, unless the artificially low NZE prices were offset by much lower cost assumptions, effectively requiring a completely different form of reserves analysis that we do not believe would be as useful as applying the SDS and would diverge even more significantly from reserves calculated pursuant to SEC requirements.

In 2022, we performed a high-level review of potential impacts of the NZE in addition to our routine risk management processes. Due to the divergent pricing in the near-term between the NZE

and the mid-2022 strip, we evaluated, at a high level, the impact of the NZE price forecast from 2030 onward. The NZE modeled prices of \$36.00/bbl of crude oil and \$1.90/mmbtu for natural gas in 2030. The NZE further modeled crude oil prices falling to \$24/bbl in 2050, with natural gas remaining relatively flat between 2030 and 2050. Additionally, the NZE modeled a carbon price of \$130/MT beginning in 2030, rising to \$250/MT in 2050. At Oxy's 2021 calculated carbon intensity for our oil and gas operations, the carbon price would be equivalent to a cost burden of \$4.27/BOE using the \$130/MT carbon price and \$8.21/BOE using the \$250/MT carbon price. The combination of NZE's assumed low hydrocarbon prices and high carbon burden would reflect a stressed market for traditional oil and gas producers after 2030. Importantly, because of Oxy's short-cycle assets, over 85% of Oxy's 2021 Reserves by value and two-thirds of our 2021 Reserves by volume would have been realized by 2030. In addition, Oxy's strategy encompasses a market for lower-carbon crude oil and natural gas, which is not modeled in the NZE. Without reflecting those adjustments in production costs or differentiated prices due to low-carbon oil and gas, some of the longer-cycle portion of Oxy's oil and gas asset portfolio could be uneconomical

under the NZE's pricing assumptions.

Beyond oil and gas production, the NZE would galvanize other strategies for Oxy and its subsidiaries. By 2030, 1.7 GT CO<sub>2</sub> per year is estimated to be captured globally, rising to 7.6 GT CO<sub>2</sub> in 2050, with approximately 95% of total CO<sub>2</sub> captured in 2050 sequestered in geologic formations and 5% used in synthetic fuel production. 630 million MT CO<sub>2</sub> are estimated to be removed from the atmosphere using DAC. OLCV announced in March 2022 that a global net-zero support policy framework, such as envisioned in the NZE, would facilitate Oxy's construction of up to 135 DAC facilities, and up to 6 sequestration hubs for secure geologic sequestration of CO<sub>2</sub>.

CCUS and hydrogen technologies are modeled in the NZE to reduce 50% of the emissions of heavy industry, including steel, cement and chemical production. The chemical industry would see rapid growth under the NZE, as the IEA projects primary chemical demand to increase as much as 30% by 2050.



# METRICS & TARGETS

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OXY'S NET-ZERO GOALS  
INTERIM TARGETS FOR GHG EMISSIONS REDUCTIONS AND LOW CARBON VENTURES  
ENHANCED EMISSIONS ESTIMATES AND MEASUREMENTS  
REVIEW OF 2019-21 GHG EMISSIONS METRICS





# NET-ZERO GOALS

In 2020, Oxy adopted the following goals to achieve Net Zero across our total emissions inventory in accordance with the Paris Agreement:

Net-zero emissions in our operations and energy use (Scope 1 and 2) before 2040, with an ambition to achieve before 2035;

Net-zero for our total emissions inventory including product use (Scope 1, 2 and 3) with an ambition to achieve before 2050; and

Total carbon impact through carbon removal and storage technology and development past 2050.

To achieve progress toward our net-zero goals and ambitions, Oxy has established a range of ambitious interim targets in 2020 and 2021 that address Scope 1, 2 and 3 emissions, applying the short-, medium- and long-term time frames adopted by Climate Action 100+. This section describes our recent progress on these targets, which are also summarized by time frame in [Appendix III](#).

- Oxy’s workforce is fully engaged company-wide in a multi-year plan to advance our ambitious interim GHG targets, including:
- Our emissions reduction efforts that integrate capital projects, for which we allocated approximately \$80 million in 2022; expanded inspection, repair and maintenance programs, including using fixed monitors and aerial and satellite surveillance; and changes to operating practices to minimize releases and flaring during third-party plant or pipeline outages; and
  - our strategic deployment of DAC, point-source capture, NET Power, sequestration hubs and low-carbon fuels and products to achieve our medium-term targets, accelerate our pathway to net zero, and help others across industry sectors meet their net-zero goals.

## KEY INTERIM TARGETS<sup>(1)</sup>

Oxy has set the following key interim targets for GHG emissions reductions and low carbon ventures to address Scope 1, 2 and 3

### OXY OIL AND GAS

TOTAL OPERATIONAL GHG<sup>(2)</sup> EMISSIONS INTENSITY

0.02

MTCO<sub>2</sub>e/BOE BY 2025<sup>(4)</sup>

METHANE EMISSIONS INTENSITY<sup>(3)</sup>

<0.25%

OF MARKETED GAS BY 2025<sup>(4)</sup>

ROUTINE FLARING ELIMINATION

↓100%

BY 2030

### OXYCHEM

REDUCE TOTAL OPERATIONAL GHG EMISSIONS BY

↓187,990

MTCO<sub>2</sub>e

BY 2025 VS MULTI-YEAR BASELINE

TOTAL OPERATIONAL GHG EMISSIONS

↓2.33%

BY 2025 VS MULTI-YEAR BASELINE

TOTAL OPERATIONAL GHG EMISSIONS INTENSITY

↓2.7%

BY 2025 VS MULTI-YEAR BASELINE

### ADDITIONAL TARGETS SET IN 2021

REDUCE TOTAL OPERATIONAL GHG EMISSIONS FROM OIL AND GAS AND OXYCHEM BY

↓3.68 MILLION PER YEAR MTCO<sub>2</sub>e

BY 2024 VS 2021 EMISSIONS

FACILITATE GEOLOGIC STORAGE OR USE OF CAPTURED CO<sub>2</sub>

↓25 MILLION PER YEAR MTCO<sub>2</sub>

BY 2032

(1) These targets would be adjusted for significant transactions or changes in laws, regulations, protocols or methodologies or Oxy’s organizational boundaries. Multiple proposed or recently adopted changes to GHG reporting regulations and protocols may cause Oxy to update or modify our reported emissions and our current suite of GHG goals and targets to reflect new regulations and protocols, although we expect to retain our overarching net-zero goals.

(2) Total Operational GHG Emissions refers to Scope 1 + 2 emissions from Oxy’s operated assets.

(3) Methane emissions intensity refers to the amount of methane emissions from Oxy’s operated oil and gas assets as a percentage of the total gas produced and marketed.

(4) In December 2021, OGCI announced new collective carbon and methane intensity ambitions of 0.017 MTCO<sub>2</sub>e/BOE and 0.20%, respectively, by 2025. Oxy is currently evaluating these ambitions with respect to our operated assets.





Oxy's metrics and targets, and our updates of progress, are based on industry reporting criteria. For further information on our methodology and boundaries, see [About Our GHG Emissions Estimates](#). Certain estimates have undergone a limited assurance verification process by ERM Certification and Verification Services, Inc. (ERM CVS) as described in the [Independent Assurance Statement](#) attached as [Appendix II](#) and posted on [oxy.com/Sustainability](#). We engage proactively with our shareholders and other relevant stakeholders regarding our metrics and targets as well as our climate policy positions and net-zero strategy.

INTERIM TARGETS FOR GHG EMISSIONS REDUCTIONS AND LOW CARBON VENTURES

TARGET	UPDATE	TARGET	UPDATE
Reduce total oil and gas operational GHG emissions intensity to 0.02 MTCO <sub>2</sub> e/BOE by 2025.	In mid-2021, Oxy initiated multiple emissions reduction projects in our oil and gas operations that significantly offset emissions from the increase in activity levels including the resumption of steam generation and injection. As a result, our oil and gas emissions increased by only approximately 1% compared to 2020, with an 8% increase in our CO <sub>2</sub> e intensity driven by lower year-over-year oil and gas production in 2021. Since our emissions reduction projects were implemented in the second half of 2021, we expect they will yield full-year emissions reductions in 2022, despite further increases in 2022 activity levels.	OxyChem has set a target to reduce total operational GHG emissions (CO <sub>2</sub> e) by 2.33% by 2025.	OxyChem is actively pursuing emission reduction projects at multiple facilities to advance this target. OxyChem's operational emissions decreased by 9% in 2021 from 2020, and 15% from the multi-year baseline, primarily due to maintenance in OxyChem's cogeneration facilities, as well as reduced emissions from cooling processes. In 2022, OxyChem's emissions are expected to increase with activity levels, but to remain below the baseline for this target primarily due to emissions reduction efforts such as process changes and increased hydrogen use for fuel.
Reduce methane emissions intensity to below 0.25% (based on marketed gas production), by 2025.	Since 2020, our emissions reductions projects have focused on capturing methane and reducing venting and flaring, and we have increased our use of site-specific data in estimating methane emissions. As a result of these efforts, our estimated methane emissions decreased by 33% from 2020 to 2021, and the methane emissions intensity of our marketed gas production decreased by nearly 24% from 0.34% of marketed gas production in 2020 to 0.26% in 2021.	OxyChem has a target to reduce total operational GHG emissions intensity of its products (CO <sub>2</sub> e/ton of product) by 2.70% by 2025.	OxyChem's emissions intensity decreased by approximately 13% in 2021 from 2020, and more than 11% from the multi-year baseline, reflecting both the 2021 decrease in emissions described above and increased production volumes in 2021. OxyChem's emissions intensity is expected to remain below the baseline for this target for the reasons previously noted, despite the resumption of normal cogeneration operations in 2022.
Oxy endorsed and committed to the World Bank's "Zero Routine Flaring by 2030" initiative. Oxy expects to eliminate all (100%) routine flaring by 2030.	Oxy applies the World Bank's classification of routine flaring in our operations. In 2021, Oxy designed additional compression and takeaway capacity, and closed-loop gas capture and recycling projects which we successfully implemented in 2022. Accordingly, our routine flaring volume increased in 2021 with greater activity levels prior to our installation of the flaring reduction projects. As a result of these projects, Oxy achieved zero routine flaring in our Permian Basin operations in 2022, our Rockies and Gulf of Mexico operations have sustained zero routine flaring since 2020, and our international operations significantly reduced routine flaring and expect to achieve zero routine flaring well ahead of the World Bank's 2030 target.	Facilitate 25 million metric tons per year of geologic storage or utilization of captured CO <sub>2</sub> in our value chain by 2032, or other means of technologically feasible climate mitigation.	March 2022, Oxy provided a detailed Investor Update regarding our low carbon ventures. We made significant progress in 2022 in our plans to build the world's first commercial DAC plant, and to develop multiple sequestration hubs. We completed FEED and began site construction activities for DAC-1 in the Permian Basin, and we have started the pre-FEED for our second DAC plant. We executed agreements for more than 265,000 net acres of pore space access with a capacity of up to 6 billion metric tons of CO <sub>2</sub> for sequestration hubs and filed permit applications for multiple Class VI sequestration wells. We also signed agreements to provide carbon dioxide removal credits from DAC and to offer future opportunities to supply net-zero oil as markets emerge. In our third quarter 2022 earnings call, we noted that, as a result of enhanced U.S. policy support in the Inflation Reduction Act, we could increase the number of DAC plants in our current development scenario from 70 online by 2035 to approximately 100 DAC plants by 2035.
Fulfill The Environmental Partnership commitments for leak detection surveys and high-bleed pneumatics replacement.	In 2021 and 2022, Oxy completed thousands of leak surveys, surpassing our TEP target. In addition, we have retrofitted or eliminated over 95% of high-bleed pneumatic controllers in our U.S. operations since 2020, and are awaiting delivery of equipment to address the remaining devices in 2023.	Reduce Oxy's combined Scope 1 and 2 CO <sub>2</sub> e emissions from our worldwide operated assets by at least 3.68 million metric tons per year by 2024, compared to our 2021 emissions.	Oxy is engaged in a company-wide, multi-year effort to meet this ambitious emissions reduction target that includes capital projects, with approximately \$80 million of capital allocated in 2022. We expanded inspection, repair and maintenance programs, and made changes to operating practices such as closed-loop gas capture and injection during third-party plant or pipeline outages. In 2021, Oxy designed multiple emission reduction projects for implementation over the next several years, with the scope and timing subject to permitting and approvals, capital and availability of equipment.
Continue to stress the importance of the reduction of methane emissions across Oxy's operations and beyond.	In 2021, Oxy endorsed the Oil and Gas Methane Partnership 2.0 to collaborate further on methane reductions across our value chain. In 2022, Oxy joined OGCI's Aiming for Zero Methane Emissions Initiative to galvanize industry efforts to maximize methane capture for beneficial use and reduce avoidable methane emissions.		





2021 ANNUAL SUSTAINABILITY METRICS FOR GHG EMISSIONS REDUCTIONS AND LOW CARBON VENTURES

Since 2018, the Board’s Compensation Committee has set annual climate-related targets for incentive compensation of executive management to advance Oxy’s net-zero strategy. In 2021, in response to shareholder input, the Committee increased the weighting of sustainability metrics for low-carbon ventures project milestones and emissions reduction efforts to 30% of the company performance portion of the annual cash incentive award. The 2021 metrics and the actions implemented that year are provided in this table. In February 2022, the Committee evaluated performance on the 2021 metrics, the results of which are summarized in the Compensation Discussion and Analysis of the [2022 Proxy Statement](#), and determined to apply the same 30% weighting to 2022 metrics for low carbon ventures and emissions reduction efforts.

	2021 ANNUAL SUSTAINABILITY METRICS	2021 ACTIONS
Carbon Ventures and Reduction Projects	<div>Advance carbon management platform (Scope 3)</div> <ul style="list-style-type: none"><li>▪ Maintain first commercial-scale DAC facility on track for 2022 final investment decision (FID)</li><li>▪ Enter into at least 1 carbon capture, transport or sequestration joint venture</li><li>▪ Enter into at least 3 low-carbon product development transactions</li><li>▪ Formalize an internal carbon accounting function to enhance the monitoring and verification of CO<sub>2</sub> and other GHG emissions</li></ul>	<ul style="list-style-type: none"><li>▪ The FEED commenced on the first DAC facility in May 2021, and progressing to AFE to commence construction in the third quarter of 2022.</li><li>▪ In 2021, Oxy entered into an agreement to secure pore space access for a sequestration hub in Louisiana, and participated in feasibility and pre-FEED studies in multiple projects intended to advance innovative low-carbon technology, including CCUS opportunities.</li><li>▪ Oxy delivered the world’s first carbon-neutral crude cargo in January 2021. Additionally, Oxy entered into memoranda of understanding for DAC-1 offtake with two prospective purchasers of carbon dioxide removal credits.</li><li>▪ Oxy formed a carbon accounting group in the third quarter of 2021 to enhance monitoring and verification of GHG emissions. Oxy also commissioned a limited assurance verification in 2021 with respect to 2019 and 2020 emissions.</li></ul>
Emissions Reduction Efforts	<div>Reducing operating emissions (Scope 1 and 2)</div> <ul style="list-style-type: none"><li>▪ Develop and implement an enhanced find it/fix it operational emissions program</li><li>▪ Deploy at least 3 new/additional technologies to advance Oxy’s areal and/or site specific GHG/methane emissions surveys and excess emissions controls</li><li>▪ Eliminate or retrofit approximately 900 high-bleed natural gas pneumatic controllers</li><li>▪ Implement a project to increase hydrogen recovery from an OxyChem facility and repurpose the hydrogen to generate zero-GHG emission energy to power OxyChem operations, expected to produce approximately 6,000 metric tons per year of CO<sub>2</sub> emissions reductions</li><li>▪ Limit the upstream CO<sub>2</sub>e emissions intensity for new U.S. oil and gas field production activities to a level that is at least 10% below the 2018 value</li></ul>	<ul style="list-style-type: none"><li>▪ Oxy deployed an enhanced Find It/Fix It emissions reduction program in the Permian Basin in the third quarter of 2021 to rapidly identify and repair unplanned emissions sources and enhanced emissions-focused decision-making across operations and functions.</li><li>▪ Oxy’s Emissions Technology Team deployed 3 measurement technology vendors to perform aerial and satellite surveys in selected locations in Permian Basin and satellite surveys in Oman in the fourth quarter of 2021. In addition, the Oxy-invented AVOID audio, visual and methane well-site detector underwent field testing to prepare for broader deployment to prioritize operator physical inspections.</li><li>▪ In 2021, Oxy retrofitted 925 high-bleed pneumatic controllers, about 80% of our inventory in U.S. onshore operations, to lower-emission devices in multiple fields in the Permian Basin.</li><li>▪ OxyChem’s hydrogen recovery project was successfully commissioned in the fourth quarter of 2021.</li><li>▪ The CO<sub>2</sub>e emissions per BOE of throughput in 2021 from our major new or expanded U.S. onshore facilities were, in the aggregate, 75% lower than from our new or expanded facilities in 2018.</li></ul>





# ENHANCED EMISSIONS ESTIMATES AND MEASUREMENTS

Oxy continues to integrate processes, methodologies and systems for estimating, measuring, reporting and reducing GHG emissions. In 2021 and 2022, we increased the efficiency and effectiveness of these programs by increasing the scope of our monitoring, remote sensing and leak detection and repair, continuing to conduct a physical inventory of emissions-generating equipment and continuing to enhance our data management system to incorporate more site-specific measurements. We expect to continue to review, and may update as warranted, emissions estimates for the years presented in the event of significant changes as additional data become available, reporting and estimation regulations or protocols are revised, or estimates are supplemented by measurements, and to reflect significant changes to Oxy's assets, operations or organizational boundaries.

Oxy has endeavored to estimate direct GHG emissions from our operations (Scope 1), indirect emissions associated with the generation by others of electricity, steam or heat that we purchase for use in our operations (Scope 2), and the three categories of emissions generated by others in our downstream oil and gas value chain (Scope 3) that we believe are most relevant - downstream transportation and distribution of the oil and gas products we make to our customers (Category 9), processing and refining of our oil and gas products by our customers (Category 10), and use of our sold oil and gas products by consumers (Category 11).

- ERM Certification and Verification Services, Inc. (ERM CVS), a qualified independent external reviewer, has issued an Independent Assurance Statement for our:
- 2021 Total GHG emissions (Scope 1 and 2)
  - 2021 Scope 1 and 2 CO<sub>2</sub>e emissions
  - 2021 Scope 3 GHG emissions for transportation, refining and use of oil and gas products - our most relevant categories
  - 2021 GHG emissions (Total, Scope 1 and Scope 2 CO<sub>2</sub>e and methane) for each business segment
  - Updated 2019 and 2020 CO<sub>2</sub>e emissions for Oil & Gas and OxyChem

The 2021 and updated 2019 and 2020 emissions estimates are attached in Appendix I for Scope 1, 2 and 3. The estimates of our combined Scope 1 and 2 CO<sub>2</sub>e emissions decreased in minor respects from our previous Climate Report (by less than 0.5% for 2019 and 2.6% for 2020), reflecting, among other developments, the use of more site-specific data in our equipment inventory to improve estimates, partially offset by the addition in the current estimates of international exploration projects and certain operated minor or mobile sources not included within the EPA GHG Reporting Program.

Our Scope 3 estimates address the downstream transportation, processing, and use of our sold oil and gas products in Categories 9, 10 and 11, applying the 2009 and 2021 API Compendium and U.S.-based emission factors and EPA/IPCC AR4 GWP to our production on an operated and equity basis. The estimates for transportation and refining reflect our production entirely as oil on a BOE basis with further transportation of the refined products, rather than reflecting transportation and processing of natural gas or NGLs that

would be expected to generate lower emissions. The estimates for use of our sold products assume 100% combustion of oil, NGLs, natural gas and downstream products and ignore non-emitting uses. While we believe the downstream oil and gas value chain comprises the Scope 3 categories most relevant to Oxy, we are continuing to assess methodologies to estimate emissions associated with these as well as other Scope 3 categories with respect to our oil and gas, chemicals and other operations and products. Reporting of estimated emissions generated by others in our value chain helps to evaluate the lifecycle emissions associated with our operations and products and aids in expressing the magnitude of our net-zero goals and ambitions and does not indicate an acceptance by Oxy of responsibility for the emissions of others.

There are multiple proposed or recently adopted changes to various GHG reporting regulations and protocols, including from the EPA, the SEC, the GHG Protocol and certain countries and states, as well as for additional controls, fees or taxes on emissions. Given the potential significance of these changes on estimation, reporting and emissions reduction projects, Oxy may update or modify our reported emissions and our current suite of GHG goals and targets to reflect new regulations and protocols, although we expect to retain our overarching net-zero goals and to continue to implement emissions reduction plans that we believe will complement our investments in DAC, CCUS and other low-carbon technologies and infrastructure.

For additional GHG-related data, see Oxy's [ESG Performance Indicators Summary](#) at [oxy.com/Sustainability](https://oxy.com/Sustainability).





REVIEW OF 2019-21 GHG EMISSIONS METRICS

Oxy's updated GHG emissions estimates from 2019 through 2021 are summarized in this section, and provided in [Appendix I](#).

Between 2019 and 2021, Oxy's estimated combined Scope 1 and 2 CO<sub>2</sub>e emissions decreased by approximately 1.5 million metric tons, or 15%, reflecting a 16% reduction in Oxy Oil and Gas emissions and a 13% reduction in OxyChem emissions. These reductions were primarily due to lower activity levels, including lower power and steam generation, and lower resulting electricity and fuel usage during the economic downturn associated with COVID-19, portfolio optimization, and ongoing emissions reduction projects.

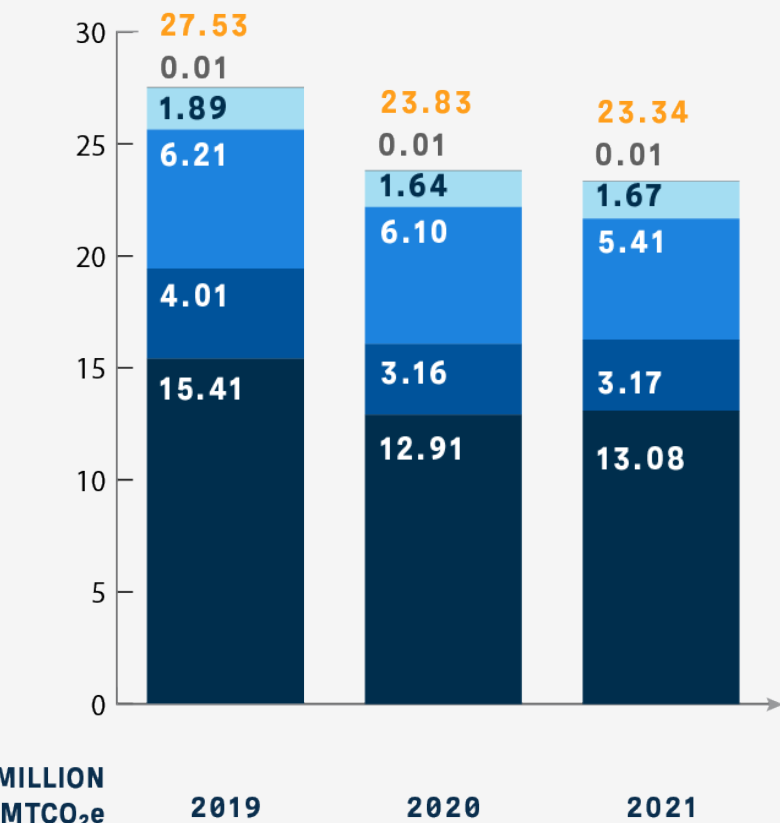
During 2021, Oxy's combined Scope 1 and 2 CO<sub>2</sub>e emissions declined by approximately 0.5 million metric tons, or 2%, from our 2020 estimated emissions. This decrease was driven by a 9% reduction in OxyChem emissions primarily due to maintenance in OxyChem's cogeneration facilities as well as reduced emissions from cooling processes, partially offset by a 1% increase in Oil and Gas CO<sub>2</sub>e emissions. OxyChem's CO<sub>2</sub>e emissions intensity declined by nearly 13% in 2021, reflecting both the decrease in emissions noted above and increased production volumes. OxyChem's emissions intensity attributable to its chemical products is even lower, since OxyChem's cogeneration plants provide significant electricity to the power

grid beyond what OxyChem uses in manufacturing its products at those sites.

The 1% increase in Oil and Gas CO<sub>2</sub>e emissions in 2021 resulted primarily from higher activity levels in 2021, particularly the resumption of steam generation and injection in Oman in response to improving global economic conditions. These emissions from increased oil and gas activity were largely offset by Scope 1 reductions in other Oman operations and in Permian and DJ Basin operations through multiple emissions reduction projects. These projects included the conversion of pneumatic controllers to lower-bleed or non-emitting controllers,

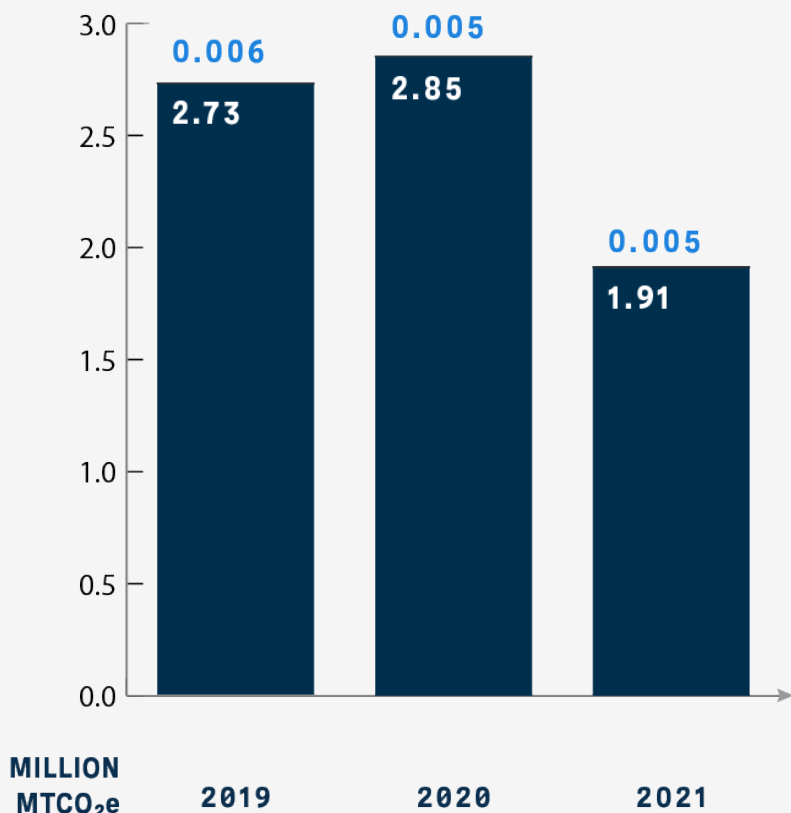
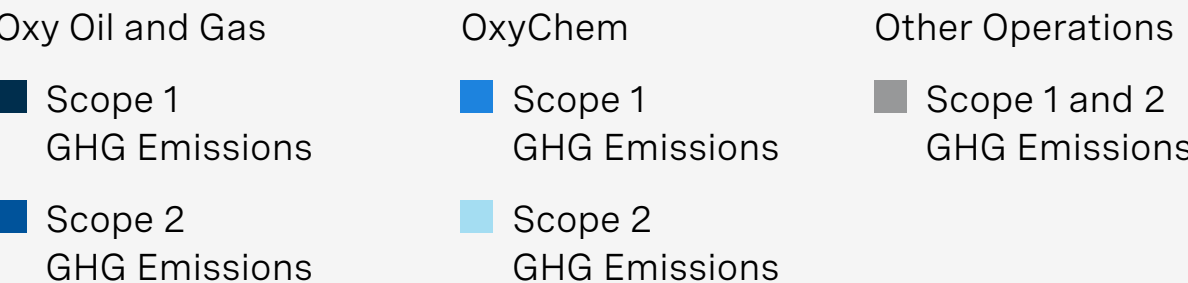
implementing tankless facility designs for new construction, and increased on-site inspection and monitoring supplemented by periodic aerial and satellite surveillance, measures which Oxy has expanded in 2022. Oil & Gas CO<sub>2</sub>e intensity per BOE increased by 8% in 2021, primarily due to lower year-over-year oil and gas production. Importantly, Oil and Gas methane emissions estimates decreased by 33% from 2020 to 2021, due to improved estimates using more site-specific data and the emissions reduction projects noted above, and these actions reduced Oxy's methane emissions intensity as a percentage of marketed gas production by approximately 24% from 2020.

GHG EMISSIONS METRICS<sup>(1)</sup>

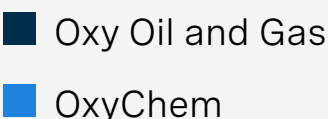


Total Operational GHG Emissions<sup>(1)</sup> (Scope 1 & 2)

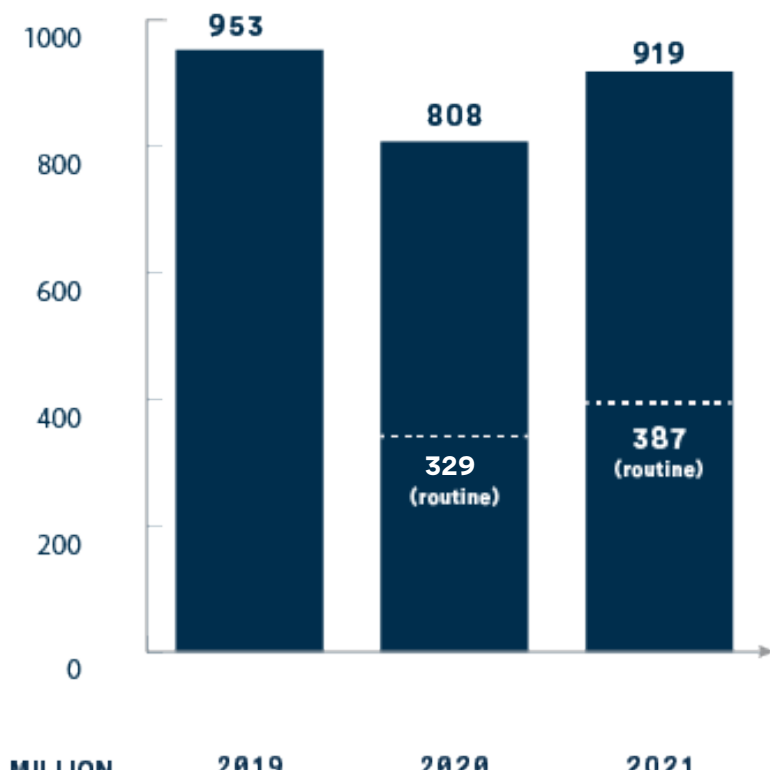
■ Total Operational GHG Emissions<sup>(2)</sup>



Methane (CH<sub>4</sub>) Emissions<sup>(3)</sup>



OIL AND GAS FLARING SUMMARY<sup>(1)</sup>



Flare Volumes<sup>(4)</sup>



(1) Certain emissions and intensity estimates have been updated from those previously reported. See page 43 for more detail on our enhanced emissions estimates.

(2) 2019 Oxy Oil and Gas data include Oxy and Anadarko operated oil and gas assets. For both GHG emissions and GHG intensity estimates, we have included Anadarko operated emissions and operated production for the entire year (2019), although we acquired Anadarko in August 2019.

(3) Oxy's 2021 estimated methane emissions, which totaled 76.21 thousand metric tons of methane from operated Oil and Gas assets and 0.19 thousand metric tons of methane from OxyChem operations, underwent limited assurance verification

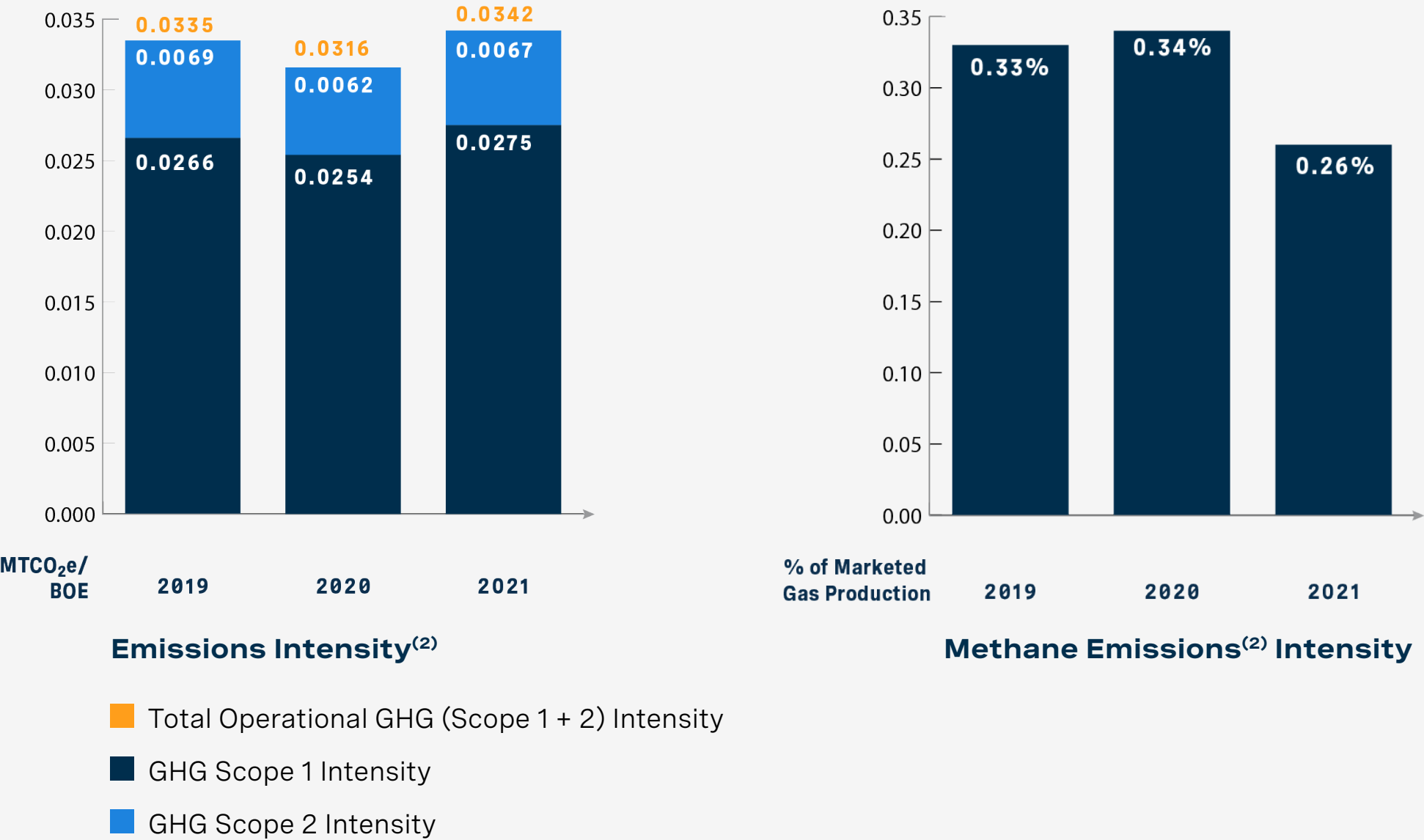
as reflected in the Independent Assurance Statement in [Appendix II](#). Estimated methane emissions have been converted to CO<sub>2</sub>e by multiplying methane emissions by the EPA/IPCC AR4 Global Warming Potential of 25, which is used in EPA's GHG Reporting Program.

(4) In 2020, Oxy endorsed the World Bank's initiative for Zero Routine Flaring by 2030 and began applying the World Bank's classification of routine flaring to company-specific data that year. Accordingly, the graph shows both the total and routine flaring volumes for 2020 and 2021, but only the total flaring volume for 2019. Oxy has estimated 2019 routine flaring as 477 million cubic meters of gas using regional emission factors, but that is not displayed in the graph because of the change in methodology in 2020.

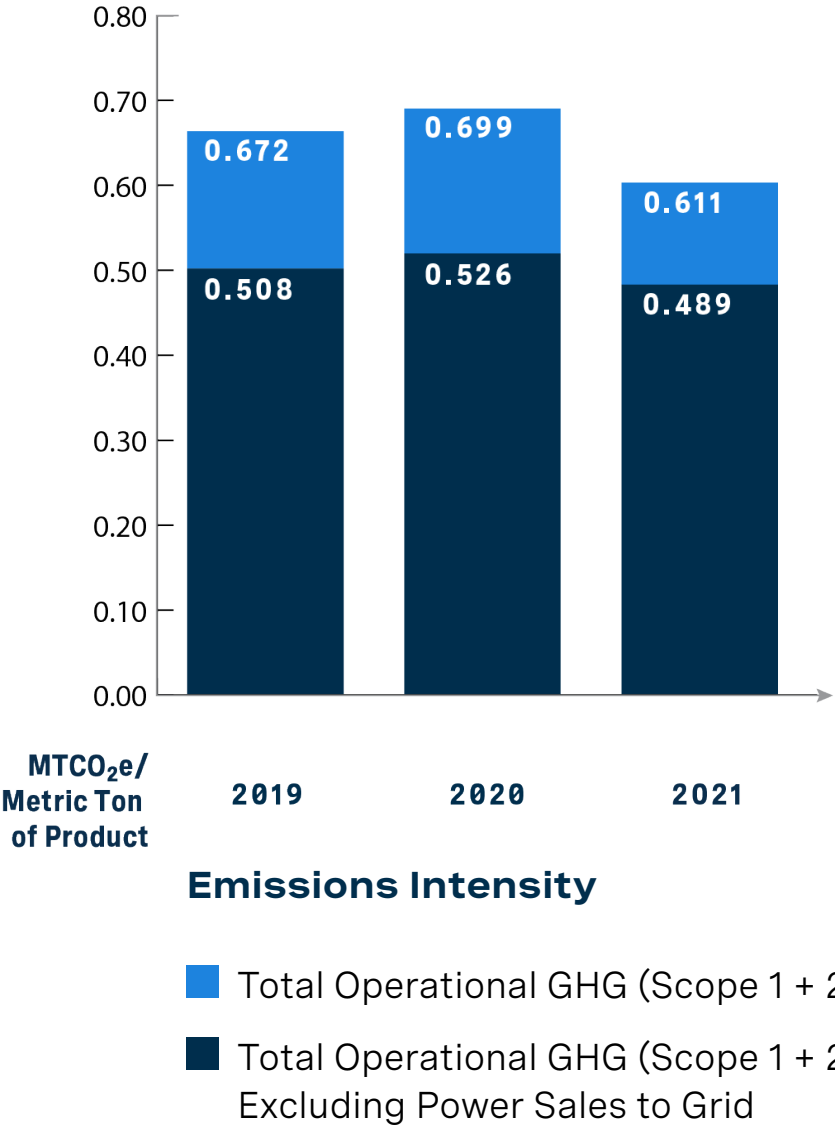




OXY OIL AND GAS EMISSIONS INTENSITY SUMMARY<sup>(1)</sup>



OXYCHEM EMISSIONS INTENSITY SUMMARY



(1) Certain emissions and intensity estimates have been updated from those previously reported. See page 43 for more detail on our enhanced emissions estimates.

(2) 2019 Oxy Oil and Gas data include Oxy and Anadarko operated oil and gas assets. For both GHG emissions and GHG intensity estimates, we have included Anadarko operated emissions and operated production for the entire year (2019), although we acquired Anadarko in August 2019.



# APPENDICES

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GHG EMISSIONS SUMMARY 2019-2021

INDEPENDENT ASSURANCE STATEMENT

SHORT-TERM GHG GOALS

MEDIUM- AND LONG-TERM GHG GOALS

TCFD ALIGNMENT

ALIGNMENT WITH TCFD CHANGES TO GUIDANCE

OXY'S 50+ YEAR CARBON MANAGEMENT LEGACY

GLOSSARY







APPENDIX I

# GHG EMISSIONS SUMMARY 2019-2021

Additional sustainability information and performance metrics are available [here](#).

\* These estimates have been verified by ERM Certification and Verification Services, Inc. (ERM CVS) per the [Independent Assurance Statement](#) attached as Appendix II and posted on [oxy.com/Sustainability](https://oxy.com/Sustainability).

(1) Certain emissions and intensity estimates have been updated from those previously reported. See [page 43](#) for more detail on our enhanced emissions estimates.

(2) Total Operational GHG Emissions refers to Scope 1 + 2 emissions from Oxy's operated oil and gas assets, the operated assets of Occidental Chemical Corporation (OxyChem), and certain assets not part of oil and gas or chemical operations such as company-operated aircraft and property management (Other Operations), excluding operated assets that are held for sale or sold in a given year.

(3) 2019 Oxy Oil and Gas data include Oxy and Anadarko operated oil and gas assets. For both GHG emissions and GHG intensity estimates, we have included Anadarko operated emissions and operated production for the entire year (2019), although we acquired Anadarko in August 2019.

(4) Oxy's Scope 3 estimates address the three most relevant categories in our downstream oil and gas value chain – the transportation, refining, and use of our sold oil and gas products (Category 9, 10, and 11, respectively), applying the 2009 and 2021 API Compendium and U.S.-based emission factors and the EPA/IPCC AR4 GWP to our production on an operated and equity basis. The estimates for transportation and refining reflect our production entirely as oil on a BOE basis with further transportation of the refined products, rather than reflecting transportation and processing of natural gas or natural gas liquids (NGLs) that would be expected to generate lower emissions. The estimates for use of our sold products assume 100% combustion of oil, NGLs, natural gas and downstream products and ignore non-emitting uses.

(5) Flare Emissions data include total of routine, non-routine and safety flaring.

(6) Methane emissions intensity in this row refers to the amount of methane emissions from Oxy's operated oil and gas assets as a percentage of the total gas produced and marketed.

(7) MTCO<sub>2e</sub>/MT for OxyChem is MTCO<sub>2e</sub> per metric ton of product.

GHG EMISSIONS SUMMARY <sup>(1)</sup>	2021		2020		2019	
	GHG EMISSIONS	INTENSITY	GHG EMISSIONS	INTENSITY	GHG EMISSIONS	INTENSITY
TOTAL OXY	MILLION MTCO <sub>2e</sub>		MILLION MTCO <sub>2e</sub>		MILLION MTCO <sub>2e</sub>	
Scope 1: GHG Emissions	18.50*		19.02		21.62	
Scope 2: GHG Emissions	4.84*		4.81		5.91	
Total Operational GHG Emissions (Scope 1 + 2) <sup>(2)</sup>	23.34*		23.83*		27.53*	
OXY OIL AND GAS <sup>(3)</sup>	MILLION MTCO <sub>2e</sub>	MTCO <sub>2e</sub> /BOE	MILLION MTCO <sub>2e</sub>	MTCO <sub>2e</sub> /BOE	MILLION MTCO <sub>2e</sub>	MTCO <sub>2e</sub> /BOE
Scope 1: GHG Emissions	13.08*	0.0275	12.91	0.0254	15.41	0.0266
Scope 2: GHG Emissions	3.17*	0.0067	3.16	0.0062	4.01	0.0069
Oil and Gas Operational GHG Emissions (Scope 1 + 2)	16.25 *	0.0342	16.07	0.0316	19.42	0.0335
Scope 3 <sup>(4)</sup> : Transportation, Refining and Use of Sold Products - Operated Basis	212*		226		259	
Scope 3 <sup>(4)</sup> : Transportation, Refining and Use of Sold Products - Equity Basis	176*		196		151	
Flare Emissions <sup>(5)</sup>	1.81	0.00381	1.94	0.00382	2.32	0.00401
Methane Emissions <sup>(6)</sup>	1.91	0.26%	2.85	0.34%	2.73	0.33%
OXYCHEM	MILLION MTCO <sub>2e</sub>	MTCO <sub>2e</sub> /MT <sup>(7)</sup>	MILLION MTCO <sub>2e</sub>	MTCO <sub>2e</sub> /MT <sup>(7)</sup>	MILLION MTCO <sub>2e</sub>	MTCO <sub>2e</sub> /MT <sup>(7)</sup>
Scope 1: GHG Emissions	5.41 *	0.467	6.10	0.551	6.21	0.515
Scope 2: GHG Emissions	1.67 *	0.144	1.64	0.148	1.89	0.157
OxyChem Operational GHG Emissions (Scope 1 + 2)	7.08 *	0.611	7.74	0.699	8.10	0.672
Operational GHG (Scope 1+2), Excluding Power Sales to Grid		0.489		0.526		0.508
Methane Emissions	0.005	0.00041	0.005	0.00049	0.006	0.00049
OTHER OPERATIONS	MILLION MTCO <sub>2e</sub>	MTCO <sub>2e</sub> /MT	MILLION MTCO <sub>2e</sub>	MTCO <sub>2e</sub> /MT	MILLION MTCO <sub>2e</sub>	MTCO <sub>2e</sub> /MT
Scope 1: GHG Emissions	0.003*	0.004	0.004		0.007	
Scope 2: GHG Emissions	0.007*	0.007	0.007		0.006	
Other Operations GHG Emissions (Scope 1 + 2)	0.010*	0.011	0.011		0.013	





APPENDIX II

Independent Assurance Statement to Occidental Petroleum Corporation

ERM Certification and Verification Services, Inc. (‘ERM CVS’) was engaged by Occidental Petroleum Corporation (‘Occidental’) to provide limited assurance in relation to selected greenhouse gas (GHG) emissions data set out below and presented in its Climate Report, Sustainability Report and annual summary of ESG performance indicators on Occidental’s website (together the ‘Reports’) for the selected reporting periods.

Engagement summary	
Scope of our assurance engagement	<p>Whether the data associated with Occidental's operations for the following selected indicators are fairly presented in the Reports, in all material respects, in accordance with the reporting criteria:</p> <p>2021</p> <ul style="list-style-type: none"><li>• Scope 1 GHG Emissions [million metric tonnes CO<sub>2</sub>e]</li><li>• Scope 2 GHG Emissions (location-based) [million metric tonnes CO<sub>2</sub>e]</li><li>• Total GHG Emissions (Scope 1 and Scope 2 (location-based)) [million metric tonnes CO<sub>2</sub>e]</li><li>• Total Methane Emissions [thousand metric tonnes CH<sub>4</sub>]</li><li>• Total Scope 3 GHG Emissions<sup>1</sup>, covering the following organizational boundaries [million metric tonnes CO<sub>2</sub>e]:<ul style="list-style-type: none"><li>• Operated basis;</li><li>• Operated-equity basis; and</li><li>• Equity basis.</li></ul></li></ul> <p>2020</p> <ul style="list-style-type: none"><li>• Total GHG Emissions (combined Scope 1 and Scope 2 (location-based)) [metric tonnes CO<sub>2</sub>e]<sup>2</sup></li></ul> <p>2019</p> <ul style="list-style-type: none"><li>• Total GHG Emissions (combined Scope 1 and Scope 2 (location-based)) [metric tonnes CO<sub>2</sub>e]<sup>2</sup></li></ul>
Reporting periods	<ul style="list-style-type: none"><li>• January 1, 2021 – December 31, 2021</li><li>• January 1, 2020 – December 31, 2020</li><li>• January 1, 2019 – December 31, 2019</li></ul>
Reporting criteria	<ul style="list-style-type: none"><li>• American Petroleum Institute Compendium of Greenhouse Gas Emissions Methodologies for the Oil and Natural Gas Industry, 2009 &amp; 2021</li><li>• IPCC Guidelines for National Greenhouse Gas Inventories, 2006</li><li>• US EPA Mandatory Greenhouse Gas Reporting Rule</li><li>• WBCSD/WRI GHG Protocol (2004, as updated January 2015) for the Scope 1, 2 and 3 GHG Emissions</li></ul>
Assurance standard	International Standard on Assurance Engagements ISAE 3000 (Revised).
Assurance level	Limited assurance.
Respective responsibilities	<p>Occidental is responsible for preparing the Reports and for the collection and presentation of the information within it.</p> <p>ERM CVS’ responsibility is to provide conclusions on the agreed scope based on the assurance activities performed and exercising our professional judgement.</p>

<sup>1</sup> ERM CVS assured total Scope 3 GHG emissions for oil and gas products for the following categories only: Category 9: Downstream Transportation and Distribution, Category 10: Processing of Sold Products, and Category 11: Use of Sold Products.

<sup>2</sup> ERM CVS were engaged to re-assure 2019 and 2020 Total GHG emissions (combined Scope 1 and Scope 2 (location-based)) due to enhanced emissions estimations applied by Occidental during 2022 for the calculation of 2019 and 2020 Total GHG emissions (combined Scope 1 and Scope 2 (location-based)). Please note that ERM CVS reviewed supporting documentation for the 2019 and 2020 scope during the 2020 limited assurance engagement, which was conducted during 2021.





APPENDIX II CONT.

Our conclusions

Based on our activities, as described below, nothing has come to our attention to indicate that the following GHG emissions data associated with Occidental's operations are not fairly presented, in all material respects, with the reporting criteria:

2021 (Total Occidental)

- Scope 1 GHG Emissions: 18.50 million metric tonnes CO<sub>2</sub>e
- Scope 2 GHG Emissions (location-based): 4.84 million metric tonnes CO<sub>2</sub>e
- Total GHG Emissions (Scope 1 and Scope 2 (location-based)): 23.34 million metric tonnes CO<sub>2</sub>e

2020 (Total Occidental)

- Total GHG Emissions (Scope 1 and Scope 2 (location-based)): 23.83 million metric tonnes CO<sub>2</sub>e

2019 (Total Occidental)

- Total GHG Emissions (Scope 1 and Scope 2 (location-based)): 27.53 million metric tonnes CO<sub>2</sub>e

2021 (Other Operations<sup>3</sup>)

- Total GHG Emissions (Scope 1 and Scope 2 (location-based)): 0.01 million metric tonnes CO<sub>2</sub>e

By Business Unit

2021 (Occidental Oil & Gas)

- Scope 1 GHG Emissions: 13.08 million metric tonnes CO<sub>2</sub>e
- Scope 2 GHG Emissions (location-based): 3.17 million metric tonnes CO<sub>2</sub>e
- Total GHG Emissions (Scope 1 and Scope 2 (location-based)): 16.25 million metric tonnes CO<sub>2</sub>e
- Total Methane Emissions: 76.21 thousand metric tonnes CH<sub>4</sub>
- Total Scope 3 GHG Emissions<sup>4</sup> (operated basis): 212 million metric tonnes CO<sub>2</sub>e
- Total Scope 3 GHG Emissions<sup>4</sup> (operated-equity): 153 million metric tonnes CO<sub>2</sub>e
- Total Scope 3 GHG Emissions<sup>4</sup> (equity basis): 176 million metric tonnes CO<sub>2</sub>e

2021 (OxyChem)

- Scope 1 GHG Emissions: 5.41 million metric tonnes CO<sub>2</sub>e
- Scope 2 GHG Emissions (location-based): 1.67 million metric tonnes CO<sub>2</sub>e
- Total GHG Emissions (Scope 1 and Scope 2 (location-based)): 7.08 million metric tonnes CO<sub>2</sub>e
- Total Methane Emissions: 0.19 thousand metric tonnes CH<sub>4</sub>

2020 (Occidental Oil & Gas)

- Total GHG Emissions (Scope 1 and Scope 2 (location-based)): 16.07 million metric tonnes CO<sub>2</sub>e

2020 (OxyChem)

- Total GHG Emissions (Scope 1 and Scope 2 (location-based)): 7.74 million metric tonnes CO<sub>2</sub>e

2019 (Occidental Oil & Gas)

- Total GHG Emissions (Scope 1 and Scope 2 (location-based)): 19.42 million metric tonnes CO<sub>2</sub>e

2019 (OxyChem)

- Total GHG Emissions (Scope 1 and Scope 2 (location-based)): 8.10 million metric tonnes CO<sub>2</sub>e





APPENDIX II CONT.

Emphasis of matter

Without affecting our conclusion, which is not modified, we draw attention to the explanatory notes provided by Occidental in the Reports relating to the assumptions applied to calculate the Scope 3, Categories 9, 10, and 11 GHG emissions with respect to its oil and gas products.

Our assurance activities

A multi-disciplinary team of sustainability and assurance specialists performed a range of assurance procedures which varied across the disclosures covered by our assurance engagement, as follows:

- Virtual and in-person interviews with relevant staff to understand and evaluate the data management systems and processes (including IT systems and internal review processes) used for collecting and reporting the selected 2019, 2020 and 2021 data;
- In-person visits to the following facilities and offices to interview relevant staff, discuss the reported 2021 facility-level data, and collect/review underlying documentary evidence:
  - Occidental Corporate Headquarters, USA;
  - OxyChem – Battleground Cogeneration Plant, USA;
  - Occidental Permian Plants – Seminole and DUCRP Plants, USA; and
  - Occidental Oman – Safah operations in Block 9 and the Muscat office, Sultanate of Oman;
- Desk-based review of a sample of 2021 source data for purchased electricity for selected facilities within the Permian Basin, USA;
- Desk-based review of a sample of 2021 source data for Other Operations associated with company-operated aviation and property management;
- Discuss process and calculation changes of 2019 and 2020 data with Occidental’s corporate reporting team;
- An analytical review of the year-over-year data and confirmation of calculations, conversion factors, and assumptions used for 2019, 2020 and 2021 data; and
- Review the presentation of information relevant to the scope of our work in the Reports to ensure consistency with our findings.

The limitations of our engagement

The reliability of the assured information is subject to inherent uncertainties, given the available methods for determining, calculating, or estimating the underlying information, and it is important to understand our assurance conclusions in this context.

Our independence

ERM CVS is a member of the ERM Group. The work that ERM CVS conducts for clients is solely related to independent assurance activities and auditor training. Our processes are designed and implemented to ensure that the work we undertake with clients is free from bias and conflict of interest. ERM CVS and the staff that have undertaken work on this assurance exercise provide no consultancy related services to Occidental Petroleum Corporation in any respect.

*Beth C. B. Wyke*

Beth Wyke  
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October 17<sup>th</sup>, 2022  
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APPENDIX III

# SHORT-TERM GHG GOALS (2021-25)

GHG SCOPE	TARGET DATE	TYPE	METRIC
Scope 1+2	2021	Annual	Milestones in Emissions Reduction Efforts established annually by the Board of Directors
Scope 3	2021	Annual	Milestones in Low Carbon Ventures Projects established annually by the Board of Directors
Scope 1+2	2024	Absolute (Credit Facility KPI)	Reduce Oxy's combined Scope 1 and 2 CO <sub>2</sub> e emissions from worldwide operated assets by at least 3.68 million metric tons per year by 2024, compared to our 2021 emissions
Scope 1+2	2025	Carbon Intensity	Oil and gas Scope 1+2 GHG emissions intensity of 0.02 MTCO <sub>2</sub> e/BOE
Scope 1+2	2025	Absolute	OxyChem Scope 1+2 GHG emissions reduced by 187,990 MTCO <sub>2</sub> e
Scope 1+2	2025	Absolute	OxyChem Scope 1+2 GHG emissions reduced by 2.33%
Scope 1+2	2025	Carbon Intensity	OxyChem Scope 1+2 GHG emissions intensity reduced by 2.7%
Scope 1	2025	Methane Intensity	Methane Emissions Intensity <0.25% of produced & marketed gas





# MEDIUM- AND LONG-TERM GHG GOALS

GHG SCOPE	TARGET DATE	TYPE	METRIC
Medium Term (2026-2035)			
Scope 1	2030	Absolute	Eliminate all routine flaring by 2030
Scope 1, 2 + 3	2032	Absolute CCUS	Facilitate 25 million metric tons per year of geologic storage or utilization of captured CO <sub>2</sub> in our value chain by 2032 (or other recognized, technologically feasible climate mitigation)
Scope 1+2	2035	Net-Zero Ambition	Achieve Net Zero for Scope 1+2 emissions with an ambition to do so before 2035
Long Term (2036-2050)			
Scope 1+2	2040	Net-Zero Goal	Achieve Net Zero for Scope 1+2 emissions before 2040
Scope 3	2050	Net-Zero Ambition	Achieve Net Zero for total carbon inventory (including Scope 3 emissions chiefly from the use of our products) with an ambition to do so before 2050
Scope 3	Beyond 2050	Net-Zero Ambition	Total carbon impact through global deployment of CCUS, Direct Air Capture and other solutions to advance a net-zero world beyond 2050





APPENDIX IV

The Task Force on Climate-related Financial Disclosures (TCFD) provides a clear and concise framework for a transparent presentation of climate goals and targets, including progress on existing targets for reducing GHG emissions and interim goals on our trajectory to Net Zero. Since 2018, Oxy's Climate Report has used the TCFD framework to describe our climate-related governance and strategy, as well as our climate risk management processes and systems. The TCFD's recommendations are structured around four thematic areas, containing 11 recommendations: Governance, Strategy, Risk Management, and Metrics and Targets.

TCFD ALIGNMENT

TCFD ELEMENT	RECOMMENDATION	OXY REFERENCE
Governance	Describe the board's oversight of climate-related risks and opportunities.	pages <a href="#">7-8</a> , <a href="#">13</a> , <a href="#">14</a> , <a href="#">20</a>
	Describe management's role in assessing and managing climate-related risks and opportunities.	pages <a href="#">7-8</a> , <a href="#">13</a> , <a href="#">14</a> , <a href="#">20</a>
Strategy	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	pages <a href="#">25-32</a> , <a href="#">34-35</a>
	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	pages <a href="#">23-32</a> , <a href="#">36-38</a>
	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	pages <a href="#">36-38</a>
Risk Management	Describe the organization's processes for identifying and assessing climate-related risks.	pages <a href="#">34-38</a>
	Describe the organization's processes for managing climate-related risks.	pages <a href="#">7-8</a> , <a href="#">20</a> , <a href="#">34-36</a>
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	pages <a href="#">7-8</a> , <a href="#">34-38</a>
Metrics & Targets	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	pages <a href="#">42-45</a> , <a href="#">47</a> , <a href="#">51-52</a>
	Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	pages <a href="#">43-45</a> , <a href="#">47</a>
	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	pages <a href="#">40-42</a> , <a href="#">51-52</a>





APPENDIX V

In October 2021, the TCFD issued revised supplemental guidance on recommendations in the Strategy and Metrics and Targets elements. This table summaries how Oxy had integrated the TCFD's supplemental guidance in our Climate Report.

# ALIGNMENT WITH TCFD CHANGES TO GUIDANCE

## OCTOBER 2021

RECOMMENDATION	LOCATION	TCFD'S SUMMARY OF CHANGE	POSITION ON REVISED GUIDANCE
GOVERNANCE: NO CHANGES			
STRATEGY			
Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	Guidance for All Sectors	Revised to more explicitly address disclosure of actual financial impacts on organizations as well as key information from organizations' plans for transitioning to a low-carbon economy (transition plans).	This report and our Low Carbon Ventures Investor Update from March 2022 describe Oxy's investment plans, business models and emissions reduction projects and initiatives in detail in alignment with the guidance from the TCFD. These disclosures outline amounts of capital allocated to key projects and initiatives and relate these investments to expected outcomes in pursuit of Oxy's net-zero ambition. They further describe the multiple pathways to finance projects and supplement our low-carbon investments, including project finance, partnerships and other transactions. <a href="#">page 23</a>
Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Guidance for All Sectors	Revised to more explicitly address disclosure of potential financial impacts on organizations.	Oxy has disclosed for several years, in detailed risk factors, the ways in which our businesses and customers could be negatively impacted by reduced demand for oil and gas and associated products as a result of the transition to a low-carbon economy. We believe this impact could be mitigated through the production and sale of differentiated low-carbon crude oil and natural gas and associated products and fuels that utilize captured CO <sub>2</sub> . The differentiation would arise from analysis of lower-emission processes as well as independent verification by qualified entities. <a href="#">pages 36-38</a>  Oxy could benefit from broad adoption of carbon capture and sequestration in the United States and worldwide. Oxy is well positioned through its 50+ year legacy of carbon management for EOR and its investments in the Permian Basin and the Texas/ Louisiana Gulf Coast related to both DAC and Point-Source Capture. <a href="#">pages 31-32, 37</a>





# ALIGNMENT WITH TCFD CHANGES TO GUIDANCE

OCTOBER 2021

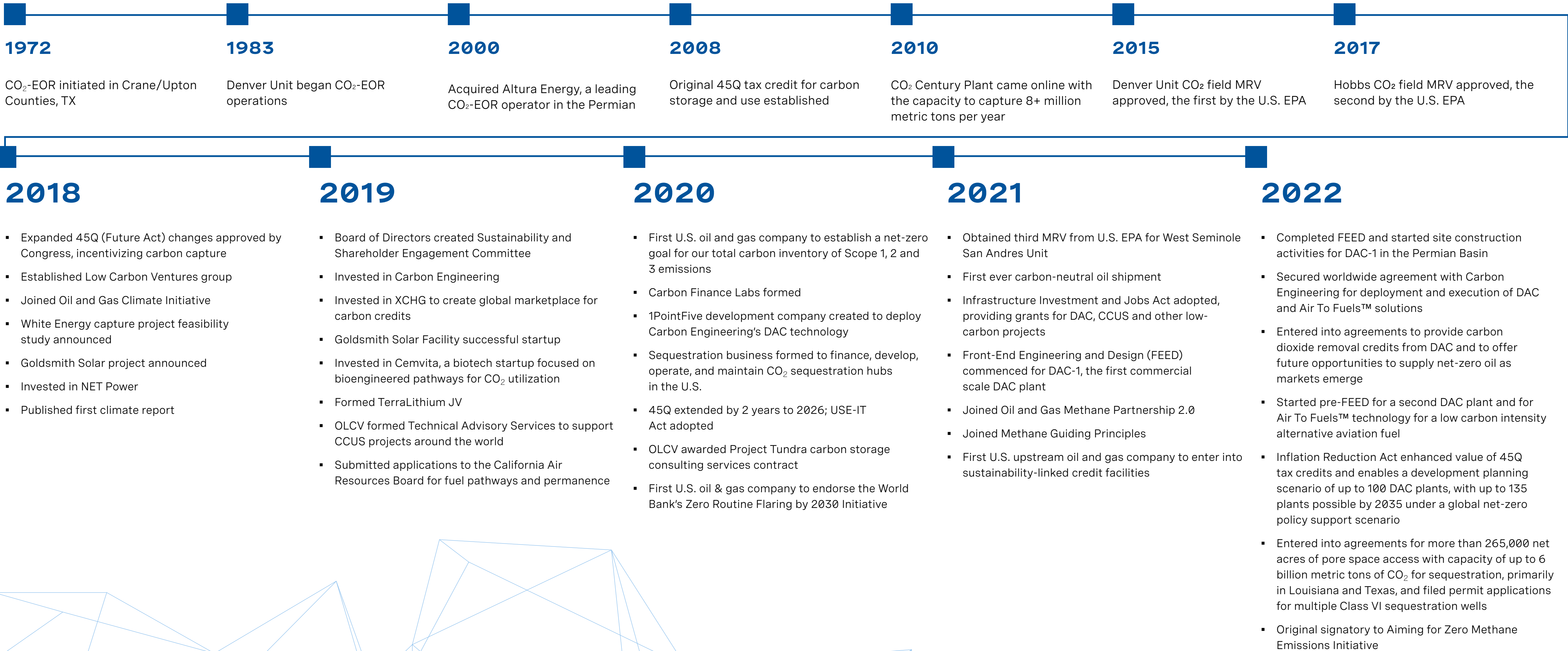
RECOMMENDATION	LOCATION	TCFD'S SUMMARY OF CHANGE	POSITION ON REVISED GUIDANCE
RISK MANAGEMENT: NO CHANGES			
METRICS AND TARGETS			
Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	Guidance for All Sectors	Revised to more explicitly address disclosure of metrics consistent with cross-industry, climate-related metric categories for current, historical, and future periods, where appropriate.	Oxy discloses cross-industry metrics including absolute Scope 1 and 2 emissions, emissions intensity for CO <sub>2</sub> e and methane and associated targets. In addition, we share flaring metrics and progress on technological improvements applied by our Emissions Technology Team. pages <a href="#">40-41</a> , <a href="#">43-45</a> , <a href="#">47</a>
Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	Guidance for All Sectors	<ul style="list-style-type: none"><li>Revised disclosure of Scope 1 and Scope 2 GHG emissions to be independent of a materiality assessment.</li><li>Revised to encourage disclosure of Scope 3 GHG emissions.</li></ul>	<ul style="list-style-type: none"><li>Oxy does not use a materiality threshold for its estimates of Scope 1 and Scope 2 GHG emissions reporting. For further information on our methodology and boundaries see <a href="#">About Our GHG Emissions Estimates</a></li><li>Oxy's Scope 3 emissions estimates incorporate the three most relevant categories for our downstream oil and gas value chain - associated with the downstream transportation, refining and use of our oil and gas products (Categories 9, 10 and 11, respectively). We present these data on an operated and equity basis. page <a href="#">47</a></li></ul>
Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	Guidance for All Sectors	<ul style="list-style-type: none"><li>Added disclosure of targets consistent with cross-industry, climate-related metric categories, where relevant.</li><li>Added disclosure of interim targets, where available, for organizations disclosing medium-term or long-term targets.</li></ul>	<ul style="list-style-type: none"><li>Oxy has disclosed an integrated suite of short-, medium- and long-term targets that support our overarching ambition to achieve net-zero emissions for our total carbon inventory of Scope 1, 2 and 3, including the use of sold products, before 2050. page <a href="#">40</a></li><li>Oxy has disclosed integrated interim targets to advance our net-zero ambition. These targets are described in Metrics and Targets on pages <a href="#">40-42</a> and the summary in <a href="#">Appendix III</a>.</li></ul>





APPENDIX VI

OXY'S 50+ YEAR CARBON MANAGEMENT LEGACY







APPENDIX VII

GLOSSARY

A

**ACC:** [American Chemistry Council](#)

**Anthropogenic CO<sub>2</sub> :** Emissions of GHGs, precursors of GHGs and aerosols caused by human activities. Per the IPCC, these activities include the burning of fossil fuels, deforestation, land use and land-use changes, fertilizer production and industrial processes

**API:** [American Petroleum Institute](#)

B

**BOE:** Barrel of oil equivalent is the energy released by burning one barrel of oil, and is used to express the energy contained in other hydrocarbon streams in barrels — for example, Oxy uses a conversion of 6,000 cubic feet of natural gas = 1 BOE

C

**CARB:** [California Air Resources Board](#)

**CNG:** Compressed Natural Gas

**CO<sub>2</sub>:** Carbon dioxide

**CO<sub>2</sub>e:** Carbon dioxide equivalent — obtained by converting a mixture of GHG to a single number based on the global warming potential of each individual GHG in the mixture

**CO<sub>2</sub>-EOR:** Carbon dioxide Enhanced Oil Recovery. Oxy is an industry leader in applying CO<sub>2</sub>-EOR, which can increase ultimate oil recovery by 10 to 25% in the fields where it is employed

**CCUS:** A categorization of technologies and approaches for capturing, utilizing and storing CO<sub>2</sub> with the purpose of reducing global emissions

D

**DAC:** Direct air capture pulls CO<sub>2</sub> directly from the atmosphere and delivers it in a pure, compressed form so it can be used in processes like EOR to create low-carbon fuels and products or carbon removal through secure carbon sequestration. DAC technology allows for collection of atmospheric CO<sub>2</sub>, making it a key solution for addressing difficult to capture, and historical, emissions

**Delaware Basin:** A subbasin of the Permian Basin, located in west Texas and southeast New Mexico

**DJ Basin:** Denver-Julesburg Basin in the U.S. Rockies region

**DOE:** U.S. Department of Energy

E

**EOR:** Enhanced Oil Recovery, a technique to increase oil production through the injection of water, steam or carbon dioxide

**EPA:** [U.S. Environmental Protection Agency](#)

**ERM:** Enterprise Risk Management

**ESG:** Environmental, Social and Governance

G

**GHG:** Greenhouse gases — primarily comprised of carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride and nitrogen trifluoride

**GHG Protocol:** (2015) A standard produced by the World Resources Institute and the World Business Council for Sustainable Development which provides guidance for companies and other organizations preparing a GHG emissions inventory

**GT:** Gigatonne

**GWP:** Global warming potential - A measure of how much heat a GHG traps in the atmosphere relative to CO<sub>2</sub> over a given period of time

H

**Henry Hub:** A natural gas pipeline located in Erath, Louisiana, that serves as the official delivery location for futures contracts on the New York Mercantile Exchange

I

**IEA:** [International Energy Agency](#)

**IPCC:** [Intergovernmental Panel on Climate Change](#) - the United Nations body for assessing the science related to climate change

**IPIECA:** A global oil and gas industry association focused on environmental and social matters. Formerly known as the International Petroleum Industry

Environmental Conservation Association

**IRA:** Inflation Reduction Act (2022) - U.S. legislation that, among other things, expanded policy support and incentives for deployment of DAC, CCUS, hydrogen and other low-carbon projects to advance the net-zero transition

M

**Metric Ton or Tonne (MT):** 1,000 kilograms (approximately 2,205 pounds)

**MRV:** Monitoring, Reporting and Verification Plan. Approved by the U.S. EPA

**MW/MWh:** Megawatt/megawatt hour

N

**Net Zero:** As defined by the IPCC, "net zero" balances anthropogenic GHG emissions to the atmosphere with GHGs taken out of the atmosphere. At Oxy, net zero means that we facilitate the reduction, capture, removal and storage of at least the same quantity of GHGs that are emitted directly from our operations (Scope 1), generated by others to create the power we purchase to conduct our operations (Scope 2), and generated by customers and consumers using the products we sell (Scope 3)

**NGLs:** Natural gas liquids

O

**OGCI:** The Oil and Gas Climate Initiative, a CEO-led initiative that aims to accelerate the industry response to climate change. OGCI members explicitly support the goals of the Paris Agreement

**OLCV:** [Oxy Low Carbon Ventures](#)

P

**Paris Agreement:** (2015) An international treaty on climate change with a goal to limit the global temperature increase in this century to below 2 degrees Celsius, while pursuing efforts to further limit the increase to 1.5 degrees, compared to pre-industrial levels

**Permian Basin:** A hydrocarbon-bearing sedimentary basin largely contained in the western part of Texas and the southeastern part of New Mexico

**Point-Source Capture:** A process by which CO<sub>2</sub> is captured at the point of emission before it enters the atmosphere

S

**SASB:** [Sustainability Accounting Standards Board](#)

**Scope 1 Emissions:** As defined by the Greenhouse Gas Protocol, Scope 1 or direct emissions are emissions from sources that are owned or controlled by the reporting entity

**Scope 2 Emissions:** As defined by the Greenhouse Gas Protocol, Scope 2 or indirect emissions are emissions that are a consequence of the activities of the reporting entity, but occur at sources owned or controlled by another entity such as the generation of purchased electricity, steam or heat

**Scope 3 Emissions:** As defined by the Greenhouse Gas Protocol, Scope 3 or other

indirect emissions are emissions from the reporting entity's value chain, such as from the transportation, processing or use of products sold by the reporting entity, the extraction and production of purchased materials and fuels, transport-related activities not owned or controlled by the reporting entity, electricity-related activities (e.g., transmission and distribution losses) not covered in Scope 2, waste disposal, etc.

**SDS:** Sustainable Development Scenario – IEA scenario that integrates the objectives of three U.N. Sustainable Development Goals (SDGs): universal access to modern energy by 2030, stringent control of GHG emissions consistent with the objectives of the Paris Agreement, and a reduction in conventional air emissions

**SEC:** [U.S. Securities and Exchange Commission](#)

T

**TCFD:** [Task Force on Climate-related Financial Disclosures](#)

**TEP:** The Environmental Partnership, a group of companies in the U.S. oil and natural gas industry committed to continuously improving the industry's environmental performance

W

**WTI:** West Texas Intermediate — a type of crude oil that is the underlying commodity of the New York Mercantile Exchange's oil futures contracts and a common benchmark for pricing crude oil





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