

CLIMATE REPORT 2023

# LEADING THE WAY IN CARBON MANAGEMENT

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Since establishing our Net-Zero Strategy, Oxy has made strong progress.  
See the latest developments in our pursuit of the goals of  
the Paris Agreement worldwide.



# REPORT HIGHLIGHTS

## BUILDING A NET-ZERO ECONOMY

- Construction 30% complete at STRATOS, the first commercial-scale Direct Air Capture (DAC) plant in the Permian Basin, with agreement for BlackRock to invest \$550 million in STRATOS on behalf of clients through a fund managed by its Diversified Infrastructure business
- Engineering and design activities ongoing for our second DAC plant at the King Ranch in South Texas
- Advancing sequestration hub design and sequestration well permitting with interests in more than 400 square miles of pore space access with a capacity to sequester up to 6 billion metric tons of CO<sub>2</sub>
- NET Power plant design ongoing for construction of its first utility-scale plant in the Permian to power Oxy's operations
- Multiple agreements signed to sell carbon dioxide removal (CDR) credits from DAC

## KEY ACHIEVEMENTS IN OPERATIONS

- Reduced carbon dioxide equivalent (CO<sub>2</sub>e) emissions in our company-wide operated assets in 2022 by approximately 18% from 2019 and nearly 4% from 2021
- Reduced methane emissions in our operated assets by approximately 58% from 2019 and 40% from 2021
- Reduced routine flaring by 44% in our global oil and gas operated assets since joining the World Bank's Zero Routine Flaring initiative from 2020 through 2022, including achieving Zero Routine Flaring across U.S. operations in 2022
- Expanded deployment of key emissions reduction projects, including tankless facilities, compression for tie-back to central processing and gas lift facilities, temporary gas storage during plant or pipeline outages, and methane detection technologies
- Eliminated or retrofitted all high-bleed gas-driven pneumatic controllers found in U.S. onshore operations



## NET ZERO

As defined by the United Nations' (UN) 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).

Oxy adopted its net-zero goals in 2020 to align with the goals of the Paris Agreement, an international treaty on climate change adopted by 196 Parties at the UN Climate Change Conference (COP21) in Paris, France in December 2015 and administered under the 1992 UN Framework Convention on Climate Change. The Paris Agreement's overarching goals are to hold "the increase in the global average temperature to well below 2°C above pre-industrial levels" and pursue efforts "to limit the temperature increase to 1.5°C above pre-industrial levels."

Oxy is building an integrated portfolio of low-carbon projects, products, technologies and companies that complement our existing businesses, leverage our competitive advantages in CO<sub>2</sub>-EOR, reservoir management, drilling, essential chemistry and major infrastructure projects, and are designed to sustain long-term shareholder value as we implement the net-zero transition called for by the IPCC and world leaders.

# 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 United States, 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," "company," "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 our 2021 Climate Report, Pathway to Net Zero, and we further described progress on this strategy in our 2022 Climate Report, Building to Net Zero. This 2023 Climate Report, Leading the Way in Carbon Management, provides key developments and milestones, with a focus on recent 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 GHG metrics and targets and reviews our GHG emissions data through December 31, 2022. The Appendices include a table of emissions data from 2019 through 2022, our associated Independent Assurance Statements, our current GHG goals, a summary of alignment with the TCFD recommendations, a timeline of our 50+ year legacy of carbon management, and a glossary. The results of the scenario analysis are based on specific assumptions and estimates. Given the inherent uncertainty in estimating emissions and 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.

(1) 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," "might," "likely," "anticipate," "advance," "progress," "commit," "strategy," "initiative," "plan," "seek," "strive," "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 outcomes or 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, including future rulemaking. Factors that could cause results to differ from those projected or assumed in any forward-looking statement 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 or future increases in interest rates; the scope and duration of global or regional health pandemics or epidemics and actions taken by governmental authorities and other third parties in connection therewith; 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 charges 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, including those necessary for drilling and/or development projects; 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 (NGLs) reserves; lower-than-expected production from development projects or acquisitions; Oxy's ability to realize the anticipated benefits from prior or future streamlining actions to reduce fixed costs, simplify or improve processes and improve Oxy's competitiveness; 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, including capital market disruptions and instability of financial institutions; governmental actions, war (including the Russia-Ukraine war and the Israel-Hamas war) and political conditions and events; health, safety and environmental (HSE) risks, costs and liability under existing or future federal, regional, state, provincial, tribal, local and international HSE laws, regulations and litigation (including related to climate change or remedial actions or assessments); legislative or regulatory changes, including changes relating to hydraulic fracturing or other oil and natural gas operations, retroactive royalty or production tax regimes, and deep-water and onshore drilling and permitting regulations; 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, government investigations and other proceedings; 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; the creditworthiness and performance of Oxy's counterparties, including financial institutions, operating partners and other parties; 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, 2022 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, modify or withdraw 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 SCENARIOS

The Stated Policies Scenario (STEPS), Announced Pledges Scenario (APS) and Net Zero by 2050 Scenario (NZE) modeled and assessed in this report are derived from assumptions contained in the International Energy Agency's (IEA) 2022 World Energy Outlook, which the IEA updated in October 2022. The STEPS, APS, and NZE are not forecasts or predictions of the future. As such, there is no assertion that the scenario modeling and assessments presented in this report are reliable indicators of the impact of governmental and private responses to climate change on Oxy's asset portfolio or businesses. Statistics and metrics included in this report are estimates and may be based on assumptions, processes and standards that are developing and subject to change.

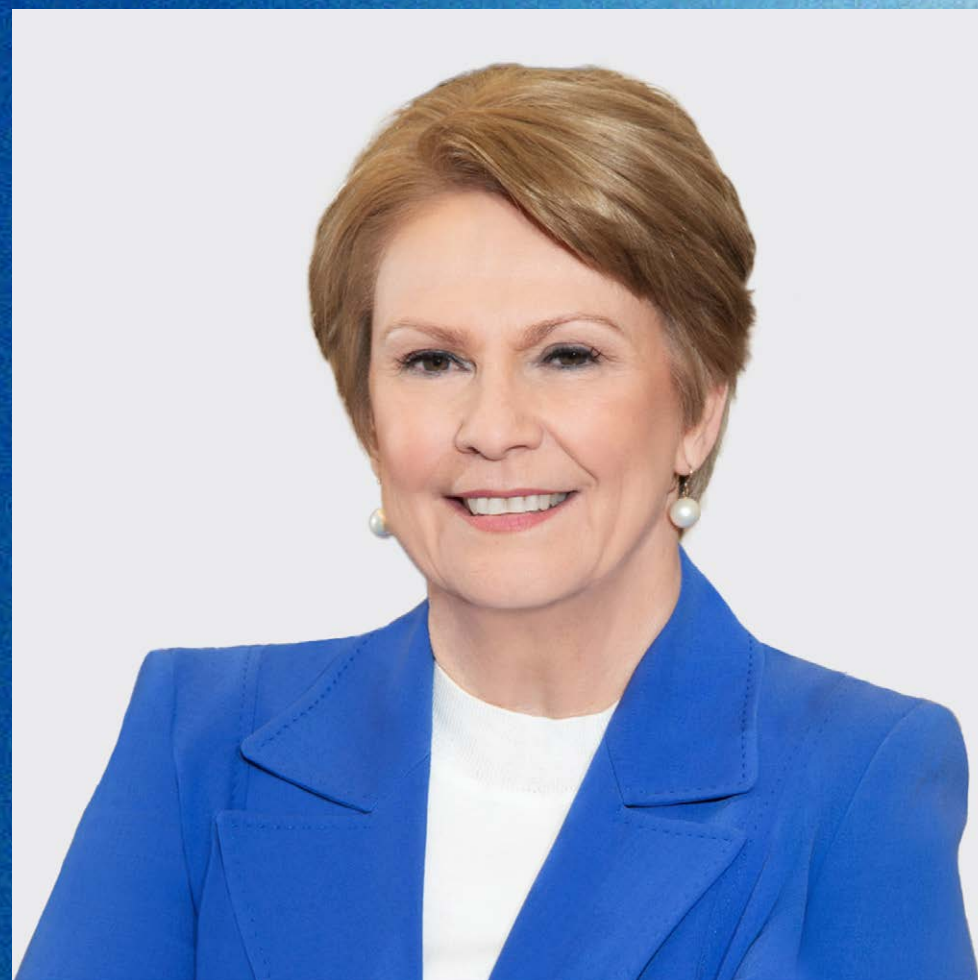
## ABOUT OUR GHG EMISSIONS ESTIMATES

The GHG emission estimates described in this report are derived from a combination of direct measurement and calculated values using activity-based parameters and established emission factors as of December 31, 2022. 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, 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; we exclude operated assets that are 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 continue to refine our processes and systems, including those with respect to equipment inventories and estimation or measurement of GHG emissions. Uncertainties associated with emissions estimates include, but are not limited to, variation in processes and operations, the availability of sufficient representative data, the quality of available data, and the methodologies used for measurement and estimation. Oxy does not currently expect to update our GHG emissions estimates for prior years unless there are significant discrepancies or omissions identified with respect to a prior year's estimates, a significant change has occurred in our organizational boundaries such as a significant acquisition or divestiture, or a significant change has occurred to regulations or protocols that, in each case, would cause GHG emissions to differ from the prior estimate by more than 5% of our company-wide Scope 1 and 2 emissions estimate in the relevant year. Because no such significant changes to our total GHG emissions for 2019 through 2021 have been identified in this reporting period, this report incorporates the data for those years that were presented in our 2022 Climate Report.

Oxy also provides certain emissions and production data on an equity basis, where available, excluding assets that are sold in a given year. Our equity emissions currently reflect our proportionate equity interest in our operated oil and gas and chemical assets and our third-party operated international joint ventures. They do not reflect our equity interests in third-party operations in the U.S., either onshore or offshore Gulf of Mexico, or passive equity investments, because we do not currently have consistent access to such data from those operators. We are evaluating processes to estimate GHG emissions from third-party U.S. operators and expect to be in a position to provide more information on those interests in the future.

Equity-based production data reflect oil and gas production presented in our annual Form 10-K, and equity-based Scope 3 emissions estimates reflect that total equity production. 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 U.S. 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 and other Scope 3 categories with respect to our oil and gas, chemical 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, certain countries, political and economic unions 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 ambitions 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.

## LETTER FROM OUR CEO



**"I'd like to thank our dedicated employees and partners around the world for this year's remarkable progress. With our organization's 50+ year legacy and expertise managing CO<sub>2</sub> for enhanced oil recovery in the Permian Basin, we are leading the way in carbon management."**

At Oxy, we believe oil, natural gas and chemical producers play an essential role in advancing society's transition to a net-zero economy. And we're dedicated to leading the way in this bold evolution. 2023 marks the fifth anniversary of Oxy Low Carbon Ventures (OLCV). In this short time, Oxy's global workforce has unified around our net-zero goals and strategy—making remarkable advancements. Some of the progress detailed in this report includes:

- New construction milestones for the STRATOS Direct Air Capture (DAC) facility
- Agreement with BlackRock to invest \$550 million in a STRATOS joint venture on behalf of clients through a fund managed by its Diversified Infrastructure business
- Agreements announced to explore a DAC facility in the UAE and CCUS projects in Oman
- Signed contracts for Carbon Dioxide Removal (CDR) credits with major companies
- Expansion of exciting technology partnerships
- Further reduction of operational greenhouse gas emissions

This year brings a strong sense of hope, optimism and encouragement as we continue to advance multiple pathways toward a lower-carbon future. Major U.S. legislation like the Infrastructure Investment and Jobs Act and the Inflation Reduction Act have drawn substantial new investments into a variety of low-carbon projects, including DAC, carbon sequestration hubs, hydrogen and lithium. This is the type of net-zero policy support we noted in our March 2022 OLCV investor update and our third quarter 2022 earnings call that would be instrumental in accelerating DAC deployment. We are gratified that leaders across the world are pursuing additional policies to spur rapid innovation of DAC and other net-zero technologies at commercial scale.

Over the past year, Oxy accelerated our progress and partnerships to address the climate challenge. The pillars of our Net-Zero Strategy—Revolutionize, Reduce, Reuse/Recycle and Remove—each saw significant new achievements. Construction is advancing on our STRATOS DAC facility in West Texas, the cornerstone project of our 1PointFive subsidiary. Designed to remove 500,000 metric tons of atmospheric CO<sub>2</sub>, we're expecting STRATOS to be operational in mid-2025. The site's permit applications to develop two Class VI sequestration wells are under review by the U.S. EPA.

Of course, scale will be key in any carbon removal pathway. 1PointFive was selected by the U.S. Department of Energy for a grant to develop a DAC hub in South Texas. This new hub, which will be located on the historic King Ranch, is expected to be home to the world's first DAC facility designed to remove up to 1 million metric tons of CO<sub>2</sub> per year. Oxy also signed an agreement with ADNOC to start a jointly funded preliminary engineering study for a DAC facility in the United Arab Emirates. The study will assess the feasibility of building the first megaton-scale DAC operation outside the United States.

This year, we also made tremendous strides in the development of five geologic sequestration hubs along the U.S. Gulf Coast. Together, these locations

collectively comprise more than 400 square miles and an estimated potential storage capacity of more than 6 billion metric tons of CO<sub>2</sub>. Geologic storage of CO<sub>2</sub> is recognized by leading international organizations as an important pathway to achieving the goals of the Paris Agreement. Strategically siting our hubs near major centers of industrial activity can provide Oxy's industrial partners more options for meeting their CO<sub>2</sub> emissions reduction milestones.

It's equally important we support the development of the carbon dioxide removal market itself. CDR credits generated from operations such as DAC can incentivize practices that help make net zero a reality. In 2023, we signed agreements with global companies for secure, high-quality, durable CDR credits from our future operation of STRATOS. In August, All Nippon Airways (ANA) became the world's first airline to sign a CDR purchase agreement with 1PointFive, securing 30,000 metric tons of removal capacity over a three-year period. In September, Amazon agreed to purchase 250,000 metric tons of CDR credits over a decade, which they will use to help achieve their goal of decarbonizing their global operations by 2040.

1PointFive also partnered with both Major League Baseball's Houston Astros and the Houston Texans of the National Football League for the future removal of CO<sub>2</sub> equivalent to the teams' estimated regular season away-game flight emissions for three seasons. The Astros are acquiring additional CDRs for emissions related to the operation of their stadium.

This year also saw powerful new technology partnerships, as well as additional support for existing partners. In August, we took steps to grow our low-carbon portfolio by entering into an agreement to acquire DAC technology innovator Carbon Engineering—with whom Oxy has been partnering on DAC deployment since 2019. We reached an agreement with NET Power which plans to build its first utility-scale natural gas power plant in the Permian Basin to supply electricity with near-zero emissions to our operations. We also secured 100 percent of TerraLithium, and made additional investments in Newlight Technologies and Carbon Upcycling—both potential change-makers in the carbon space.

Within Oxy's operations, we continued to leverage advanced technologies to reduce emissions in 2023. These included increased drone usage, cutting-edge aircraft and satellite-based inspection technologies, optical gas imaging and expanded deployment of advanced ground-based sensors. Additionally, Oxy's involvement in the development of SensorUp's Gas Emission Management Solution (GEMS) is poised to play a crucial role in leak detection and repair, as well as measurement, reporting and verification of methane emissions.

Around the world, Oxy reduced carbon dioxide equivalent (CO<sub>2</sub>e) emissions in our company-wide operated assets in 2022 by approximately 18% from 2019 and nearly 4% from 2021, and reduced methane emissions in our operated assets by approximately 58% from 2019 and 40% from 2021. As a part of the World Bank's Zero Routine Flaring by 2030 initiative, we've reduced routine flaring by 44% from our 2020 baseline in our global operated oil and gas assets, including achieving Zero Routine Flaring across our U.S.

operations in 2022. And we've either eliminated or retrofitted all high-bleed, gas-driven pneumatic controllers found in our U.S. onshore operations.

I'm extraordinarily proud of the progress we've made over the last year, and grateful to our 12,000 employees who've enthusiastically contributed their ingenuity and hard work. In an effort to continue harnessing this diverse talent, Oxy's Vanguard initiative sponsors sustainability challenges across our operations in which teams of employees propose innovative solutions that reduce water, energy or raw material use, or emissions or waste generation, and finalists receive funding to implement their projects. These sprints help us make the most of our tremendous expertise, and I'm looking forward to pushing ourselves again in this way. We also continue to collaborate not just across our organization, but across the world with like-minded groups pursuing emissions reduction. This means continued participation with organizations such as the Oil and Gas Climate Initiative (OGCI), the Aiming for Zero Methane Emissions Pledge, the Methane Guiding Principles (MGP), Oil & Gas Methane Partnership 2.0 (OGMP 2.0), and The Environmental Partnership (TEP).

We believe the combination of Oxy's subsurface and major project delivery expertise, our unparalleled CO<sub>2</sub> infrastructure, and our partnerships with global companies and climate-focused groups uniquely positions Oxy to apply innovative technologies to reduce the carbon footprint of our oil and natural gas and chemical products, and help others do the same. These efforts could ultimately produce net-zero oil to meet the continuing demand for liquid fuels and hydrocarbon feedstocks in 2050 and beyond that is predicted by leading international organizations.

The most important thing to us is that DAC provides multiple pathways to decarbonization. DAC enables the development of decarbonized oil and gas, CDRs, sustainable aviation fuels, and also decarbonized hydrogen, chemicals like ethylene, and so many other vital materials that enhance our quality of life.

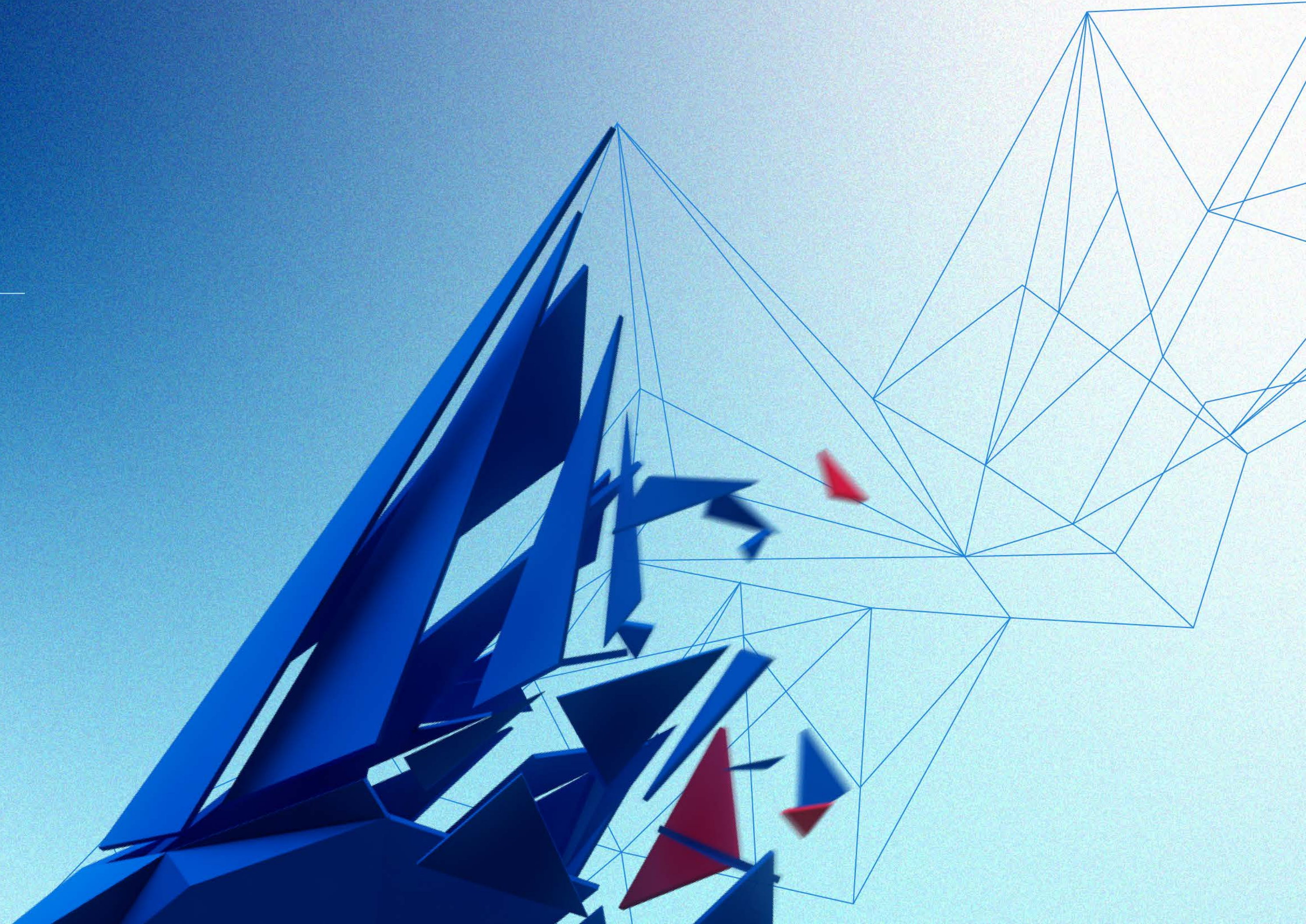
I'd like to thank our dedicated employees and partners around the world for this year's remarkable progress. With our organization's 50+ year legacy and expertise managing CO<sub>2</sub> for enhanced oil recovery in the Permian Basin, we are leading the way in carbon management, and focused on contributing solutions to address the climate challenge while also delivering value to shareholders and essential energy and chemicals to society. We intend to build on this momentum—working hard with our partners across the world to lead the way toward a lower-carbon future. Balancing the pressing needs of today with the net-zero potential of tomorrow is no small job—but our team is up to the challenge. I am humbled to be part of this historic effort.

**Vicki Hollub**  
President and Chief Executive Officer

# GOVERNANCE

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BOARD OF DIRECTORS STRATEGIC OVERSIGHT





# GOVERNANCE

## 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. The Board conducts active review and oversight of Oxy's Net-Zero Strategy, which reflects the transition plan developed and implemented by Oxy's President and CEO and her senior leadership team, as detailed in our annual Climate Report, our Low Carbon Ventures investor updates and earnings calls. These matters are covered in regular Board and committee meetings, as well as the Board's annual strategic review session, as central elements of Oxy's strategic planning.

The Board delegates certain elements of its climate-related oversight 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's website, [oxy.com](https://oxy.com), and summarized annually in our Proxy Statement. This committee structure is designed to help the Board and its committees have the appropriate oversight of relevant sustainability issues. These committees regularly report on their activities 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) program, which encompasses our internal processes and controls used by our ERM Council of senior executives to facilitate risk identification, management and reporting, including with respect to 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

Reviews and approves 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 approved annual climate-related targets for executive officers, directly linking compensation to Oxy's sustainability performance. In response to shareholder input that meaningful weighting of sustainability metrics appropriately aligns performance with Oxy's Net-Zero Strategy, the Compensation Committee maintained the sustainability weighting at 30% of the 2023 annual cash incentive (ACI) award. The Compensation Committee also maintained targets for emission reduction projects (Scope 1 and 2) and low-carbon ventures projects (Scope 3)—for which it reviews and approves new targets each year to encourage continuing progress. The emissions reduction metric reflects key annual projects to deploy emissions detection, monitoring and control technologies, designs and practices that advance our net-zero goal for Scope 1 and 2 emissions before 2040 and our aim to do so before 2035. The low-carbon ventures metric focuses on business development for Direct Air Capture (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.





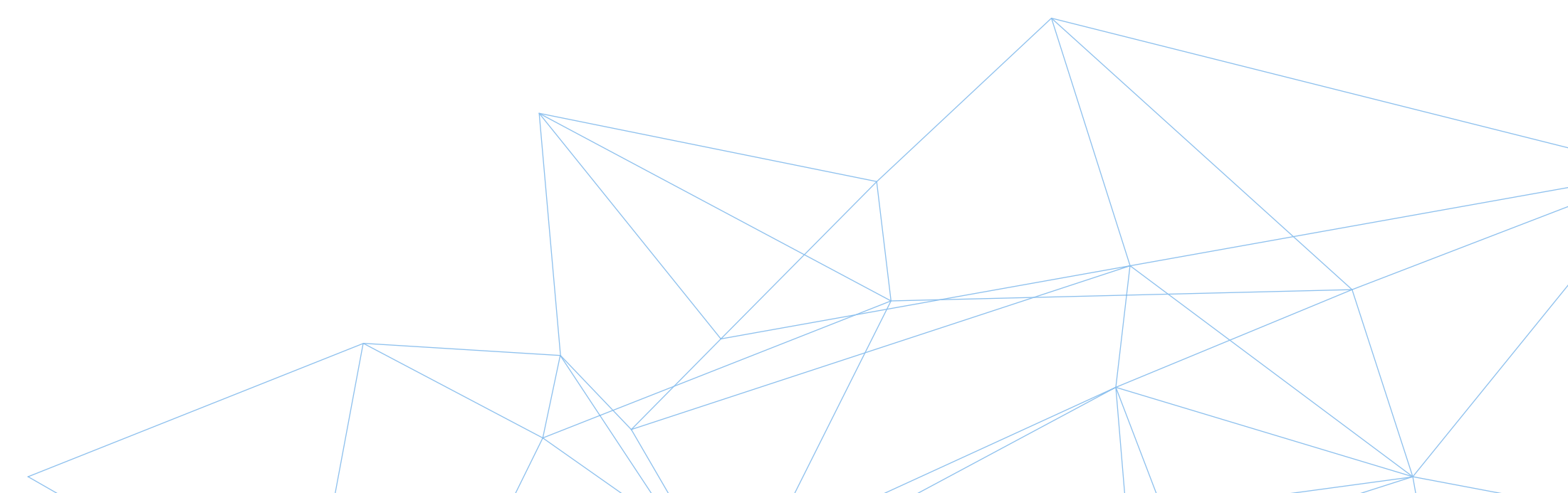
Senior management reports to the Board of Directors on environmental and sustainability matters, including climate-related risks and opportunities, during regularly scheduled Board and Committee meetings, annual strategy sessions and informally during regular business. In addition to discussions with 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 net-zero transition. In its meetings throughout 2022 and 2023, the Board discussed Oxy's Net-Zero Strategy with senior management, including leaders of Oxy's business units and the 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, pending and proposed regulations, risk management, and low-carbon investment opportunities.

During Board and Committee meetings, the Board also discusses the status of ongoing projects, such as construction progress of STRATOS—our first DAC facility which is being built in Ector County, Texas; Front-End Engineering and Design for our second DAC facility—a central feature in our planned CO<sub>2</sub> sequestration hub at the King Ranch in Kleberg County, Texas; and the development of other planned sequestration hubs along the U.S. Gulf Coast. Each of these developments is an important milestone on the path

to achieving Oxy's net-zero ambitions and helping the world meet the Paris Agreement's climate goals. These actions reflect the Board's active oversight of Oxy's strategy to increase shareholder value and thrive while advancing the transition to a net-zero economy.

Future Board strategy discussions will continue to refine and enhance consideration of climate-related risks and opportunities. Our directors have a wide range of experience, including in government service, non-governmental organizations and private sector industries, which supports a diversity of thought.

Oxy's President and CEO, senior management and employees actively participate in voluntary methane emissions reduction and management programs, such as TEP, MGP, OGMP 2.0, 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 also participates in the U.S. Department of Energy's (DOE) Better Plants<sup>®</sup> program to reduce energy and fuel 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 in 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>
- We believe key policy success factors include:
  - supporting the commercial application of technologies in a manner that is sufficient, certain and financeable
  - supporting 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
  - promoting advantages of using durable products to achieve a lower carbon lifecycle analysis (LCA).
- Longer term, we believe maturing compliance and voluntary carbon markets will strengthen carbon pricing signals and expand commercial pathways for investments in CCUS, DAC and a growing suite of low-carbon products.
- 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 the 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 100 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 CO2 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 CO2. Because these policy positions were included in the IIJA and the IRA, 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 CO2 over the next 10 years to meet the Paris Agreement's goal of limiting climate change to well below 2°C, while aiming for 1.5°C. Initiatives to eliminate emissions are essential factors in reaching the Paris Agreement goals, but without removal of CO2 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 CO2 emissions and atmospheric CO2 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 CO2 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 well below 2°C above pre-industrial levels, while pursuing the means to limit the increase to 1.5°C. More importantly, we have developed our net-zero pathway and strategy to align with those goals. Putting our pathway into action, we are building 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 noted 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.



ARTIST RENDERING OF STRATOS

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 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 that ensure the rapid deployment of technological solutions like carbon capture, removal, utilization and storage. 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 or 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 their rapid deployment, particularly in energy-producing regions, to utilize local expertise and infrastructure and promote a successful 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 technology for generating electricity from natural gas with near-zero emissions, 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, can effectively 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 CO<sub>2</sub> emissions using analytical 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 Partnership, 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, beneficially use the vast majority of methane 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 Accelerating 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 OCTOBER 2023

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

### ORGANIZATIONS

**AMERICAN CHEMISTRY COUNCIL (ACC)**

**AMERICAN PETROLEUM INSTITUTE (API)**

**CARBON CAPTURE COALITION (CCC)**

**CARBON UTILIZATION RESEARCH COUNCIL (CURC)**

**OIL AND GAS CLIMATE INITIATIVE (OGCI)**

**U.S. CHAMBER OF COMMERCE**

We have established a net-zero target associated with our operations and energy use (Scope 1 and 2) before 2040, with an ambition to do so before 2035, and an ambition to achieve net-zero emissions associated with our total carbon inventory, including the use of our sold products (Scope 1, 2 and 3), before 2050. We are applying our longstanding expertise in carbon management and existing infrastructure to accelerate the deployment of innovative technologies to capture and remove CO<sub>2</sub> emissions from both the atmosphere and industrial sources that can then be used to create low-carbon products or retire carbon securely in deep geologic formations.

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 members, 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 actively share 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 October 2023 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
<p>American Chemistry Council (ACC)</p>	<p>Generally Consistent</p>	<p>Chemistry is a crucial element in enabling the energy transition and combating climate change. To combat negative impacts on climate, the industry will need to work together to develop effective solutions that will reduce GHG emissions.</p> <p>American chemistry is taking action to fight 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, 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
<p>American Petroleum Institute (API)</p>	<p>Generally Consistent</p>	<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> <p><b>Accelerate technology and innovation</b> to reduce emissions while meeting growing energy needs</p> <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> <p><b>Further mitigate emissions from operations<sup>(1)</sup></b> to advance additional environmental progress</p> <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> <p><b>Endorse a carbon price policy<sup>(2)</sup></b> by government to drive economywide, market-based solutions</p> <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> <p><b>Advance cleaner fuels</b> to provide lower-carbon choices for consumers</p> <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> <p><b>Drive climate reporting</b> to provide consistency and transparency</p> <ul style="list-style-type: none"> <li>Expand use of ESG reporting guidance for the natural gas and 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 API's Climate Action Framework.</p>

<sup>(1)</sup> Oxy is a member of [The Environmental Partnership \(TEP\)](#). TEP pursues the continued improvement of the oil and gas industry's environmental performance and the reduction of emissions 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
<p>Carbon Capture Coalition</p>	<p>Generally Consistent</p>	<p>Members of the Carbon Capture Coalition work together to achieve a common goal: economywide deployment of carbon management technologies. This economywide adoption is critical to achieving net-zero emissions to meet midcentury climate goals and to strengthening and decarbonizing domestic energy, industrial production and manufacturing, all while retaining and expanding a high-wage jobs base.</p> <p>The Coalition's mission is to advance federal policies and actions that will accelerate deployment of:</p> <ul style="list-style-type: none"> <li>Technologies to capture and manage carbon dioxide (CO<sub>2</sub>) and carbon monoxide (CO) and co-pollutants from power plants and industrial facilities.</li> <li>Carbon removal technologies, including DAC, biomass with carbon removal 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>Reuse of captured CO<sub>2</sub> and CO to produce low- and zero-carbon products.</li> <li>Safe and permanent storage of CO<sub>2</sub>, including in appropriate geological reservoirs.</li> </ul> <p><a href="#">Learn more</a> about federal policy actions the Carbon Capture Coalition supports.</p>
<p>Carbon Utilization Research Council (CURC)</p>	<p>Generally Consistent</p>	<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 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>All OGCI member companies have announced their ambition to achieve net zero operations, covering Scope 1 and 2 greenhouse gas emissions within the timeframe set by the Paris Agreement. A condition of membership is company support for the goals of the Paris Agreement. OGCI's action is guided by a set of principles and a strategy. 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 Climate Investment funds 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. 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
<p>U.S. Chamber of Commerce (Cont.)</p>	<p>Generally Consistent</p>	<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>Embrace technology and innovation:</b> Advanced technologies and innovation offer the best solution for managing climate risks and reducing greenhouse gas (GHG) emissions. Breakthroughs in commercially-viable technologies are necessary to enable significant cuts in GHG emissions without harming economic growth or the competitiveness of energy-intensive trade-exposed industries. The U.S. should maintain a leadership role in technologies, such as advanced nuclear, energy efficient systems and building materials, and large-scale renewables, energy storage and batteries, high-efficiency low-emission power plants, and carbon capture and storage/utilization by supporting a broad-based public- and private-sector technology portfolio. The Chamber will continue to support strengthening America's scientific enterprise, including its national lab system. A technology-neutral climate change policy offers the best opportunity to deliver cost-effective, achievable, and meaningful greenhouse gas emissions reductions.</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> The Chamber calls 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>



## 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. We regularly meet with shareholders to hear their views on Oxy's Net-Zero Strategy, among other topics. Members of the Board's Sustainability and Shareholder Engagement Committee, among other Board members, communicate with shareholders and regularly report shareholder views to the Board. We look forward to continuing this dialogue on emissions reduction 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 providing a robust and reliable supply of energy and essential products.

Oxy is a member of 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 its Climate Investment funds.

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 Climate Investment, an organization created by OGCI members in 2017 to fund investments in decarbonizing hard-to-abate sectors. Since its formation, the fund has invested in 29 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 50 million metric tons of CO<sub>2</sub>e in emissions reduction. Annual reductions related to these efforts exceeded 27 million metric tons of CO<sub>2</sub>e in 2022. [Climate Investment's latest report](#) can be accessed here.

Ms. Hollub, members of Oxy's Board of Directors and representatives of Oxy's investor relations, legal, OLCV, HR and environmental and sustainability teams regularly engage with stakeholders on ESG matters pertinent to Oxy, including our Net-Zero 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 CERAWEEK 2023



OXY PRESIDENT AND CEO VICKI HOLLUB  
AT CERAWEEK 2023

## HIGHLIGHTS OF RECENT EXECUTIVE ENGAGEMENT

- **In December 2022, Ms. Hollub** was a featured speaker at the Wall Street Journal CEO Council Summit in Washington, DC, where she discussed Oxy's low-carbon strategy.
- **In January 2023, Ms. Hollub** attended the World Economic Forum Annual Meeting in Davos, Switzerland, where she participated on a panel, "Mastering New Energy Economics." Ms. Hollub talked about how the world must collaborate on lowering emissions in all industries and ensure that emerging nations are not left behind in the net-zero transition.
- **In March 2023, Ms. Hollub** was featured in two sessions at CERAWEEK, the annual energy conference in Houston. She was interviewed by author Walter Isaacson in a "Voices of Innovation" fireside chat and participated in a plenary, "Technologies for Sustainability" with Adam Selipsky, CEO of Amazon Web Services, moderated by Daniel Yergin. She spoke about Oxy's pathway to net zero and how technology can help industry achieve net zero by 2050.
- **In March 2023, Fred Forthuber, President, Oxy Energy Services,** participated on a CERAWEEK panel, "Connecting North American Energy to the World," where he discussed Oxy's midstream operations.
- **In March 2023, Richard Jackson, President, U.S. Onshore Resources and Carbon Management** spoke at a CERAWEEK plenary session, "World of Turbulence: Upstream Strategies," focusing his remarks on how the energy industry can address security, affordability and sustainability.
- **In March 2023, Michael Avery, President and General Manager of 1PointFive,** participated on a CERAWEEK Agora panel, "Direct Air Capture: Global Initiatives to Reduce Costs and Scale CDR Infrastructure." Mr. Avery spoke about Oxy subsidiary 1PointFive's DAC strategy and the construction of STRATOS, the company's first facility in Ector County, Texas.
- **In March 2023, Dr. Robert Zeller, Vice President, Technology, Low Carbon Ventures,** spoke at two CERAWEEK sessions: "Direct Air Capture - An Enabler for a Sustainable Future" and "Scaling CCUS - New Business Models." Dr. Zeller discussed the technologies behind DAC and CCUS.
- **In March 2023, Ms. Hollub** delivered a keynote address during the Advanced Research Projects Agency-Energy (ARPA-E) Energy Innovation Summit in National Harbor, Maryland, where she discussed Oxy's low-carbon strategy and technologies the company is using to accomplish it.
- **In April 2023, Ms. Hollub** participated in a panel discussion at the Columbia Global Energy Summit, "The Global State of Play: Energy Markets, Geopolitics, Policy and What's Next." She talked about Oxy's CCUS strategy and how policy can incentivize the development of technology for a net-zero world.
- **In April 2023, Ms. Hollub** spoke at the 2023 Ben Graham Centre's Value Investing Conference in Toronto, Canada, focusing on Oxy's business strategy.
- **In May 2023, Ms. Hollub** was part of an industry panel on "Energy Finance and the Energy Transition" at the Gutierrez Energy Management Institute of the University of Houston, where Ms. Hollub discussed Oxy's Net-Zero Strategy.
- **In June 2023, Ms. Hollub** participated in the India Ideas Summit and was interviewed by Marty Durbin, President of the Global Energy Institute at the U.S. Chamber of Commerce. The subject was "Charting the Roadmap for Global Energy Transition."
- **In July 2023, Ms. Hollub** sat on a high-level roundtable, "Technology and Innovation for a Low Emissions Future," at the 8th OPEC International Seminar in Vienna, Austria. Ms. Hollub talked about how the energy industry can use its technical expertise to help the world achieve net zero.

# STRATEGY

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TAKING ACTION. MAKING PROGRESS.





# TAKING ACTION. MAKING PROGRESS.

In our 2022 Climate Report, we showcased how Oxy is building a portfolio of low-carbon investments that work together as a closed-loop system. This year, we're highlighting the progress made with these complementary low-carbon enterprises and initiatives as we work to solidify our position as a leader in the net-zero transition.

Oxy's 2023 capital plan includes up to \$600 million for our net-zero initiatives. These investments focus on deploying and commercializing new technologies and low-carbon business models, including our engineering and construction of our STRATOS DAC plant and ongoing design of our second DAC plant and sequestration hubs, as well as our projects to reduce CO<sub>2</sub>, methane and other air emissions in our operations. In addition, Oxy expanded our low-carbon portfolio, including the acquisition of 100% of Carbon Engineering

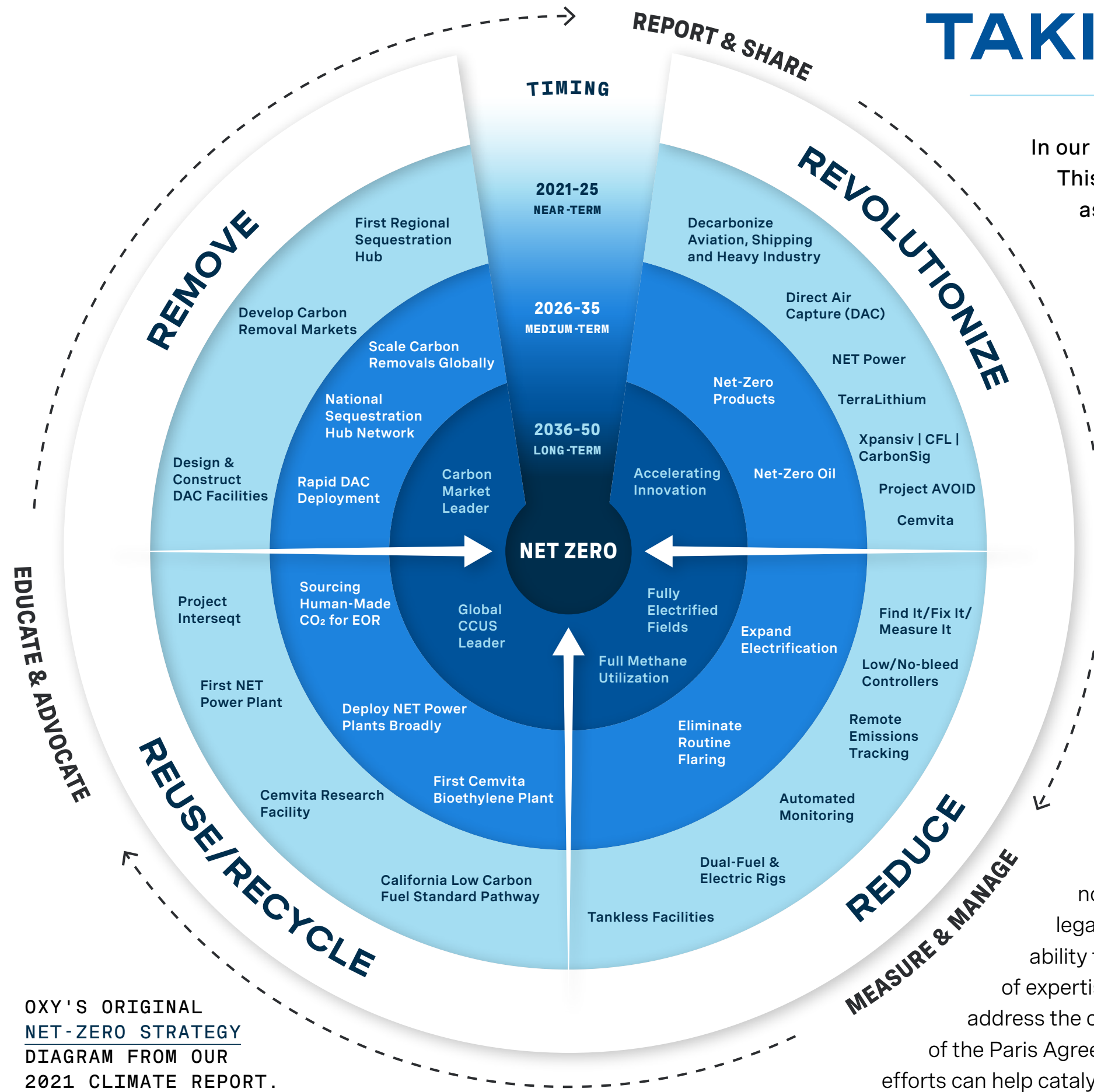
and TerraLithium and our additional investments in NET Power, Newlight Technologies and Carbon Upcycling. We are building this integrated portfolio of low-carbon projects, products, technologies and companies that complement our existing businesses and leverage our competitive advantages in CO<sub>2</sub>-EOR, essential chemistry and major projects to sustain long-term shareholder value while addressing global challenges on a climate-relevant scale. 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 transcripts and slides from the third quarter of 2022 and the third quarter of 2023.

## 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 2040 and aiming for 2035, and in our total carbon inventory including the use of our products before 2050.

Since establishing our net-zero targets in 2020, Oxy has made significant progress in implementing our Net-Zero Strategy. It's worth noting that there is no single roadmap for this journey. We believe that our legacy as a leader in carbon management, our portfolio of assets, and our ability to make major projects happen the right way—as well as our foundation of expertise in energy production and essential chemistry—empower us to help address the climate challenge. We're leveraging these resources to advance the goals of the Paris Agreement and working with others to help them do the same. We believe our efforts can help catalyze global progress to bring a low-carbon future closer to reality.

Our strategy employs four key elements to achieve net-zero emissions in our operations and energy use before 2040—with an ambition to achieve this goal before 2035. This strategy extends to our total carbon inventory, including the use of our products, before 2050. The key elements of our climate strategy include Revolutionize, Reduce, Reuse/Recycle and Remove. In the following pages we highlight progress made in these categories over the past year. Some of these initiatives are very high profile. Others you may not know much about, but each will play an important role on our pathway to net zero. We will explain more about each of these elements in this report, but below is an overview of each:



### 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

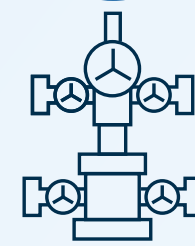
Remove existing CO<sub>2</sub> from the atmosphere in significant amounts for beneficial use and safe, secure sequestration by developing, proving and deploying innovative capture technologies and market mechanisms at commercial scale to further the goals of the Paris Agreement

## CARBON MANAGEMENT BY THE NUMBERS

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

Number of hubs under development

**5**

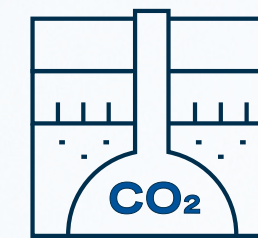


CO<sub>2</sub> storage capacity up to

**6**  
billion tonnes



**7**



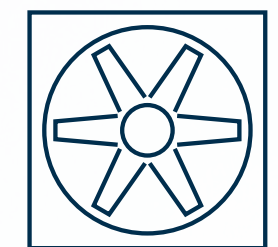
Number of class VI sequestration well permit applications submitted

Number of low carbon venture company investments

**9**



Potential CO<sub>2</sub> capture capacity up to



**30**  
million tonnes

at our proposed South Texas Hub

## 2023 PROGRESS:

### BUILDING A NET-ZERO ECONOMY

- Construction 30% complete at STRATOS, the first commercial-scale DAC plant in the Permian Basin, with agreement for BlackRock to invest \$550 million in STRATOS on behalf of clients through a fund managed by its Diversified Infrastructure business
- Engineering and design activities ongoing for our second DAC plant at the King Ranch in South Texas
- Multiple agreements signed to sell carbon dioxide removal (CDR) credits from DAC
- Advancing sequestration hub design and sequestration well permitting with interests in more than 400 square miles of pore space access with a capacity to sequester up to 6 billion metric tons of CO<sub>2</sub>
- NET Power plant design ongoing for construction of its first utility-scale plant in the Permian to power Oxy's operations

### KEY ACHIEVEMENTS IN OPERATIONS

- Reduced carbon dioxide equivalent (CO<sub>2</sub>e) emissions in our company-wide operated assets in 2022 by approximately 18% from 2019 and by nearly 4% from 2021
- Reduced methane emissions in our operated assets by approximately 58% from 2019 and 40% from 2021
- Reduced routine flaring by 44% in our global oil and gas operated assets since joining the World Bank's Zero Routine Flaring initiative from 2020 through 2022, including achieving Zero Routine Flaring across U.S. operations in 2022
- Expanded deployment of key emissions reduction projects, including tankless facilities, compression for tie-back to central processing and gas lift facilities, temporary gas storage during plant or pipeline outages, and methane detection technologies
- Eliminated or retrofitted all high-bleed gas-driven pneumatic controllers found in U.S. onshore operations





# 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

New challenges demand new solutions. In 1900, 24,656 patents were filed with the U.S. Patent and Trademark Office. By 2020, that annual number reached 352,066. Why? Rapid industrialization through the 1900s fueled a growing need for greater industrial productivity, efficiency, and scale. Companies everywhere put their problem-solving skills to work innovating around these issues out of necessity. Today, the challenge of climate change means the pressure is once again on for collective innovation that can help protect our future. That's why Oxy and our business partners are helping to usher in a new age of climate-focused technical innovation—because we will need to innovate to reach our climate targets and enable global industries to create a net-zero economy.

The "Revolutionize" element of our strategy is composed of partnerships and initiatives aimed at accelerating and deploying leading-edge technologies that can deliver new solutions that help achieve global climate targets. In 2023, we continued to drive innovation and push these projects forward in line with our near-term plan.

## PROGRESS IN AVIATION, SHIPPING AND HEAVY INDUSTRY

Decarbonizing heavy industries, as well as aviation and shipping, is mission-critical to stopping the rise in global temperatures. These industries together contribute approximately 25% of global CO<sub>2</sub> emissions. A lower-carbon future means we must implement solutions that help these sectors hit their climate targets.

With our first DAC facility, STRATOS, currently under construction, we will provide an opportunity to help companies in these sectors reach their net-zero goals. We're partnering with businesses to provide high-quality, durable carbon dioxide removal credits (CDRs) that will be generated through the operation of this facility, and ultimately others.

CDRs are a vital element of near-term decarbonization strategies in the transportation sector and many other sectors that are difficult to abate. DAC enables these industries to remove emissions in the near term, while alternative technologies and fuels are being developed to commercial scale. DAC also creates a pathway to CO<sub>2</sub>-derived low-carbon fuels including net-zero oil, with the potential to produce a cost-competitive, low-carbon liquid fuel for aviation and shipping industries as the DAC cost of capture comes down with commercial maturity.

Others who are serious about climate progress share our vision. We've reached agreements with All Nippon Airways (ANA), the world's first airline to sign a CDR purchase agreement with 1PointFive, as well as Airbus, Europe's largest aeronautics and space company. We've also partnered with the Houston Astros baseball team and the Houston Texans football team for the removal of their future estimated regular season away-game flight emissions for three seasons. The Astros have also agreed to purchase additional CDRs for emissions related to the operation of their stadium.

Beyond CDRs, we've continued development of multiple CO<sub>2</sub> sequestration hubs across the U.S. Gulf Coast and are exploring a variety of approaches to enable the storage of CO<sub>2</sub> captured from industrial facilities, including agreements with midstream pipeline companies. We're continuing commercial conversations with numerous industrial facilities to support their Point-Source Capture projects with secure CO<sub>2</sub> storage and offering informed carbon management counsel to some of the world's leading corporations.

Oman also has significant potential for CCUS projects. In November 2023, Oxy signed a Memorandum of Understanding with OQ Gas Networks SAOC, the sole transporter of natural gas in Oman, to jointly study the development of potential CCUS projects in Oman in conjunction with Oxy's EOR projects, which could also support the further development of Oman's hydrogen industry.

## NET POWER

Natural gas makes up 40% of the U.S. electricity generation fuel mix—the largest single source. And according to the U.S. Environmental Protection Agency (EPA), the average natural gas electric generation unit has an emission rate of 898 pounds of CO<sub>2</sub> per megawatt hour (MWh).

But North Carolina-based NET Power has an innovative solution. The company's patented process burns natural gas with pure oxygen to produce CO<sub>2</sub> and water; the CO<sub>2</sub> is recirculated and used to drive a turboexpander to produce power. The result is a natural gas power solution by NET Power that achieves near-zero emissions while providing clean, reliable, and low-cost electricity. Deploying these facilities around the world alongside renewable power sources has the potential to enable more rapid decarbonization for the energy sector while keeping electricity costs down, which will be essential for the net-zero transition.

2023 was a banner year for NET Power. In June, the company completed a merger with Rice Acquisition Corp II (NYSE: RONI), a publicly traded special purpose acquisition company. The transaction included an investment of \$675 million by Oxy, the Rice family and SK Group—as well as NET Power's launch as a publicly traded company on the New York Stock Exchange in June 2023 (NYSE: NPWR). In connection with the consummation of the merger, NET Power upsized its Private Investments in Public Equity from approximately \$225 million to approximately \$540 million.



Additionally, NET Power has commenced Front-End Engineering and Design (FEED) with Zachry Group for an initial standardized 300 MW project near Oxy's Permian Basin operations. Oxy will provide CO<sub>2</sub> sequestration, significant power offtake and key project support. NET Power also announced a planned joint venture with SK Group to pursue the origination and development of utility-scale plants across Asia.

### TERRALITHIUM

In 2023, one of the world's fastest electric cars is the Japanese-made Aspark Owl, which does 0-60 in an astonishing 1.6 seconds. But the real race in the electric car market is the sprint to extract lithium. Market demand for the electrification of cars and consumer electronic devices means that the lithium market is forecasted to grow from \$22.2 billion to \$89.9 billion by 2030. This is problematic for a couple of reasons.

First, conventional methods of lithium production, such as the use of evaporation ponds, have a significant environmental impact. Second, production facilities are asymmetrically located worldwide—with the bulk of production in Australia, Chile, and China. That's why Oxy's acquisition in 2022 of the remaining interests in TerraLithium, now a wholly owned Oxy subsidiary, is so exciting.

OLCV initially partnered with All-American Lithium to create TerraLithium in 2019. The company has patented technologies, currently utilized in a demonstration phase, which are capable of extracting trace lithium from waste brines to produce ultra-high-purity lithium in a way that's cost-effective and minimizes impacts to land and natural resources.

By purchasing the remainder of the company, Oxy is leveraging our extensive experience with chemical plant operations and brine management, and is supporting increased sustainability for lithium production—as well as securing additional strategic sources of domestic lithium. TerraLithium's demonstration plant near the Salton Sea in Brawley, California is expected to be operational in 2024.

### CARBON FINANCE LABS AND CARBONSIG

As in any other developing marketplace, mechanisms are needed to better quantify, track and finance transactions involving carbon intensity in physical and intangible products—including CDRs. Carbon Finance Labs (CFL) is applying its expertise, innovative thinking and advanced tech platforms to accelerate carbon-related cost reductions and strengthen markets.

CFL is the developer of the CarbonSig software platform, which allows companies to track CO<sub>2</sub> emissions across the value chain to provide detailed, auditable carbon intensity reporting at the product level. CarbonSig enables carbon-attested value chains, from which companies will be able to see total product CO<sub>2</sub>e profiles—from upstream CO<sub>2</sub>e value chain input data to audits and environmental certificates. As regulations around emissions reporting continue to develop, CarbonSig will be able to provide a solution to businesses that track and report emissions across their supply chain for each individual product unit.

CarbonSig complements the ongoing regulatory development to increase transparency in carbon accounting, such as the European Union's Corporate Sustainability Reporting Directive (CSRD). The CSRD is expected to standardize reporting for other companies based in the EU or listed on EU exchanges starting in 2024, and for other companies with significant operations in EU jurisdictions starting in 2028. Companies affected by the CSRD and pending or proposed federal or state regulations in the United States appear to be ramping up their carbon-related reporting infrastructure.

In addition, the CarbonSig platform was implemented as a trial at OxyChem. The sustainability team used the software-as-a-service to track and attest the carbon footprint of products across 22 North American and Chilean facilities. The tool successfully allowed OxyChem to attest to carbon intensity at a product level with auditable data through its supply chain. The objective is that CarbonSig's data could flow downstream to OxyChem's customers, and eventually the final customer, for more informed supply chain sustainability decisions.

### DIRECT AIR CAPTURE

In addition to our STRATOS groundbreaking and South Texas facility engineering, we've also been able to advance and refine the technical capabilities and capture efficiencies surrounding the DAC process alongside Carbon Engineering. Carbon Engineering's Innovation Centre in Squamish, British Columbia is designed to allow us to pilot new technologies under various configurations and conditions to optimize capture and process efficiency. The Innovation Centre has proved to be a tremendous resource in optimizing DAC efficiency.

In 2023, Oxy acquired the remaining interests in Carbon Engineering to further accelerate innovation of DAC technology, drive cost reductions and capital efficiency improvements, and catalyze broader partnerships for DAC deployment. Innovation is one of the key drivers to lower the cost of capture globally.



## PROJECT AVOID

Methane is a greenhouse gas that traps more heat in the atmosphere than CO<sub>2</sub> for a shorter period of time by absorbing infrared radiation. Since methane emissions reduction during energy production and use can accelerate the net-zero transition, Oxy innovators have developed Project AVOID, a novel Audio, Visual and Olfactory Inspection Device.

Project AVOID is an inspection technology developed in-house and refined in 2021 and 2022. These multi-sensory inspection devices are designed to quickly detect methane emissions at a given location to enable prompt response and repair. These systems can also enable 24/7 surveillance of remote locations. Oxy has installed dozens of these devices across nine locations nationwide, with one flagship trial location running 40 separate sensors. The program is expected to scale up to 70 locations by the end of 2023. These systems are equipped with a camera and microphone designed to gather visual and audio data to help train advanced image recognition models for methane leak detection. These models are converted to a spectrogram, allowing for image recognition to be performed on an audio sample. AVOID has proven itself to be an economical means of methane detection with more cost reductions expected as we continue to scale deployment.

Technology advancements like Project AVOID are a part of a larger suite of methane sensing devices and measurement technologies Oxy is evaluating for emissions measurement, which help us to pinpoint, and more accurately quantify, emissions data for operations.

## CEMVITA

Societies across the globe depend on a steady supply of high-quality commodities. Not just high-profile goods such as oil and gas, agricultural products, or metals but also the feedstocks it takes to make the products we use every day. Take ethylene, for example. The global demand for ethylene is around 164 million tons per year, which is used to manufacture a range of goods worldwide from bottles to piping, packaging to building materials.

Oxy is partnering with Cemvita, a bio-engineering company that seeks to revolutionize the way some commodities can be made by using biotech processes to convert CO<sub>2</sub> into usable products like ethylene, which is a key feedstock at our OxyChem plants to manufacture polyvinyl chloride (PVC) resins, vinyl chloride monomer (VCM) and its precursor, ethylene dichloride (EDC). Cemvita has invented a process to turn CO<sub>2</sub> into a bio-commodity which can be produced in a net-zero manner analogous to natural processes.

In April 2023, Cemvita announced the opening of its first plant in Houston, Texas. The facility will enable Cemvita to advance the development of technology using CO<sub>2</sub> emissions for a range of bio-commodities. Cemvita's Houston plant is currently producing eCO<sub>2</sub><sup>TM</sup> oil, a cutting-edge microbially-produced alternative to soybean oil used as a feedstock for the production of alternative fuels. This is an important product because it allows alternative fuel producers to bypass the food-versus-fuel debate by providing a low-cost, renewable feedstock with no carbon footprint. One plant working at full-scale can produce enough eCO<sub>2</sub> oil to equal the output of a 200,000-acre soybean farm.

## NEWLIGHT TECHNOLOGIES

In the circular economy to which Oxy aspires, capturing and utilizing carbon molecules repeatedly can both increase sustainability of our natural resources and ecosystems and create significant value for businesses, individuals, and communities. In August 2023, OLCV participated in a \$125 million new equity round for California-based Newlight, alongside participating partners GenZero and Charter Next Generation.

Newlight uses microorganisms that eat GHGs to grow a molecule inside their cells called polyhydroxybutyrate (PHB). Found in most life on Earth, PHB is used by living organisms for biological energy and carbon storage. When purified, PHB becomes meltable and moldable. Newlight transforms this natural material into a product they call "AirCarbon."

AirCarbon can be used as a manufacturing input to make a variety of products including textiles, foodware, fashion products, protein and more. These goods can be used to replace conventional synthetic plastics and other products that have a conventional CO<sub>2</sub> footprint with less resource- and emissions-intensive materials. Newlight is already shipping AirCarbon-based goods to thousands of locations worldwide.

## CARBON UPCYCLING

The world is facing a big challenge when it comes to cement. On the one hand, we need a lot of it to satisfy global demand. The world uses over 4 billion metric tons of cement each year, and demand is expected to increase more than 5 percent annually until 2030. So, demand is going up. But we need emissions to go down in order to hit climate targets, because each year cement manufacturing emits almost 3 billion metric tons of CO<sub>2</sub>. In fact, around 8% of global CO<sub>2</sub> emissions result from cement and concrete production.

Innovator Carbon Upcycling is positioned to help—using CO<sub>2</sub> to create alternative materials. Carbon Upcycling uses CO<sub>2</sub> emissions from any industrial operation and transforms them into lower-carbon alternative materials; not just for low-carbon cement production but for alternative plastics, pharmaceuticals, fertilizers, consumer products and more. Their process is an all-electric mineralization solution that permanently stores CO<sub>2</sub> in industrial byproducts and minerals.

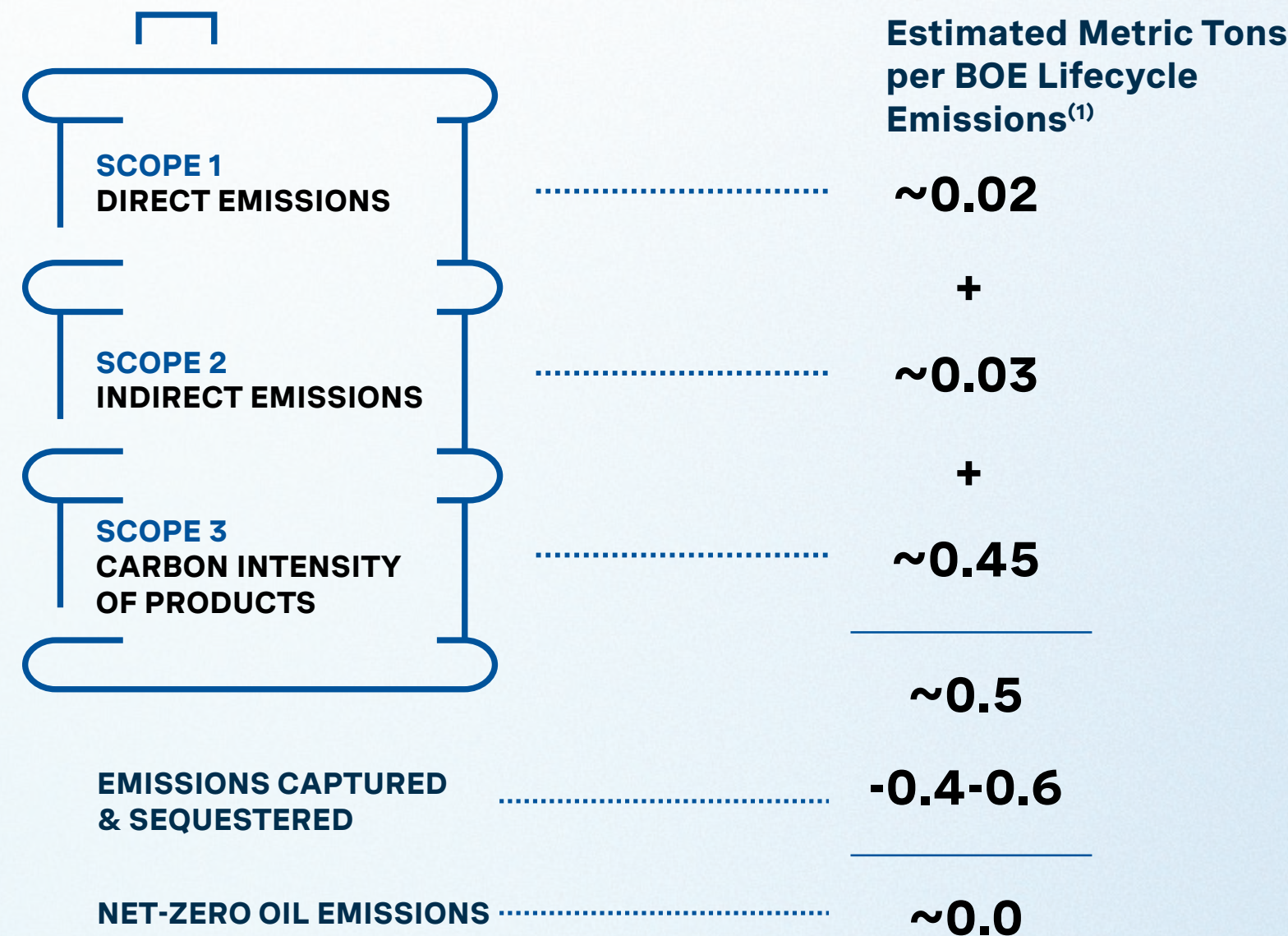
In the summer of 2023, Oxy became a strategic investor in Carbon Upcycling, alongside CRH Ventures, Cemex Ventures and a variety of other deal participants. The investment supports Oxy's commitment to innovative new technologies that can make a scalable impact to reduce CO<sub>2</sub> emissions, transforming industrial byproducts and waste streams into resources we can use. Carbon Upcycling is also working with the National Renewable Energy Laboratory (NREL) to create a first-of-a-kind framework assessing alternative feedstocks in North America.

# NET-ZERO OIL: A PATH TO LOWER-CARBON PRODUCTS

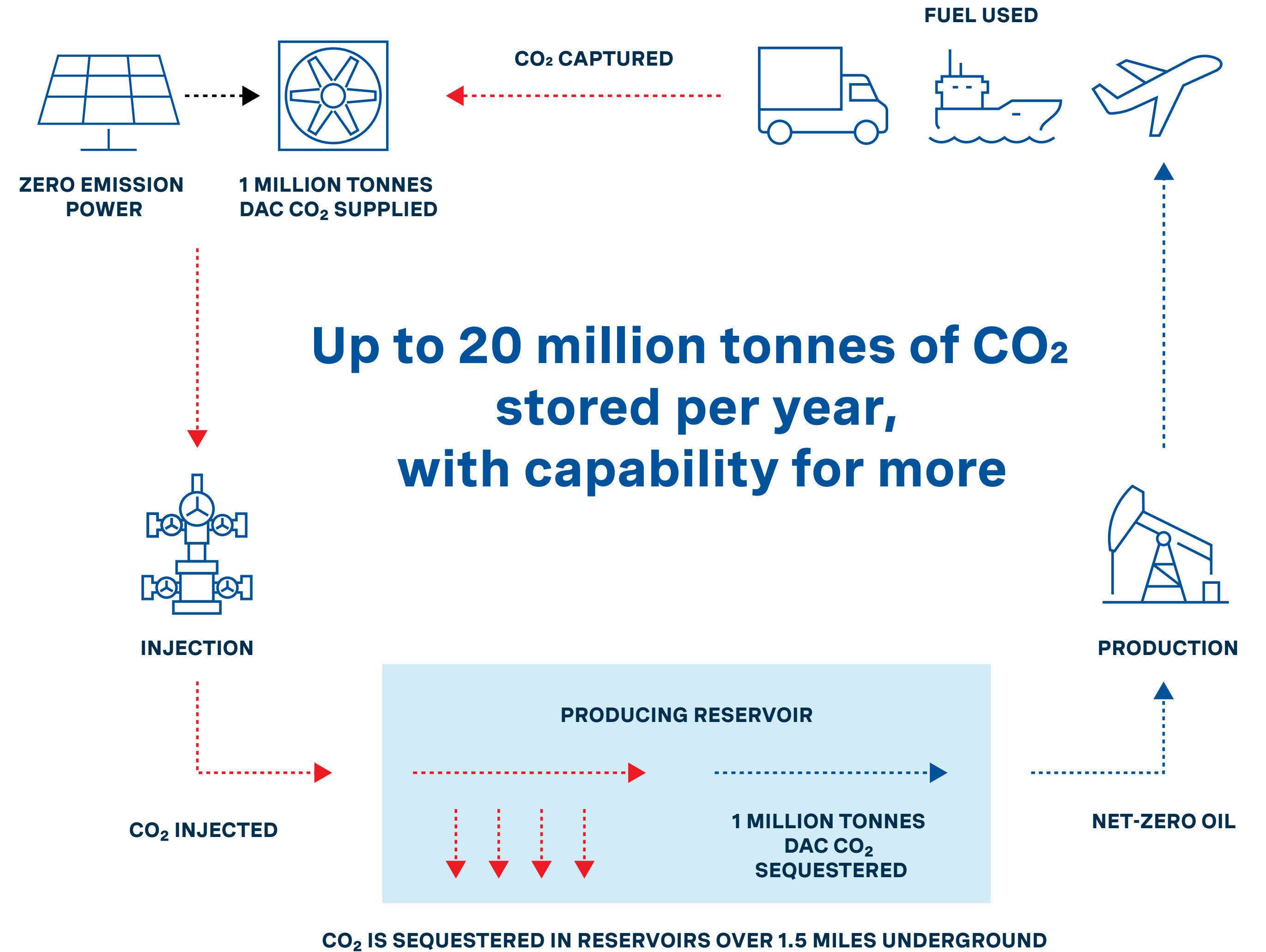
IPCC and IEA 1.5°C scenarios show 2050 oil demand at up to 50% of today's levels, specifically for hard-to-abate sectors that will continue to require liquid fuels and for hydrocarbon feedstocks. A key part of our strategy is to establish a supply of lower-carbon oil and gas to meet this need with a decarbonized product.

By pairing DAC with our existing infrastructure, we aim to remove an amount of CO<sub>2</sub> equivalent to that emitted during the production and consumption of our products. Alongside our plans to reduce our operational emissions, this can result in net-zero oil and gas, which can then be used to produce lower-carbon fuels and other essential materials—all with a lower carbon footprint.

## CO<sub>2</sub> IMPACT PER BBL OF OIL



(1) Company estimates



# REDUCE

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

Oxy is actively implementing practices and technologies designed to detect and reduce emissions and maximize the use of natural gas production as a key element of our net-zero goals. We are an active participant in emissions reduction programs propagated through multiple associations including OGCI, the Aiming for Zero Methane Emissions pledge, MGP, OGMP 2.0 and TEP.

One example of our dedication to this effort is Oxy's leadership as the first U.S. oil and gas company to endorse the World Bank's initiative for Zero Routine Flaring (ZRF) by 2030, which was subsequently endorsed by most major U.S.-based oil and gas companies. Routine flaring of gas occurs when an operator chooses to produce oil and burn the associated gas in a flare during normal operations because of a lack of takeaway capacity for natural gas to be used or sold. Routine flaring does not include safety flaring or flaring during certain activities like well testing, equipment upgrades, repair and maintenance of gas pipelines or processing facilities, or a loss of takeaway capacity that the operator is replacing. Oxy is working hard to reduce both routine and non-routine flaring so that our natural gas production is available for use or sale.

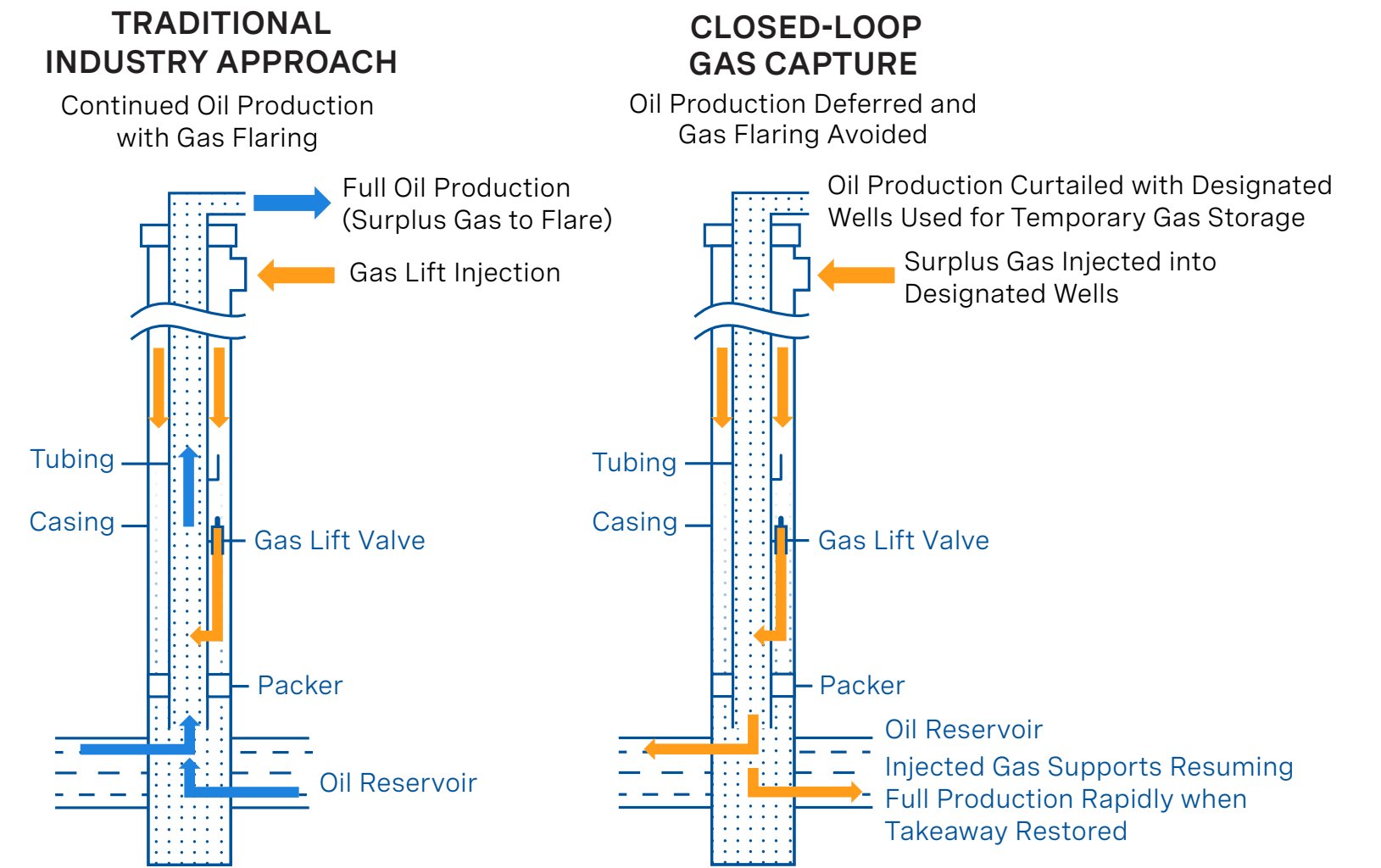
That's why we are helping lead the way by implementing a diverse range of projects to capture natural gas that has traditionally been flared, and use it to boost energy production, maintain field pressure, or sell to customers. Through these practices, Oxy eliminated routine flaring in our Permian Basin operations in 2022, and our Rockies and Gulf of Mexico operations have sustained ZRF since 2020. Our international operations expect to reach ZRF well ahead of the World Bank's 2030 target. Oxy implemented major gas compression and recycling projects in Oman in 2022, and successfully commissioned a new compressor in 2023 to significantly reduce flaring.

## CLOSED-LOOP GAS CAPTURE

As Oxy continues to make progress toward elimination of routine flaring company-wide, we are also taking steps to reduce non-routine flaring during activities like planned maintenance, facility upgrades, and third-party plant and pipeline outages. Closed-loop gas capture is a technique that we have deployed successfully for select fields and assets in the Permian Basin—eliminating or reducing the need for flaring, where feasible and safe, when gas takeaway capacity is restricted, such as during gas plant or pipeline maintenance.

We expect to scale up this innovative gas management technique across our Delaware Basin operations to reduce the need for non-routine flaring. Multiple well injection permits for temporary storage of gas for closed-loop gas capture have been approved, with additional permits in the application process. 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.

## FLARING MITIGATION DURING TAKEAWAY DOWNTIME



In our Texas Enhanced Oil Recovery (EOR) operations, Oxy has taken several measures to reduce CO<sub>2</sub> emissions. These include constructing additional booster capabilities to use during third-party boosting outages—as well as new infrastructure to safely store gas during maintenance events.

We are proud to have been recognized by the New Mexico Environment Department 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 these policies and regulations, developed and supported by a consensus of stakeholders who bring diverse perspectives, are more practical and sustainable and can help us all make the most progress.



### GOLDSMITH SOLAR PLANT

Renewable energy sources such as solar power will play an important role in reaching climate targets. In 2019, Oxy completed construction of its Goldsmith Solar Plant: a 16 MW photovoltaic solar field with the distinction of being Texas' first large-scale solar facility powering oil and gas operations. Today the 174,000-panel solar farm directly powers our EOR operations in the Goldsmith, Texas area and reduces Scope 2 emissions in our operations by significantly reducing the need for consumption of grid power. This project also advances OGCI's goal of electrifying operations with renewables where possible. In 2022, the Solar Plant generated a cumulative 43,324 MWh of electricity, offsetting the Goldsmith EOR field's purchases from the grid, and resulting in an emissions reduction of over 16,000 MT of CO<sub>2</sub> for Oxy.

### INFRARED OGI CAMERAS FOR LEAK DETECTION

Optical Gas Imaging (OGI) technology allows us to visualize and detect gases that are typically invisible to the naked eye. Oxy deploys OGI cameras to monitor emissions at facilities subject to federal and state requirements. Our operators undergo comprehensive 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 nearly 2,000 OGI surveys in our Permian Basin operations annually.

In 2022, we expanded our leak detection and repair program to Oman, training our staff on OGI technology and putting these cameras to work augmenting routine operator inspections and investigating the source and cause of emissions identified during periodic satellite-based surveys.

### EMISSIONS TECHNOLOGY TEAM

Oxy seeks to take full advantage of the latest technologies to enhance our emissions reduction efforts. So, Oxy's Emission Technology team is deploying advanced remote emissions monitoring technologies using drones, aircraft, satellites and ground-based sensors. These technologies help identify, detect, monitor and predict unplanned emissions—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.

Since 2022, Oxy has deployed over 55 drones at several of our oil and gas production facilities. At our DJ Basin operations, we use these vehicles to survey thousands of wellheads as part of a voluntary initiative to reduce emissions. In the Permian Basin, drones help identify emissions from hard-to-access areas of facilities, such as tank thief hatches. The program enhances safe access to equipment, reduces costs and facilitates early identification of maintenance issues. This rapidly evolving technology allows us to obtain important operational and environmental data that support detection of emission sources, asset integrity inspection and habitat conservation and restoration.

Oxy has also employed aerial methane monitoring solutions for assets spanning vast expanses of land. Oxy surveys wellheads, facilities 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 our operations in Oman.

In addition, we have deployed over 700 ground-based sensors at key facilities in the United States and Oman in 2023.

### SENSORUP EMISSIONS MANAGEMENT PLATFORM

In 2022, Oxy and Climate Investment, formerly the OGCI Climate Investments fund, began defining specifications for a methane management platform. These specifications were then used to inform the development of SensorUp's Gas Emission Management Solution (GEMS), a data integration platform for methane leak detection and repair, measurement reconciliation, reporting, and verification of methane emissions. Oxy will use GEMS to accelerate leak detection and repair while moving toward more measurement-based emissions inventories and helping us achieve our net-zero targets.

### FIND IT | FIX IT | MEASURE IT | PREDICT IT

Oxy's Find It, Fix It, Measure It, Predict It program applies one of our most valuable resources in our push for emissions reduction—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. It also leverages reports from on-site and remote-sensing technologies to expedite repairs and minimize emissions.

### ELIMINATING HIGH-BLEED PNEUMATIC CONTROLLERS

Pneumatic controllers are automated control devices used across the energy value chain to continuously adjust process conditions such as pressure, temperature, flow, fluid levels and more. These control devices can release varying amounts of gas during operation. As part of our commitment to TEP, in 2022 and 2023, we eliminated or retrofitted all high-bleed pneumatic controllers found in Oxy's U.S. onshore oil and gas operations. This initiative is linked to executive compensation through the emissions reduction efforts performance metric evaluated by the Board's Compensation Committee when determining annual cash incentive awards. The replacement control systems are designed to reduce emissions by returning the gas to the equipment or replacing natural gas-driven controls with compressed air.

### 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 and then to vapor recovery units (VRUs). Where it's not possible to use VRUs, Oxy utilizes vapor combustion units (VCUs), which capture and safely combust volatile organic compounds (VOCs) and methane. The installation of VRUs and VCUs is a key element of our efforts to reduce emissions from tanks and other equipment. Oxy's New Mexico and Colorado facilities implemented a closed-loop flowback system with a VRU that captures vapor from flowback fluids directly into the gathering system. This process represents a 60% reduction in CO<sub>2</sub>e combustion emissions compared to a traditional design.

### TANKLESS FACILITY DESIGNS

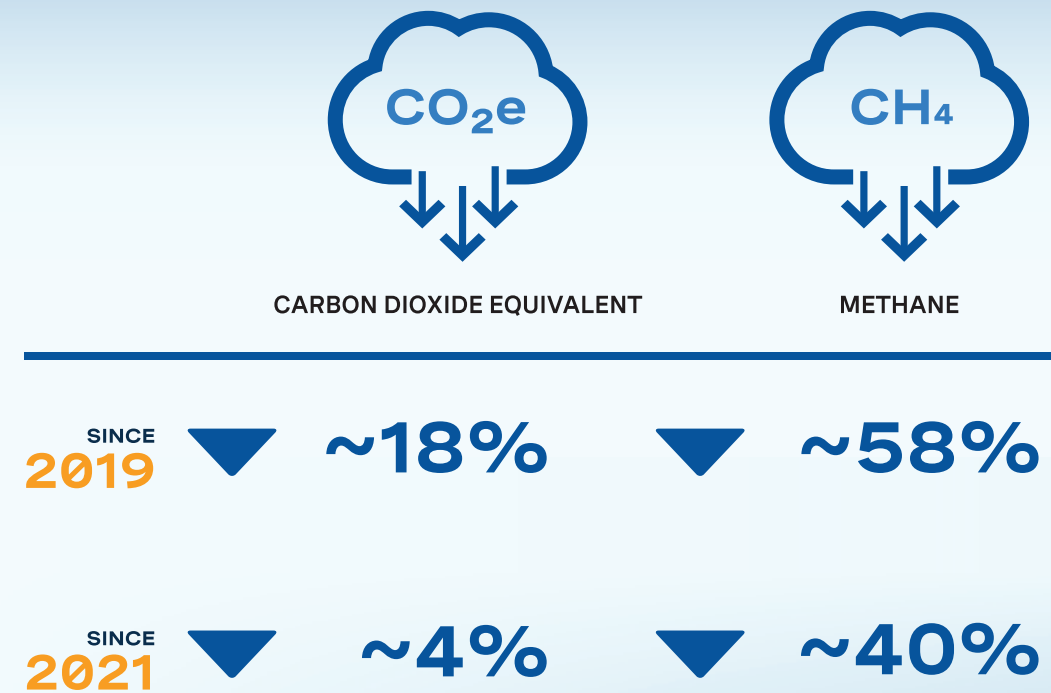
Oxy's designs for new oil and gas facilities in the Permian and DJ Basins eliminate the need for oil storage tanks near wells by transporting production fluids directly to central processing facilities through pipelines. These innovative facility designs decrease our environmental footprint by reducing emissions, dust, noise, and truck traffic. In addition, Oxy has completed the conversion to tankless at four existing facilities, with more conversions in progress. This application of smart design directly improves wellsite sustainability, safety and efficiency.

### COGENERATION, HYDROGEN USE AND INNOVATION AT OXYCHEM

It takes a lot of power to bring the world the products it needs for a higher standard of living. 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 even enabled Oxy to supply surplus electricity to the grid to serve communities near some of OxyChem's operations.

Process hydrogen is also playing a big role in reducing our operational emissions. OxyChem's Taft, Battleground and Ingleside facilities use hydrogen, a byproduct from the chlor-alkali process, to generate power and reduce their demand for natural gas. Hydrogen substitution has reduced OxyChem's CO<sub>2</sub> emissions by 360,000 MT annually, as well as its GHG intensity.

**ACHIEVED SIGNIFICANT GHG EMISSIONS REDUCTIONS IN OPERATED ASSETS IN 2022:**



**EMPLOYEE-DRIVEN INNOVATION**

“None of us is as good as all of us,” as Ray Kroc, the former CEO of McDonald’s, once said. In 2022, Oxy’s Onshore Resources and Carbon Management business held a “Goldfish Tank” idea challenge whereby employees across our U.S. oil and gas operations submitted over 60 CO<sub>2</sub> emissions reduction ideas. Five of the most promising were selected as finalists and received implementation funding. These projects were diverse and innovative, including capturing vapor from water tanks to send to gas sales; upgrading access hatch designs on existing closed-vent scrubber tanks; installing actuated chokes on producing wells to curb flaring; power generation from engine exhaust; and using eductor pumps in higher-pressure lines to recover additional methane from low-pressure sources. Earlier this year, Oman’s similar “Bright Idea” challenge received 66 ideas undergoing technical evaluation to select finalists for funding and implementation.

Of course, true excellence isn’t an event but a habit. That’s why, to help achieve OxyChem’s sustainability goals, the company invites employees to present ideas to increase energy and water efficiency and lower GHG emissions via the annual “Sustainability Innovation Award” incentive program. In 2022, 45 teams submitted proposals competing for supplemental capital funding allocated specifically for this competition. Finalists from across the organization presented their innovative projects to a panel of judges composed of members of OxyChem’s leadership. Ten employee teams were chosen to bring their projects to implementation.



**JAGUAR COMPRESSOR ELECTRIFICATION PROJECT**

In addition to our progress on short-term emissions reduction initiatives, we are also implementing projects aligned with medium-term objectives—such as equipment electrification. One such project entails replacing natural gas-driven compressors with electric compressors at our Jaguar facility in the Permian Basin. This opportunity was identified in 2022 and completed in July 2023.

By switching to electric-drive compressors connected to the Electric Reliability Council of Texas grid, GHG emissions from compressors at this facility are expected to be reduced by approximately 30%, or 17,000 MTCO<sub>2</sub>e annually, with the potential to have even greater annual reductions in the future as we reduce the carbon intensity of our purchased electricity.

In addition to reducing GHG emissions, electric compressors increase reliability and reduce maintenance downtime compared to their gas-driven counterparts. They also eliminate the treatment of fuel gas, which reduces other air emissions. Additionally, electric compressors lead to increased production of natural gas and natural gas liquids (NGLs) due to improved processing efficiency, and because produced gas previously used as fuel can now be sold rather than consumed during operation.

This is merely the first of many such compressor electrification efforts. In 2024, we are planning to meet almost 30% of our new compression needs in the Permian Basin with electric compressors—an increase from approximately 7% in 2023.



# 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. Oxy has recognized CO<sub>2</sub> as a valuable product and a key input to our EOR operations for more than 50 years. In Oxy's vision of a circular economy, CO<sub>2</sub> will be treated as a valuable resource across industry sectors. This mindset promotes a more sustainable approach to managing carbon emissions. But CO<sub>2</sub> reuse needs to happen at a climate-relevant scale to make a meaningful impact on global carbon emissions. And that's going to take re-thinking how multiple industries operate—not to mention ongoing commitment, research, investment, and policy support. Here are the highlights of our Reuse/Recycle activities in 2023:

## CARBON REDUCTION AND REMOVAL CERTIFICATION

Critical to scaling DAC and CCUS as climate solutions is the development of robust GHG accounting and high-integrity and trusted Monitoring, Reporting, and Verification (MRV) protocols. We have applied our 50+ years of carbon management experience and expertise to further the use and development of several CCUS protocols to ensure high integrity and trusted carbon accounting as well as secure geologic storage of CO<sub>2</sub>.

Oxy was the first company to report under a U.S. EPA-approved MRV plan at the Denver Unit CO<sub>2</sub> field in 2015, with subsequent plans approved by the EPA at the Hobbs CO<sub>2</sub> field, West Seminole San Andres Unit (WSSAU) and Seminole San Andres Unit during 2017, 2021 and 2023, respectively. In 2023, the EPA also approved an amendment of the 2015 MRV plan to apply to the contiguous Denver, Willard, Wasson ODC, and Bennett Ranch Units, which together are known as the Wasson San Andres field.

Oxy has also applied for a Permanence Certification from the California Air Resources Board (CARB) in accordance with the Carbon Capture and Sequestration Protocol (CCS Protocol). Approval of the application for the CARB-1 Permanence Certification at the WSSAU would allow for the secure geologic storage of anthropogenic CO<sub>2</sub> under California's Low Carbon Fuel Standard (LCFS).

In addition, Oxy is a co-founder of the Carbon Capture and Storage Plus (CCS+) Initiative, the most comprehensive CCS methodology-writing process to date, and we 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), a voluntary carbon standard and an eligible Emissions Unit under the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA).

## RE-USE VIA CEMVITA RESEARCH

Earlier we touched on Cemvita's new facility and its ability to apply biotech to help produce a variety of products, including ethylene and eCO<sub>2</sub> oil that can be used to make feedstock for Sustainable Aviation Fuel (SAF). But it's also worth mentioning just how many other essential feedstocks and industrial products Cemvita can make from bio-produced CO<sub>2</sub> streams. The team works with its

customers to find ways to repurpose byproducts or wastes, synthesize organic material, and otherwise help re-engineer workflows to harness the power of applied microbiology.

2023 finds the Cemvita team now able to turn CO<sub>2</sub> into a variety of in-demand inputs including:

- Lipids that can be used to make not only renewable oils or biofuels but also cosmetics
- Organic fertilizers with a smaller environmental footprint than traditional agricultural chemicals
- Alcohols that can be used to make cleaners, cosmetics, pharmaceuticals, textiles, and more
- Protein-rich enzymes for a range of food and beverage applications
- Flammable gases such as renewable bio-butane
- Vinegar alternatives used in food processing and industrial applications

With multiple business lines that are attractive to companies wanting to decarbonize, Cemvita will be a company to watch for powerful reuse applications.

## NET POWER AND LOWER-CARBON PRODUCTS

Earlier we mentioned the revolutionary process by which Oxy investee NET Power is planning to generate clean, affordable, and reliable energy. Not only will NET Power's planned 300-MW high-tech facility help power Oxy operations in the Permian Basin; we plan to harness the CO<sub>2</sub> captured within its proprietary natural gas power generation process to help produce low-intensity hydrocarbon products, ultimately including net-zero oil.

Oxy has an extensive operating history in the Permian Basin. That means plenty of assets and infrastructure to deliver synergies for low-carbon initiatives. A portion of the process CO<sub>2</sub> from NET Power's utility-scale facility in the Permian Basin can be captured and deployed in nearby production reservoirs as a means of EOR. So, we expect the integration of NET Power with Oxy's Permian operations will enable Oxy to produce low-carbon oil and gas in the Permian. Near-zero emissions electricity powering operations with reduced carbon intensity to enable carbon-neutral products and fuels. That's what happens when we Zero In.





# REMOVE

Most climate models make evident that, to limit global warming to meet the goals of the Paris Agreement (e.g., limiting warming to well below 2°C and aiming for 1.5°C above pre-industrial levels), it is not enough to reduce future emissions. We must also remove the excess carbon already in the atmosphere to stabilize the climate. And for companies that are serious about meeting their climate targets in hard-to-abate industries such as aviation, shipping, technology and more—removal of residual emissions will be the reality. So, helping develop reliable carbon removal pathways in which organizations can participate with confidence is a key element of our Net-Zero Strategy

## STRATOS REACHES FOR THE SKY

There are over 500 construction workers on the ground at our STRATOS facility in the West Texas Permian Basin, where construction activities commenced in September 2022. In April 2023, 1PointFive, Oxy, and partner companies Carbon Engineering and Worley celebrated the groundbreaking of this first commercial-scale DAC facility. Designed to capture up to 500,000 metric tons of CO<sub>2</sub> per year when fully operational, the facility is expected to be operational in mid-2025. Stratigraphic testing is currently being performed at the site to inform development of complementary storage capacity via geologic sequestration. The site's permit applications to develop two Class VI wells for this purpose are currently being reviewed by the U.S. EPA. In November 2023, BlackRock agreed to invest \$550 million on behalf of clients in a joint venture with Oxy subsidiary 1PointFive for the development of STRATOS through a fund managed by BlackRock's Diversified Infrastructure business.

## MORE SCALE IN SOUTH TEXAS

While everyone is excited about our STRATOS progress, we have also commenced FEED on our second commercial-scale DAC facility. Through an agreement with the famous King Ranch in South Texas, Oxy subsidiary 1PointFive has acquired interests in 106,000 subsurface acres with associated surface access that could support multiple DAC facilities and a sequestration hub with up to 30 million metric tons of annual CO<sub>2</sub> removal through DAC.

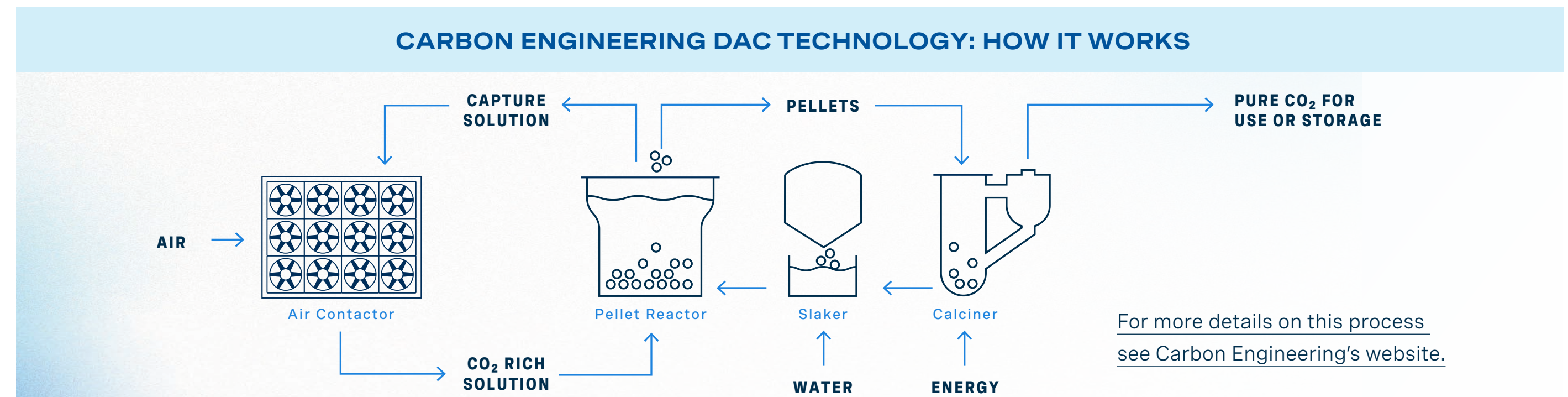
The first DAC facility envisioned for this site will be designed to capture up to 1 million metric tons of CO<sub>2</sub> annually. Much like STRATOS, next steps for the South Texas DAC and sequestration hub will include drilling stratigraphic test wells that will reveal more insights into the subsurface geology, as well as an application for a Class VI well permit through the U.S. EPA.

## EXPLORING PROJECTS, AND POTENTIAL, WITH ADNOC

Direct Air Capture facilities can be built anywhere in the world—scaling alongside industrial demand. In fact, scale isn't just a bonus; it's a must-have. Site by site, partner by partner, expanding DAC deployment globally will help enhance commercial viability, optimize efficiency, lower the barrier of participation, accelerate constructive policies, and grow global impact to a climate-relevant scale. That's why we're so excited about our latest partner in the race to take DAC global: ADNOC. Oxy and ADNOC have a legacy of successful partnerships, including our 30-year joint venture in Al Hosn Gas, one of the larger Middle Eastern natural gas developments, and concessions to explore and develop adjacent onshore Blocks 3 and 5.

Oxy and ADNOC signed a Memorandum of Understanding (MOU) in August 2023 to evaluate participation in DAC plants and CO<sub>2</sub> sequestration hubs in the U.S. and the UAE, including projects currently under development in the U.S. by Oxy subsidiary 1PointFive.

In October 2023, Oxy and ADNOC signed a Joint Study Agreement to commence a jointly funded preliminary engineering study for a 1 million metric ton-per-year DAC plant in the UAE, the first project announced under the MOU. A UAE-based DAC + Sequestration complex could provide emissions reduction solutions for carbon-intensive industrial emitters and other hard-to-abate sectors in the region, including its aviation and maritime operators.



### DEVELOP CARBON REMOVAL MARKETS

With the construction of STRATOS, we've been able to make real progress in developing carbon removal markets by offering a quality product that can play a strong role in helping companies achieve their climate goals.

In 2023, the following companies have agreed to purchase CDRs that will be generated from STRATOS:

- Amazon, which has agreed to purchase 250,000 metric tons of CDRs to be delivered over ten years.
- All Nippon Airways (ANA), Japan's largest airline, which has agreed to purchase 30,000 metric tons of CDRs over three years.
- TD Securities has agreed to purchase 27,500 metric tons of DAC CDR credits over four years, one of the largest purchases of DAC CDR credits by a financial institution to date.
- NextGen CDR Facility, which announced an agreement to purchase a portfolio of CDRs from three projects, including STRATOS.
- The Houston Astros baseball team, which has agreed to purchase CDRs equivalent to the estimated emissions associated with their regular season away-game flight travel for the next three seasons, as well as additional CDRs for emissions related to the operation of their stadium.
- The Houston Texans football team, which has agreed to purchase CDRs equivalent to the estimated emissions associated with their regular season away-game flight travel for the next three seasons.

These aren't just deals; these are signals that the market is maturing. Organizations that need a workable portfolio of CO<sub>2</sub> emissions reduction solutions are becoming more sophisticated consumers—migrating toward high-quality CDRs. Buyers in hard-to-abate industries are becoming early adopters as DAC CDRs are a strong option that meets their needs. As innovation continues and scale grows, we expect CDR costs to decrease and for these CDRs to make up an increasing share of global organizational credit portfolios.

## SEQUESTRATION HUB HEADWAY

A strong appetite for storage solutions means our efforts at developing strategically located sequestration hubs have exceeded our original near-term plan. We now have five hubs in progress, currently being developed across the U.S. Gulf Coast due to the region's industrial intensity, extensive infrastructure, supply chain connectivity, and petrochemical concentration. Oxy has secured interests in more than 300,000 acres, or more than 400 square miles, of pore space access in southeast Texas and Louisiana. This could give our sequestration hubs a collective capacity to sequester up to 6 billion metric tons of CO<sub>2</sub>. Here is a current snapshot of our sequestration projects in progress:

### SOUTH TEXAS DAC HUB

In October 2022, 1PointFive entered a lease agreement on 106,000 subsurface acres along the Texas Gulf Coast with the resource potential to store up to 3 billion metric tons of CO<sub>2</sub>. The development will be strategically located near the significant coastal industrial manufacturing base of Southwest Texas, enabling both significant DAC and Point-Source Capture projects. In August 2023, 1PointFive was selected to receive a grant from the DOE's Office of Clean Energy Demonstrations for the development of its South Texas DAC Hub.

### POLK COUNTY HUB

In October 2022, OLCV and Natural Resource Partners L.P. (NRP) entered into a CO<sub>2</sub> Sequestration Agreement for approximately 65,000 acres of pore space controlled by NRP. The location has a resource potential to store up to 500 million metric tons of CO<sub>2</sub> and is strategically located in Southeast Texas proximate to the Gulf Coast and Haynesville shale.

### BLUEBONNET HUB

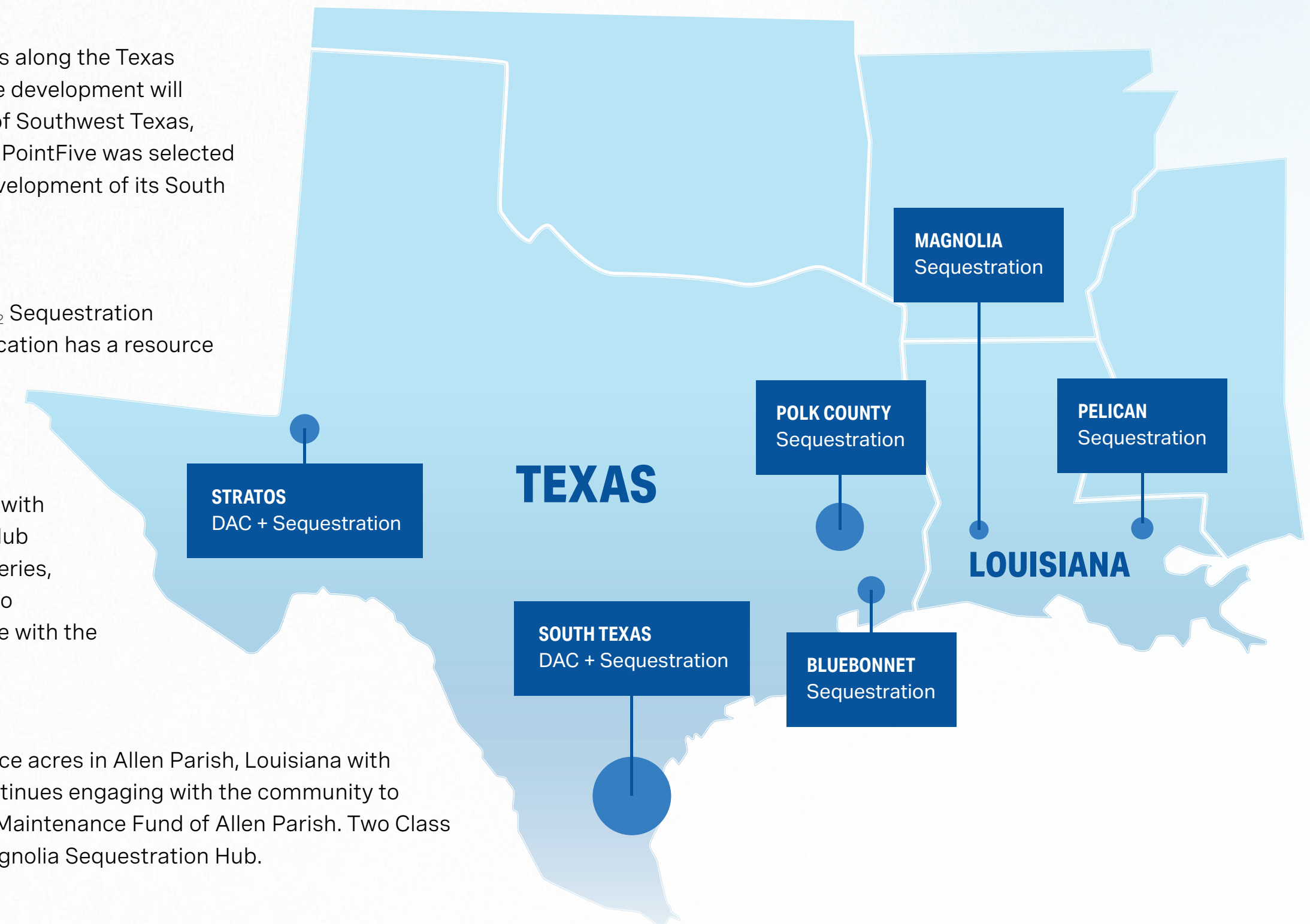
In 2022 and 2023, an affiliate of 1PointFive leased a 63,000-acre sequestration site with the resource potential to store up to 1.3 billion metric tons of CO<sub>2</sub>. The Bluebonnet Hub is located in Chambers, Liberty and Jefferson counties in Texas in proximity to refineries, chemical plants, and manufacturing facilities along the Gulf Coast from Beaumont to Houston. One Class VI permit application has been submitted to the U.S. EPA for use with the Bluebonnet Hub.

### MAGNOLIA HUB

Oxy subsidiary Magnolia Sequestration's proposed hub comprises 26,800 subsurface acres in Allen Parish, Louisiana with a resource potential to store up to 600 million metric tons of CO<sub>2</sub>. The company continues engaging with the community to discuss our work and listen to feedback, and in June 2023 contributed to the Road Maintenance Fund of Allen Parish. Two Class VI well permit applications have been submitted to the U.S. EPA for use with the Magnolia Sequestration Hub.

### PELICAN HUB

Strategically located to support downstream and manufacturing centers in Louisiana and Mississippi, the Pelican sequestration hub covers 30,000 subsurface acres and has the capability of storing up to 550 million metric tons of CO<sub>2</sub>. Two Class VI well permit applications have been submitted to the U.S. EPA for use with the Pelican Hub.



# INTEGRATED RISK MANAGEMENT

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





# ENTERPRISE 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 implementation, 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- (up to 4 years), medium- (4–12 years) and long-term (beyond 12 years) financial risks associated with a lower-carbon economy to better understand the resilience of our assets and capital investments. Importantly, this risk evaluation also provides key information to target opportunities, and informs our engagement with shareholders, national and state 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 United States, the European Union 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 U.S. 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 U.S. EPA has also proposed to regulate methane and 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 U.S. 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 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 recent years 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.

These and other 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. They could also prevent Oxy from conducting oil and gas development activities in certain areas. In addition, such legislation or regulatory programs could 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 our 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 our operating agreements or the pricing of our 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 believe 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 AND IMPLEMENTATION RISK

**Short- and Medium-Term Risk:** Oxy's oil and gas and chemical 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 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 and implementation risks. In alignment with 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 five years Oxy has dedicated resources with our investees and partners to advance CCUS technologies and business opportunities.



DAC implementation 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 in our EOR business—including our subsurface engineering teams characterizing reservoirs for CO<sub>2</sub> storage and our operations teams conducting large-scale CO<sub>2</sub> separation, transportation, use and recycling—reduces implementation risk in this key 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 IJJA reinstated the federal Superfund excise taxes on various chemicals that OxyChem manufactures, and in 2022, 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 feedstocks. 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 toward 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 the net-zero transition 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 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. We evaluate and implement measures we consider reasonable to plan for and mitigate physical risks to the extent practicable. To date, 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 PHYSICAL 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. Such conditions may affect our 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 PHYSICAL 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.



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.

# SCENARIO ANALYSIS

## THE IEA'S "NET ZERO EMISSIONS BY 2050 SCENARIO", "ANNOUNCED PLEDGES SCENARIO" AND "STATED POLICIES SCENARIO"

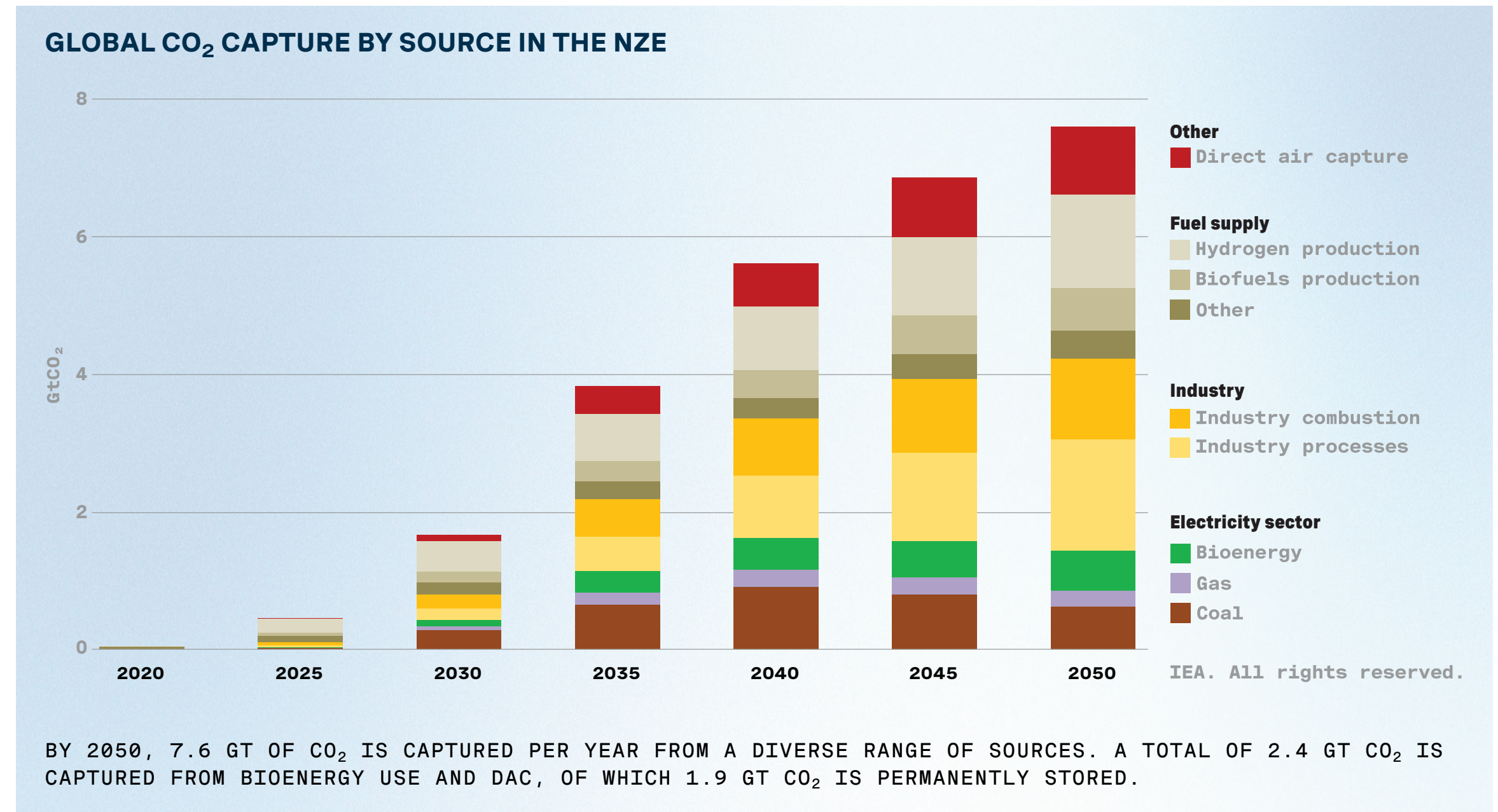
We believe sound, externally developed scenarios benefit stakeholders seeking to compare companies within and across industries. The Task Force on Climate-related Financial Disclosures (TCFD) recommends organizations use relevant scenarios to test asset-portfolio resilience in regulatory and market environments 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 Net Zero Emissions by 2050 Scenario (NZE), the Announced Pledges Scenario (APS), and the Stated Policies Scenario (STEPS) from the IEA 2022 World Energy Outlook (WEO-2022), released in October 2022.

**The Net Zero by 2050 Scenario (NZE)** is a normative scenario, originally published in 2021, 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, 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 addition to serving as a reference to evaluate the resilience of our existing portfolio and reserves, the NZE projects both the continued 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. The scenario was updated in the WEO-2022. The NZE Scenario falls within the group of scenarios determined to be "no or low overshoot" scenarios by the IPCC, and aligns with the goal, reiterated at COP26 in 2021, to "pursue efforts to limit the temperature increase to 1.5°C" by 2100.

In the updated NZE Scenario, any market tightness is addressed by government efforts to reduce demand, rather than through supply adjustment. Prices reflect operating costs of marginal projects required to meet falling demand. Costs include the costs of extraction, costs of emissions reduction initiatives, and the inclusion of a CO<sub>2</sub> price applied to remaining emissions. Increases in short-term oil use, and their associated emissions, compared with last year's NZE Scenario, are offset by assuming an even faster reduction in demand in the 2030s and beyond.

Government policy changes are projected to result in global oil demand falling by nearly 20 MMbbl/d between 2021 and 2030. There is continued investment in existing fields, including some low-cost extensions of existing fields, EOR, and tight oil drilling to ensure that supply does not fall faster

than the projected decline in demand, but the scenario does not include development of new, long lead-time projects. Reduced emissions from oil production result in global average emissions intensity falling more than 50% by 2030. The scenario reduces projected demand by around 6% each year





between 2030 and 2050, with production falling and the oil price dropping to very low levels (\$25/bbl in 2050). Oil production in the scenario is increasingly concentrated in resource-rich countries due to the large size and slow decline rates of their existing fields.

The scenario reduces projected natural gas demand by more than 32 Tcf in 2030, a drop of around 20% from 2021 levels. By 2050, unabated natural gas meets less than 15% of demand under the scenario; low-emissions gases account for over 70% and natural gas used either for non-combustion purposes or equipped with CCUS accounts for the remainder. A sharp drop in natural gas demand leads to gas prices falling by 2025.

DAC technologies play a growing role in the NZE Scenario, capturing around 70 million MTCO<sub>2</sub> per year in 2030 and around 600 million MTCO<sub>2</sub> per year in 2050. Capture and secure storage capacity create a vital role for carbon dioxide removal technologies like DAC and bioenergy with carbon capture and storage (BECCS). In the NZE, over 85% of BECCS and DAC CO<sub>2</sub> is permanently stored, and under 15% is used as feedstock. In addition, DAC reduces emissions in aviation transport, which remains one of the most challenging sectors to decarbonize.

**The Announced Pledges Scenario (APS)** accounts for climate commitments by governments and assumes that they will be met in full and on time. The global trends in this scenario represent the cumulative extent of the world's ambition to tackle climate change as of mid-2022. The global median temperature rise in 2100 is about 1.7°C in this scenario, close to the goal of the Paris Agreement to limit the temperature rise to "well below 2°C." The remaining difference in global emissions between the APS and the goals in the NZE Scenario is what the IEA calls an "ambition gap". The IEA asserts that this ambition gap would need to be closed to fully achieve the goals stated in the Paris Agreement.

As described in the APS, government policy focus on curbing oil demand is projected to reduce the oil price below \$65/bbl in 2030 and to decline slowly thereafter as demand falls, stabilizing at around \$60/barrel. These policies are projected to result in global oil demand peaking in the mid-2020s, just above the level of demand in 2019,

before dropping by 2030. The scenario shows demand decreasing by around 40% between 2030 and 2050, with passenger cars, road freight and industry responsible for the largest reductions. The use of oil as a petrochemical feedstock is projected to increase between 2021 and 2050, one of the few areas where oil demand rises in this scenario.

Under the APS, there is a 25% reduction in the global average emissions intensity of oil production by 2030. Countries with net-zero emissions pledges make efforts to minimize emissions from their domestic oil and gas operations, increasing their financing and production costs. Countries without net-zero emissions pledges also reduce oil and gas-related emissions as their customers start to differentiate purchases by the emissions intensity of production.

The APS models a decline in global natural gas demand, with demand dropping nearly 10% by 2030 compared to 2021. A modest increase in demand in developing economies between 2021 and 2030 is more than offset by reductions in advanced economies, where gas is gradually replaced by renewables and consumption is further offset by efficiency gains. The APS projects that, by 2050, global natural gas demand would be 40% below 2021 levels.

**The Stated Policies Scenario (STEPS)** assumes that not all announced decarbonization targets and pledges will be met. As with the APS, this scenario is not designed to achieve a particular amount of emissions or temperature outcome. It considers existing policies and measures, including those in development. The STEPS models a trajectory that would lead to a 2.5°C temperature rise in 2100, which the IEA states is not an adequate answer to the challenge of climate change. The variance in global emissions between the STEPS and the APS represents what the IEA calls an "implementation gap". The IEA asserts that this gap would need to be closed for countries to achieve their announced net-zero targets.

In the STEPS, long-term demand remains steady, with the post-2030 price on a rising trend above \$80 per barrel. Near-term higher prices are somewhat moderated by additional supply, but long-term prices are higher in WEO-2022 than in the IEA's prior year scenario as a result of uncertain prospects for investment. The STEPS projects oil demand surpasses 2019 levels by 2023 and increases to 102 MMbbl/d

in 2030, despite modest declines in most advanced economies. In emerging markets and developing economies, demand increases to 2030 as car fleets expand and the use of oil as a petrochemical feedstock rises rapidly. The STEPS models oil demand peaking globally in the mid-2030s as reductions in advanced economies outweigh growth in emerging markets and developing economies, but remaining relatively unchanged between 2030 and 2050.

The STEPS models natural gas demand rising gradually between 2021 and 2030, reaching 155 Tcf in 2030 and staying at that level to 2050. There is an increase in the pace of renewables deployment and an acceleration in consumption efficiency. Global gas demand is 27 Tcf lower by 2050 than projected in the 2021 STEPS.

## PORTFOLIO REVIEW

Across our business segments, Oxy bases 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 scenario analysis. 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 U.S. upstream and midstream oil and gas operations above certain thresholds. As part of our processes to inform capital planning and risk management, we include an assumed price on carbon in our capital approval process for the purpose of sensitivity modeling. This sensitivity modeling allows our capital planners and senior management to consider carbon price exposure when extending the operating life or reserves of existing fields or entering new projects.

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



### SCENARIO ANALYSIS - PROCESS AND RESULTS

We conducted internal quantitative scenario analyses based on applying NZE, APS, and STEPS assumptions and parameters to our portfolio of domestic and international oil and gas reserves, as calculated in accordance with SEC rules for estimating proved reserves and reported in our 2022 Form 10-K (our "2022 Reserves"). We assessed the sensitivity of our 2022 Reserves volumes and value to these IEA scenarios. Our 2022 Reserves included planned capital spending and expected operating costs from approved development plans, consistent with SEC requirements. The 2022 Reserves used a calculated average West Texas Intermediate (WTI) oil price of \$93.67 and a calculated average Henry Hub gas price of \$6.36, reflective of 2022 average product prices and consistent with SEC requirements. These hydrocarbon prices used in our 2022 Reserves were higher than the prices modeled by IEA under the NZE, APS, and STEPS. Due to the significant divergent pricing in the near term between the NZE and the current strip, we evaluated the impact using the NZE price forecast from 2032 onward (see pricing chart below). Development and operating costs were kept constant through these scenarios, as changes in operating cost and projected capital would require

additional assumptions and further analysis at a project level, which are impractical to realistically predict given the large change in product prices implied by these scenarios.

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 currently high-return, short-cycle assets better align with the APS; (2) the NZE pricing assumptions diverge widely from SEC reserves pricing and 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 are products central to Oxy's strategic plans and actions. We fundamentally question the assumption that the energy transition will occur at the pace necessary to suppress demand as required to result in the NZE-projected extraordinarily low pricing for traditional energy sources. Furthermore, 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. That approach would effectively require a completely different process for reserves

analysis that we do not believe would be useful or consistent with reserves calculated pursuant to SEC requirements. Historical fluctuations in product prices have consistently demonstrated that the cost associated with producing oil and gas are highly dependent on market demand for these products.

The combination of NZE's low hydrocarbon prices and high carbon burden would reflect a stressed market for traditional oil and gas producers after 2030, resulting in negative impacts. Nevertheless, a significant portion of Oxy's 2022 Reserves by volume would be realized, and the impact to our reserves value would be minimized due to Oxy's currently high-return, short-cycle assets. Moreover, Oxy's strategy envisions a market for carbon-neutral or lower-carbon crude oil and natural gas, which is not modeled in the NZE.

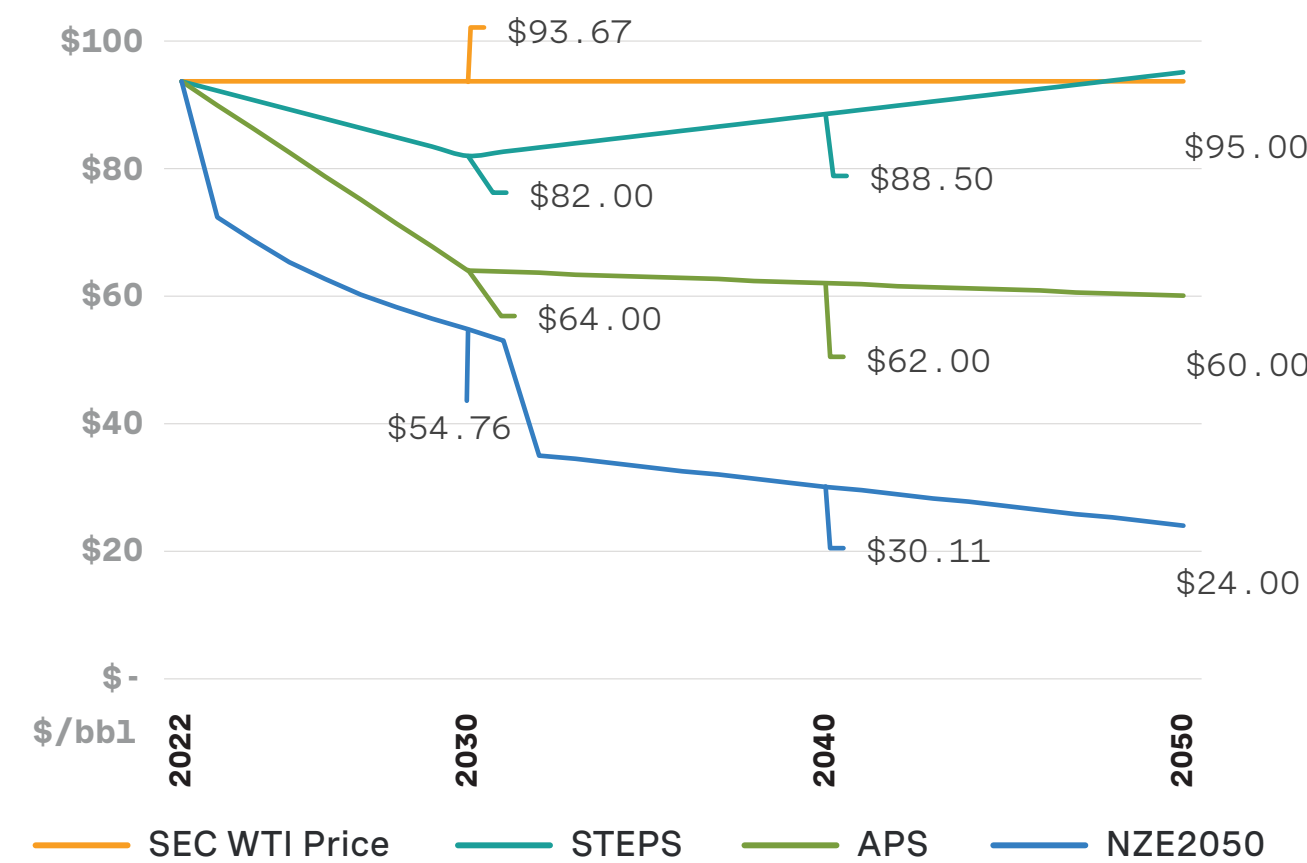
Beyond oil and gas production, the NZE Scenario would galvanize other strategies for Oxy and its subsidiaries. The IEA modeled 70 million MTCO<sub>2</sub> to be captured through DAC by 2030, increasing to over 600 million MTCO<sub>2</sub> in 2050. OLCV has announced that a global net-zero support policy framework, such as envisioned in

the NZE, would facilitate Oxy's development of DAC facilities and sequestration hubs for secure geologic sequestration of CO<sub>2</sub>.

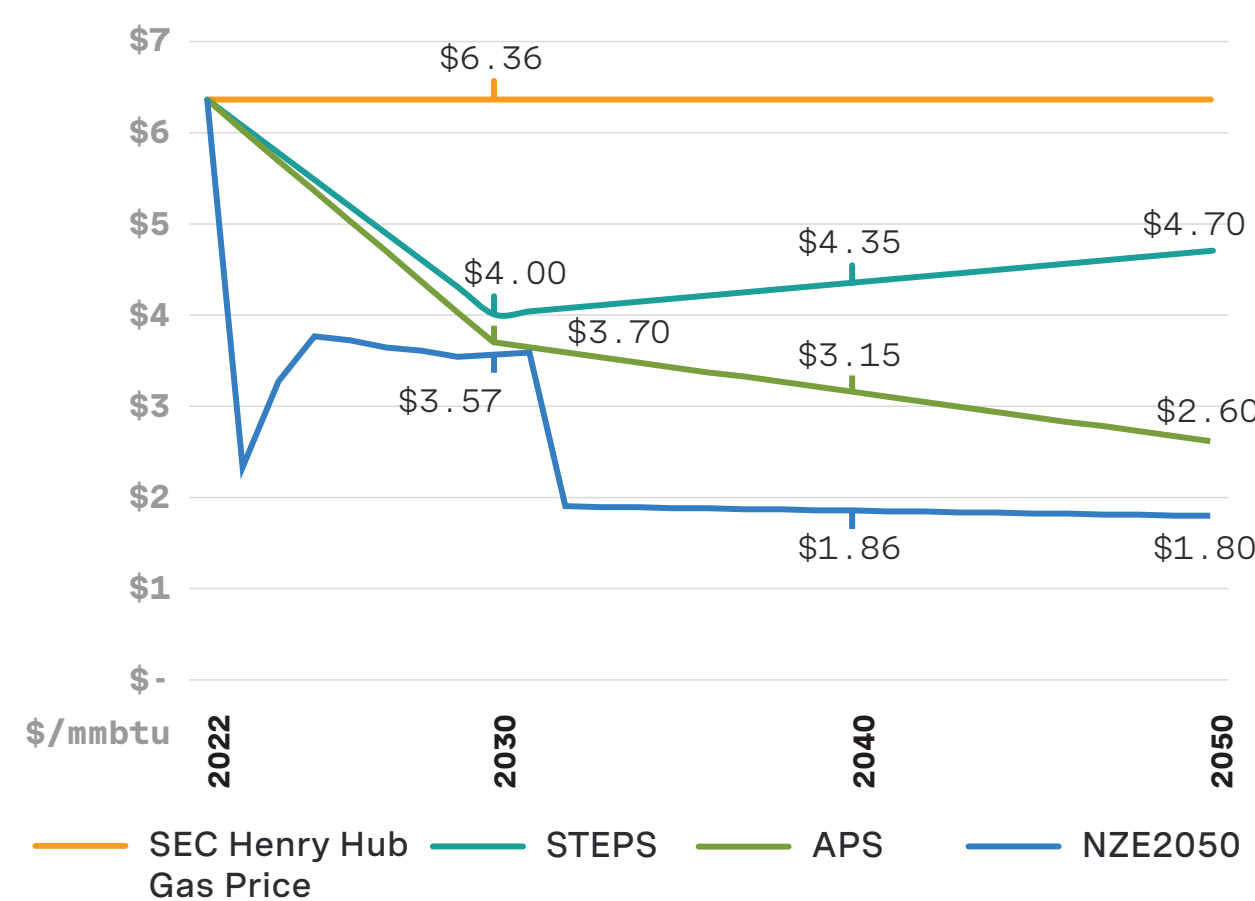
APS, relative to NZE, uses higher hydrocarbon pricing and lower carbon burdens. Applying the APS to Oxy's 2022 Reserves was estimated to have minimal to moderate impact on the reserves volumes and value when compared to reserves reported pursuant to SEC requirements.

STEPS, relative to NZE and APS, has hydrocarbon pricing and carbon burden assumptions that more closely reflect current market conditions and policy direction. Tested under STEPS, we would retain virtually all of our 2022 Reserves volumes and value. However, this scenario does not take into account the net-zero ambitions and investments of leading companies like Oxy, and the IEA does not believe STEPS aligns with the goals of the Paris Agreement. Certain climate-related policy actions including incentives to low-carbon technologies, incentives to low-carbon projects and carbon pricing are absent from this scenario.

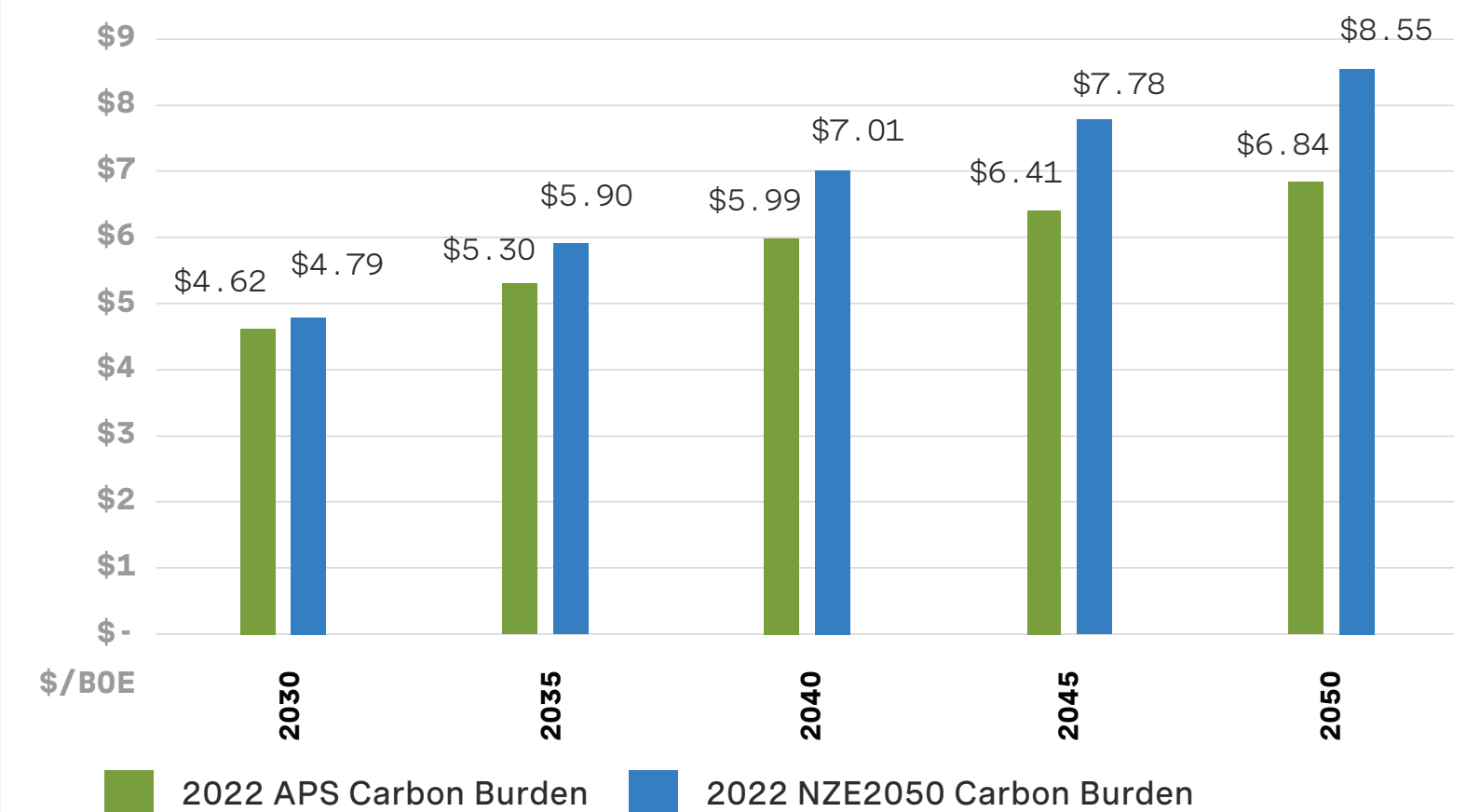
#### OIL PRICES FOR PORTFOLIO ANALYSIS



#### NATURAL GAS PRICES FOR PORTFOLIO ANALYSIS



#### CARBON BURDEN FOR PORTFOLIO ANALYSIS





# METRICS & TARGETS

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OXY'S NET-ZERO GOALS  
INTERIM TARGETS FOR GHG EMISSIONS REDUCTIONS AND LOW-CARBON VENTURES  
REVIEW OF 2019-2022 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**

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, as described below, a range of ambitious interim targets 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.

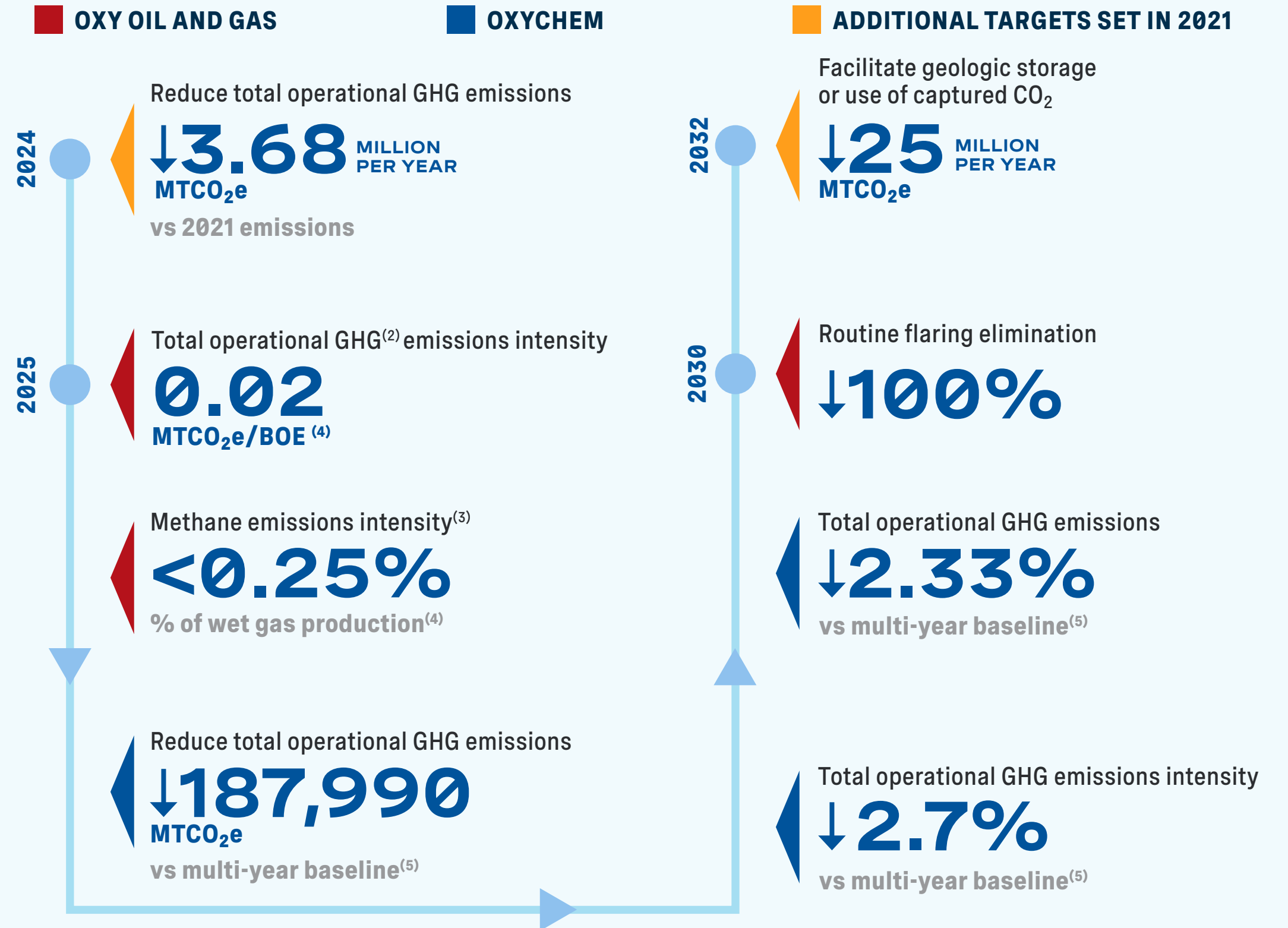
Oxy's workforce is fully engaged company-wide in a multi-year plan to advance our environmental stewardship and ambitious interim GHG targets, including:

- investing approximately \$530 million in 2022 in emerging net-zero or low-carbon technologies, businesses and assets, including pore space;
- investing an additional \$168 million of capital in 2022 for environmental projects, including emissions reduction efforts;
- our expanded inspection, repair, and maintenance programs, including using fixed monitors and aerial and satellite surveillance;
- changes to operating practices to minimize emissions 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.

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 Statements attached as Appendix II and posted on [oxy.com/Sustainability](https://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.

## 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



(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 operated wet gas production for market.

(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 for the 12 member companies combined. Oxy is currently evaluating these ambitions with respect to our operated assets.

(5) OxyChem's multi-year baseline covers the period from 2014-2019 to reflect variability in plant operating rates.



## INTERIM TARGETS FOR GHG EMISSIONS REDUCTIONS AND LOW-CARBON VENTURES

TARGET	UPDATE
Reduce total oil and gas operational GHG emissions intensity to 0.02 MTCO <sub>2</sub> e/BOE by 2025.	Oil and Gas combined Scope 1 and 2 CO <sub>2</sub> e intensity decreased from 0.0335 MTCO <sub>2</sub> e/BOE in the 2019 base year to 0.0299 MTCO <sub>2</sub> e/BOE in 2022, an approximate 11% reduction. Oxy's oil and gas workforce is focused on reducing our GHG emissions and intensity through operating practices and capital projects during facility construction or turnarounds. Key sources targeted for emissions reduction in 2022 included atmospheric storage tanks, retrofitting of pneumatic controllers, flare stacks, and blowdown vent stacks.
Reduce methane emissions intensity to below 0.25% (based on operated wet gas production for market) by 2025.	<p>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 part of Oxy's participation in OGMP 2.0, MGP and OGCI's Aiming for Zero Methane Emissions pledge, Oxy has also expanded our use of measured process data, leak detection surveys, and remote sensing technologies to refine emissions estimates, and these efforts are reflected in the 2022 methane emissions estimates and will continue to evolve.</p> <p>Oxy calculates methane emissions intensity in two ways, both presented as a percentage of our wet natural gas produced from our operated assets for market. Our primary method, which we are currently using to evaluate progress toward our methane intensity target, compares the total estimated volume of our methane emissions from our operated oil and gas assets (without distinguishing between methane emissions attributable to oil production vs. gas production) to the volume of our operated wet gas production. Under this method, our calculated methane emissions intensity is 0.26% for 2022.</p> <p>Oxy also assesses methane intensity using the Natural Gas Sustainability Initiative (NGSI) method, which was published in 2021 and divides estimated methane emissions attributed solely to gas production by our operated wet gas production. Under this method, Oxy's calculated methane emissions intensity is 0.13% for 2022.</p> <p>Last year, we presented the NGSI method and used average gas compositions in our basins to calculate intensity. This year, we adopted the broader method, which reflects methane emissions from both oil and gas production and therefore yields higher intensities, as our primary method. Accordingly, in this report we updated the methane intensities for 2019 through 2021 to apply this method instead of the NGSI method.<sup>(1)</sup></p>
Oxy endorsed the World Bank's Zero Routine Flaring by 2030 initiative in 2020. Oxy expects to eliminate all (100%) routine flaring from our oil and gas operations by 2030.	Oxy applies the World Bank's classification of routine flaring in our oil and gas operations. Key projects implemented in 2022 to reduce flaring included installation of gas compression to tie new development in the U.S. and adjacent blocks in Oman back to central gas processing facilities, permitting and installation of closed-loop gas capture and temporary gas storage during pipeline or plant outages, and ongoing efforts to provide optionality for gas takeaway. Oxy's Compensation Committee of the Board also set annual targets in 2022 and 2023 to reduce routine flaring as part of our emissions reduction targets for our incentive compensation program to promote ongoing progress toward the World Bank's goal. 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. Conditions can change at a given facility that affect flaring categories, such as the closure of third-party plants or pipelines that provide takeaway capacity, timing of infrastructure permitting and construction, or changes to throughput, gas composition, gas processing equipment, or piping. Accordingly, Oxy's Facilities Engineering and Air Quality teams periodically review flaring activity and categories and, where necessary, design and implement projects that seek to sustain zero routine flaring in our U.S. operations on an ongoing basis and to reduce total flaring to maximize beneficial use of methane.
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 pursuing multiple projects and initiatives to achieve this ambitious target while continuing to meet the pressing demand for our products. Key areas targeted for emissions reduction included atmospheric storage tanks, retrofitting of pneumatic controllers, flare stacks, and blowdown vent stacks. In 2022, these efforts contributed to a year-over-year reduction of approximately 840,000 metric tons CO <sub>2</sub> e of Oxy's combined Scope 1 and 2 emissions. In 2023, we have expanded our electrification efforts, including continuing to enhance our electrical infrastructure, increasing our electric compression, and working to acquire lower-carbon power supplies.



## INTERIM TARGETS FOR GHG EMISSIONS REDUCTIONS AND LOW-CARBON VENTURES CONTINUED

TARGET	UPDATE
Fulfill The Environmental Partnership targets for leak detection surveys and high-bleed pneumatics replacement.	<p>From 2021 through 2023, Oxy completed thousands of leak surveys, surpassing our TEP target.</p> <p>In 2022 and 2023, we eliminated or retrofitted all high-bleed pneumatic controllers found in Oxy's U.S. onshore oil and gas operations. This effort is linked to executive compensation through the emissions reduction performance metric used by the Board's Compensation Committee to determine annual cash incentive awards.</p>
Continue to stress the importance of the reduction of methane emissions across Oxy's operations and beyond.	<p>In 2021, Oxy endorsed the UN-sponsored Oil and Gas Methane Partnership (OGMP) 2.0 to collaborate further on methane reductions across our value chain. In 2022, Oxy was an original signatory to OGCI's Aiming for Zero Methane Emissions Initiative to galvanize industry efforts to maximize methane capture for beneficial use and reduce avoidable methane emissions. In 2023, we submitted our first Implementation Plan and Report to the UN Environment Programme for OGMP 2.0 for the 2022 reporting year. In addition, Oxy is expanding the use of measured emissions in line with OGMP 2.0 expectations for increasing site-specific measurement.</p> <p>We continue our strategy of reducing both our absolute methane emissions and methane emissions intensity by implementing projects across our operations related to: compression to tie back new development areas and blocks to central processing facilities; additional takeaway capacity; retrofitting gas-driven pneumatics and other equipment; tankless designs for new and upgraded facilities; closed-loop gas capture with temporary storage during plant or pipeline outages; and applying innovative measurement techniques to improve estimation, detection, and mitigation.</p>
OxyChem has set a target to reduce total operational GHG emissions (CO <sub>2</sub> e) by 187,990 MTCO <sub>2</sub> e or 2.33% from its baseline by 2025.	OxyChem is actively pursuing emissions reduction projects at multiple facilities to advance this target. In 2022, OxyChem sustained an absolute reduction in GHG emissions of over 400,000 metric tons CO <sub>2</sub> e compared to its multi-year baseline, <sup>(2)</sup> an approximate 5% reduction, even as OxyChem's emissions increased from 2021 due to plants resuming full production after maintenance turnarounds in 2021. OxyChem's hydrogen usage at its chlor-alkali plants and overall energy management to reduce its natural gas, steam, and purchased electricity usage have helped the company sustain GHG emissions reductions from its multi-year baseline.
OxyChem has a target to reduce total operational GHG emissions intensity of its products (MTCO <sub>2</sub> e/MT of product) by 2.70% from its baseline by 2025.	In 2022, OxyChem achieved a reduction of GHG emissions intensity of 2.4% compared to its multi-year baseline, due to the emissions reductions associated with hydrogen usage and overall energy management, as previously noted.
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.	Oxy has made significant progress in building STRATOS, the world's first commercial DAC plant, and developing multiple sequestration hubs. We completed FEED and began site construction activities for STRATOS in the Permian Basin in 2022, and we have started the FEED for our second DAC plant in 2023. We executed agreements for more than 400 square miles of pore space access with a capacity of up to 6 billion metric tons of CO <sub>2</sub> . We also signed multiple agreements to provide CDR credits from DAC.
<p>(1) For comparison, we have presented in our <a href="#">Annual ESG Data Summary</a> available on <a href="https://oxy.com">oxy.com</a> the methane intensities for 2019 through 2022 calculated using both our current primary method and the NGSi method updated with more site-specific gas compositions from our operating areas instead of basin-wide averages.</p> <p>(2) OxyChem's multi-year baseline covers the period from 2014-2019 to reflect variability in plant operating rates.</p>	



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. In February 2023, the Committee evaluated performance on the 2022 metrics, the results of which are summarized on this page and described in the Compensation Discussion and Analysis of the [2023 Proxy Statement](#). The Committee also determined to apply the same 30% weighting to 2023 metrics for low-carbon ventures and emissions reduction efforts.

## 2022 ANNUAL SUSTAINABILITY METRICS FOR GHG EMISSIONS REDUCTIONS AND LOW-CARBON VENTURES

	2022 ANNUAL SUSTAINABILITY METRICS	2022 ACTIONS
<b>Carbon Ventures and Reduction Projects</b>	<p>Advance carbon management platform (Scope 3)</p> <ul style="list-style-type: none"> <li>Approval to commence, and commencement of, construction on first DAC plant (STRATOS)</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>Identify and coordinate external validation of the company's carbon accounting process, including validation of GHG emissions at one or more operating sites</li> </ul>	<ul style="list-style-type: none"> <li>For STRATOS, Oxy completed FEED in June 2022, received approval to commence construction and commenced construction with site and road preparation activities in September 2022.</li> <li>Certain Oxy subsidiaries secured more than 400 square miles of pore space access in multiple locations along the U.S. Gulf Coast. Senior management estimates that this pore space has the capacity to store up to 6 billion metric tons of CO<sub>2</sub> that could accommodate up to 50 DAC plants in addition to Point-Source Capture projects.</li> <li>Oxy, through its subsidiaries, entered into offtake agreements for carbon dioxide removal credits and invested in carbon product utilization technologies.</li> <li>ERM Certification and Verification Services, Inc. issued an Independent Assurance Statement in October 2022, attached in Appendix II, which reports on its limited assurance verification process of the company's Scope 1, Scope 2 and Scope 3 (Categories 9, 10 and 11) emissions, total GHG emissions and methane emissions individually and by business segment for 2021 and total GHG emissions individually and by business segment for 2020 and 2019. See also Oxy's website at <a href="https://www.oxy.com/globalassets/documents/sustainability/ERM CVS-assurance-statement-Oxy.pdf">https://www.oxy.com/globalassets/documents/sustainability/ERM CVS-assurance-statement-Oxy.pdf</a>. Trinity Consultants also completed its review of 2019 through 2021 GHG emissions estimates for Oxy's Gulf of Mexico operations in September 2022.</li> </ul>
<b>Emissions Reduction Efforts</b>	<p>Reducing operating emissions (Scope 1 and 2)</p> <ul style="list-style-type: none"> <li>Develop and implement an enhanced Find It/Fix It operational emissions program in international locations</li> <li>Deploy at least 4 emissions reduction projects in the Permian Basin</li> <li>Achieve a 15% reduction in routine flaring from our 2020 baseline</li> </ul>	<ul style="list-style-type: none"> <li>Implemented the Emissions Technology program and Find It/Fix It operational emissions program in the company's Oman operations primarily through periodic satellite surveillance beginning in the first half of 2022, which accelerated detection of emissions sources and, where warranted, repair of equipment. Management and employees also collaborated extensively with operators of outside-operated international joint ventures (e.g., Dolphin and Al Hosn) on the implementation of emissions reduction technologies and practices and to share learnings from such programs.</li> <li>Deployed several emission reduction projects in the Permian Basin in 2022, including: (1) retrofitting or removing from our inventory 169 high-bleed pneumatic control devices in the Permian Basin, or over 76% of those devices we operated at the beginning of 2022; (2) replacing four low-pressure flares with Vapor Recovery Units or Vapor Combustion Units and enhancing reliability of tank emissions control with backup units for critical facilities; (3) tying an authorized gas vent in a plant into a closed piping system that delivers the gas to a nearby plant where it is consumed as fuel; (4) reducing non-routine flaring through the installation of additional gas takeaway optionality and temporary gas storage wells to better manage gas during downstream plant or pipeline outages; and (5) completing 15 production facility consolidation projects to minimize the company's surface infrastructure footprint and decommission existing emitting equipment (e.g., tanks, compressors and pneumatic devices) at the sites that were tied into the consolidated facilities.</li> <li>Achieved a 44% reduction in routine flaring in 2022 from our 2020 baseline, and achieved zero routine flaring in our U.S. operations in 2022.</li> </ul>



# REVIEW OF 2019-2022 GHG EMISSIONS METRICS

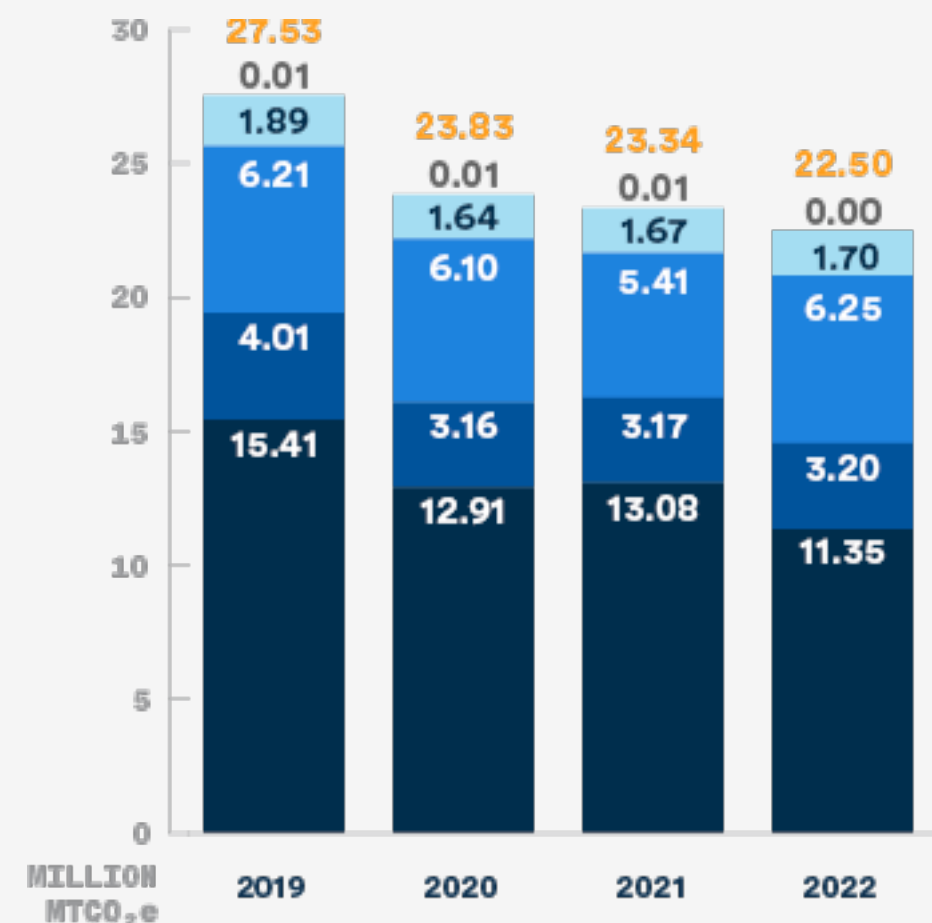
Oxy's GHG emissions estimates from 2019 through 2022 are summarized in this section, and provided in Appendix I.

Between 2019 and 2022, Oxy's estimated combined Scope 1 and 2 CO<sub>2</sub>e emissions decreased by approximately 5 million metric tons, or approximately 18%, reflecting a 25% reduction in Oxy Oil and Gas emissions and a 2% reduction in OxyChem emissions. These reductions were primarily driven by projects in our Oil and Gas operations such as:

- large reductions in flaring;
- our ongoing efforts to retrofit pneumatic devices thereby reducing vented methane emissions; and
- compression upgrade projects in Oman.

During 2022, Oxy's combined Scope 1 and 2 CO<sub>2</sub>e emissions declined by approximately 840,000 metric tons, or nearly 4%, from our 2021 estimated emissions. This decrease was driven by an 11% reduction in Oil and Gas CO<sub>2</sub>e emissions primarily due to operational emissions reduction projects such as: domestic and international flaring initiatives; new compressors in international operations; replacement and retrofitting of high-bleed and intermittent-bleed pneumatics; gas management initiatives; replacing low-pressure flares with Vapor Recovery Units and enhancing reliability of tank emissions control with backup units for critical facilities; and completing multiple production consolidation projects to minimize the company's surface infrastructure footprint and decommissioning existing emitting equipment (e.g., tanks, compressors and pneumatic devices) at the sites that were tied into the consolidated facilities. Oil and Gas CO<sub>2</sub>e emissions intensity decreased by approximately 13% in 2022, reflecting the decrease in emissions noted above while production volumes remained relatively flat.

## GHG EMISSIONS METRICS



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

■ Total Operational GHG Emissions

**Oxy Oil and Gas**

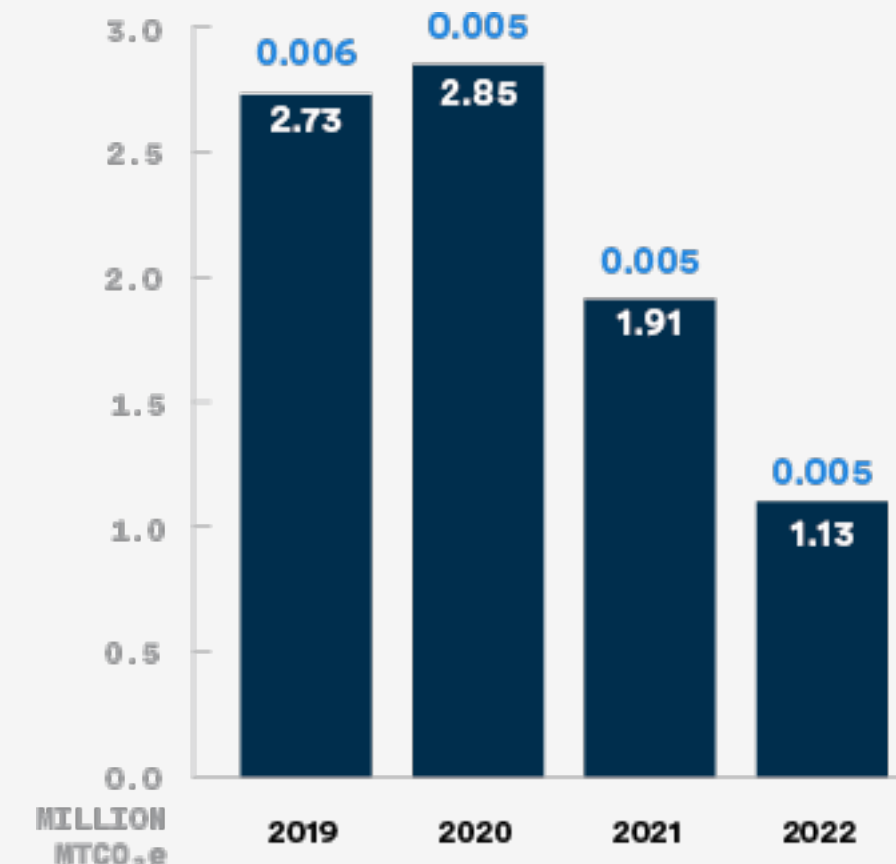
- Scope 1 GHG Emissions
- Scope 2 GHG Emissions

**OxyChem**

- Scope 1 GHG Emissions
- Scope 2 GHG Emissions

**Other Operations**

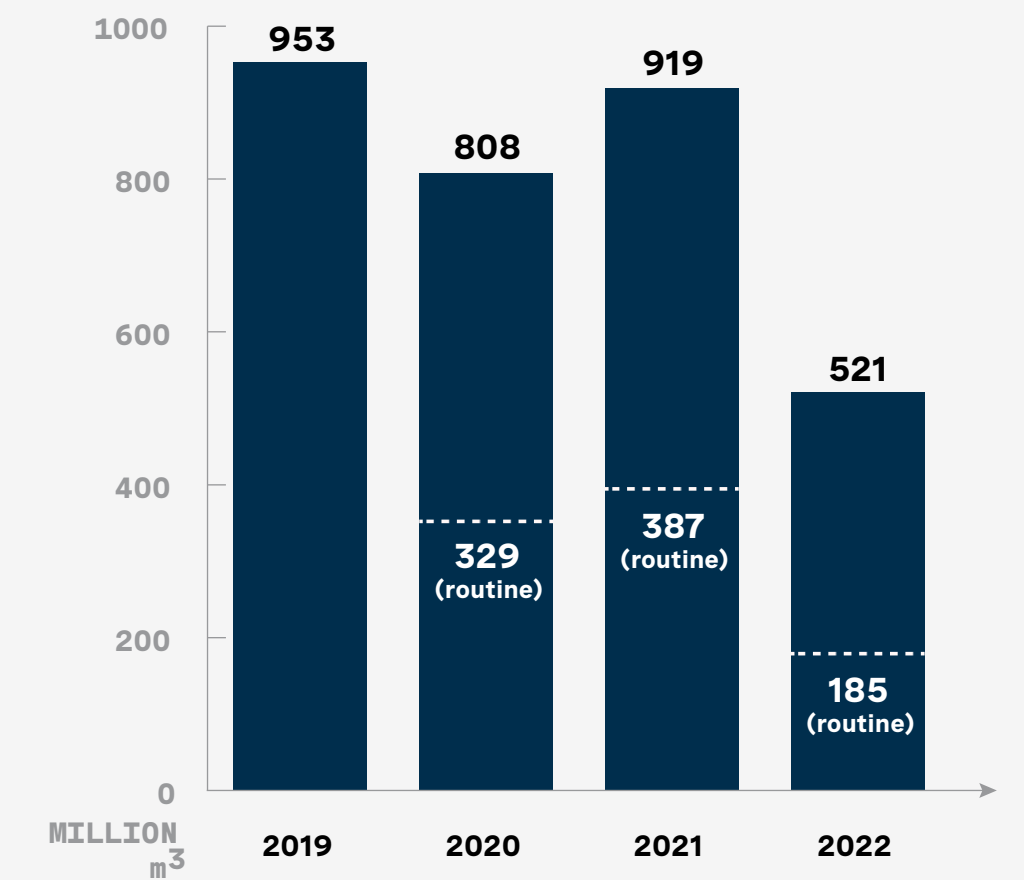
- Scope 1 and 2 GHG Emissions



Methane (CH<sub>4</sub>) Emissions<sup>(2)</sup>

- Oxy Oil and Gas
- OxyChem

## OIL AND GAS FLARING SUMMARY



Flare Volumes<sup>(3)</sup>

■ Total Flare Volumes

(1) 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.

(2) Oxy's 2021 and 2022 estimated methane emissions underwent limited assurance verification as reflected in the Independent Assurance Statements in Appendix II. Estimated methane emissions have been converted to CO<sub>2</sub>e by multiplying methane emissions by the U.S. EPA/IPCC AR4 GWP of 25, which has been used in the U.S. EPA's GHG Reporting Program during 2019 through 2022.

(3) In 2020, Oxy endorsed the World Bank's initiative for Zero Routing 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 through 2022, 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.



Oil and Gas methane emissions in 2022 were approximately 58% lower than 2019 and 40% below 2021, due primarily to the operational emissions reduction projects mentioned above. These actions reduced Oxy's methane emissions intensity, expressed as a percentage of our wet natural gas produced from our operated assets for market, by approximately 42% from 2021.

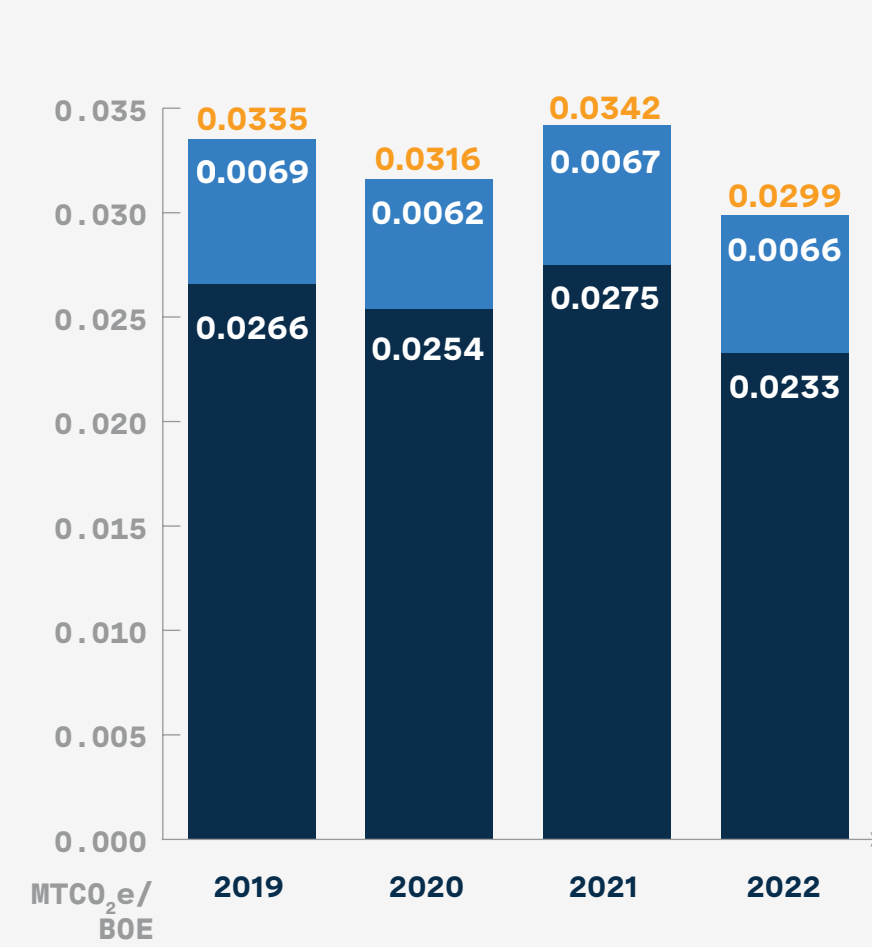
The Oil and Gas CO<sub>2</sub>e emissions decrease was partially offset by an increase of 12% in OxyChem CO<sub>2</sub>e emissions from 2021 to 2022. OxyChem CO<sub>2</sub>e emissions increased in 2022 due to resumption of full operations at one chlor-alkali plant and certain cogeneration facilities and associated power sales to the grid in 2022 following maintenance turnarounds and downtime in 2021. OxyChem's CO<sub>2</sub>e emissions intensity in 2022 increased 10% from 2021, reflecting the increase in emissions, which was not offset by higher product volumes since power sales are not included in product volumes. OxyChem's emissions intensity, excluding power sales, increased by 3% from 2021 to 2022, reflecting operating rates at its plants.

ERM Certification and Verification Services, Inc. (ERM CVS), a qualified independent external reviewer, has issued Independent Assurance Statements this year for 2022 emissions and last year for 2019-2021 emissions. For 2019 and 2020, these included Total Scope 1 and 2 GHG emissions company-wide and by business segment. For 2021 and 2022, these included:

- Company-wide and business segment Scope 1, Scope 2, Total Scope 1 and 2, and methane emissions from operated assets
- Scope 3 GHG emissions for transportation, refining and use of oil and gas products - our most relevant categories (operated basis and equity basis)

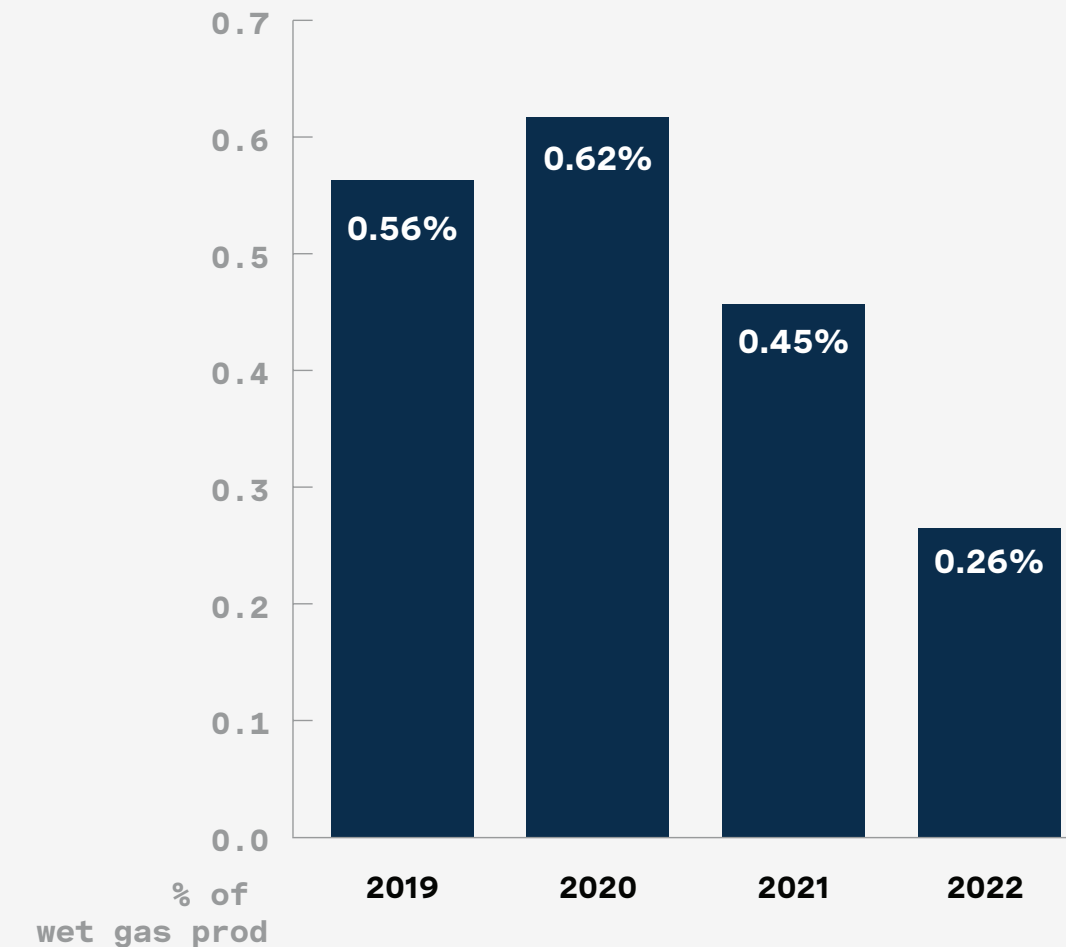
Oxy's 2019-2022 emissions estimates for Scope 1, 2 and 3 are attached in Appendix I. ERM CVS' Independent Assurance Statement for Oxy's 2022 emissions and its Independent Assurance Statement for Oxy's 2019-2021 emissions are attached in Appendix II.

**OXY OIL AND GAS EMISSIONS INTENSITY SUMMARY**



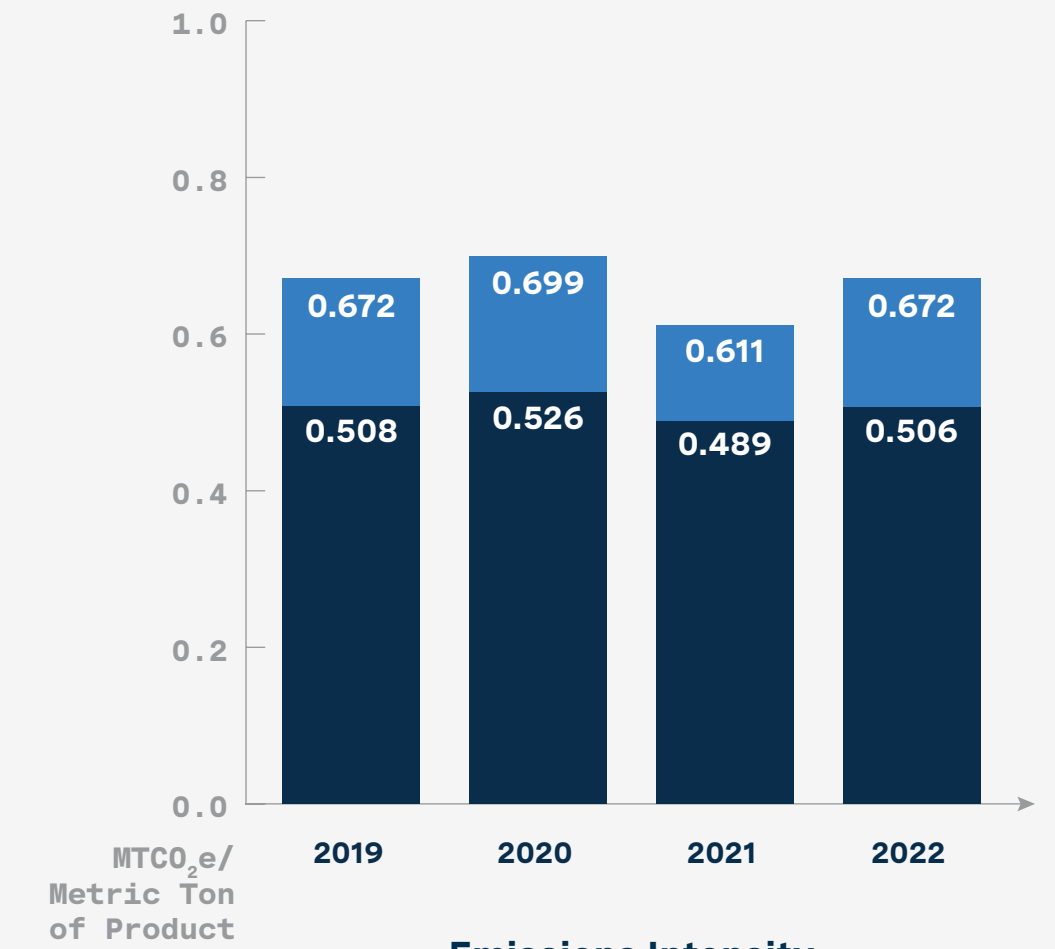
**Emissions Intensity<sup>(1)</sup>**

- Total Operational GHG (Scope 1 + 2) Intensity
- GHG Scope 1 Intensity
- GHG Scope 2 Intensity



**Methane Emissions Intensity<sup>(2-3)</sup>**

**OXYCHEM EMISSIONS INTENSITY SUMMARY**



**Emissions Intensity**

- Total Operational GHG (Scope 1 + 2) Intensity
- Total Operational GHG (Scope 1 + 2) Intensity Excluding Power Sales to Grid

(1) 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.

(2) Methane intensity estimates have been updated from those previously reported due to a change in primary method.

(3) For comparison, we have presented in our Annual ESG Data Summary available on [oxy.com](http://oxy.com) the methane intensities for 2019 through 2022 calculated using both our current primary method and the NGSi method updated with more site-specific gas compositions from our operating areas instead of basin-wide averages.

# APPENDICES

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**GHG EMISSIONS SUMMARY 2019-2022**  
**INDEPENDENT ASSURANCE STATEMENTS**  
**SHORT-TERM GHG GOALS**  
**MEDIUM- AND LONG-TERM GHG GOALS**  
**TCFD ALIGNMENT**  
**OXY'S 50 YEAR CARBON MANAGEMENT LEGACY**  
**GLOSSARY**







APPENDIX I

# GHG EMISSIONS SUMMARY 2019-2022

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 Statements attached as Appendix II and posted on [oxy.com/Sustainability](http://oxy.com/Sustainability).

- (1) 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 (Other Operations), excluding operated assets that are sold in a given year.
- (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 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 U.S. 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.
- (4) Flare emissions data include total of routine, non-routine and safety flaring.
- (5) Oxy's company-wide methane emissions estimates, and those of its operated oil and gas assets and operated assets of OxyChem, received limited assurance verification from ERM CVS for 2021 and 2022, measured in thousands of MT of CH<sub>4</sub>, as reflected in the Independent Assurance Statements in Appendix II. Since these have been converted to CO<sub>2</sub>e, they are not shown with an asterisk in this table. Oxy calculates methane emissions intensity in two ways, both presented as a percentage of our wet natural gas produced from our operated assets for market. In the 2022 Climate Report, methane intensities were based on the Natural Gas Sustainability Initiative's method which was introduced in 2021 and reflects the estimated methane emissions attributable to gas production. This year, our primary method reflects the total estimated methane emissions from both oil production and gas production from our operated oil and gas assets, which generates a higher intensity. Accordingly, we updated the methane emissions intensities for 2019 through 2021 in this report to reflect the change in method which we are currently using to evaluate progress toward our methane intensity target.

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

GHG EMISSIONS SUMMARY	2022		2021		2020		2019	
	GHG EMISSIONS	INTENSITY	GHG EMISSIONS	INTENSITY	GHG EMISSIONS	INTENSITY	GHG EMISSIONS	INTENSITY
<b>TOTAL OXY</b>	<b>MMTCO<sub>2</sub>e</b>		<b>MMTCO<sub>2</sub>e</b>		<b>MMTCO<sub>2</sub>e</b>		<b>MMTCO<sub>2</sub>e</b>	
Scope 1: GHG Emissions	17.60*		18.50*		19.02		21.62	
Scope 2: GHG Emissions	4.90*		4.84*		4.81		5.91	
<b>Total Operational GHG Emissions (Scope 1 + 2)<sup>(1)</sup></b>	<b>22.50*</b>		<b>23.34*</b>		<b>23.83*</b>		<b>27.53*</b>	
<b>OXY OIL AND GAS<sup>(2)</sup></b>	<b>MMTCO<sub>2</sub>e</b>	<b>MTCO<sub>2</sub>e/BOE</b>	<b>MMTCO<sub>2</sub>e</b>	<b>MTCO<sub>2</sub>e/BOE</b>	<b>MMTCO<sub>2</sub>e</b>	<b>MTCO<sub>2</sub>e/BOE</b>	<b>MMTCO<sub>2</sub>e</b>	<b>MTCO<sub>2</sub>e/BOE</b>
Scope 1: GHG Emissions	11.35*	0.0233	13.08*	0.0275	12.91	0.0254	15.41	0.0266
Scope 2: GHG Emissions	3.20*	0.0066	3.17*	0.0067	3.16	0.0062	4.01	0.0069
<b>Oil and Gas Operational GHG Emissions (Scope 1 + 2)</b>	<b>14.55*</b>	<b>0.0299</b>	<b>16.25 *</b>	<b>0.0342</b>	<b>16.07 *</b>	<b>0.0316</b>	<b>19.42*</b>	<b>0.0335</b>
Scope 3 <sup>(3)</sup> : Transportation, Refining and Use of Sold Products - Operated Basis	217*		212*		226		259	
Scope 3 <sup>(3)</sup> : Transportation, Refining and Use of Sold Products - Equity Basis	175*		176*		196		151	
<b>Flare Emissions<sup>(4)</sup></b>	<b>1.08</b>	<b>0.00222</b>	<b>1.81</b>	<b>0.00381</b>	<b>1.94</b>	<b>0.00382</b>	<b>2.32</b>	<b>0.00401</b>
<b>Methane Emissions<sup>(5)</sup></b>	<b>1.13</b>	<b>0.26%</b>	<b>1.91</b>	<b>0.45%</b>	<b>2.85</b>	<b>0.62%</b>	<b>2.73</b>	<b>0.56%</b>
<b>OXYCHEM</b>	<b>MMTCO<sub>2</sub>e</b>	<b>MTCO<sub>2</sub>e/MT<sup>(6)</sup></b>	<b>MMTCO<sub>2</sub>e</b>	<b>MTCO<sub>2</sub>e/MT<sup>(6)</sup></b>	<b>MMTCO<sub>2</sub>e</b>	<b>MTCO<sub>2</sub>e/MT<sup>(6)</sup></b>	<b>MMTCO<sub>2</sub>e</b>	<b>MTCO<sub>2</sub>e/MT<sup>(7)</sup></b>
Scope 1: GHG Emissions	6.25*	0.528	5.41 *	0.467	6.10	0.551	6.21	0.515
Scope 2: GHG Emissions	1.70*	0.144	1.67 *	0.144	1.64	0.148	1.89	0.157
<b>OxyChem Operational GHG Emissions (Scope 1 + 2)</b>	<b>7.95*</b>	<b>0.672</b>	<b>7.08 *</b>	<b>0.611</b>	<b>7.74*</b>	<b>0.699</b>	<b>8.10*</b>	<b>0.672</b>
<b>Operational GHG (Scope 1+2), Excluding Power Sales to Grid</b>		<b>0.506</b>		<b>0.489</b>		<b>0.526</b>		<b>0.508</b>
<b>Methane Emissions</b>	<b>0.005</b>	<b>0.00045</b>	<b>0.005</b>	<b>0.00041</b>	<b>0.005</b>	<b>0.00049</b>	<b>0.006</b>	<b>0.00049</b>
<b>OTHER OPERATIONS</b>	<b>MMTCO<sub>2</sub>e</b>	<b>MTCO<sub>2</sub>e/MT</b>	<b>MMTCO<sub>2</sub>e</b>	<b>MTCO<sub>2</sub>e/MT</b>	<b>MMTCO<sub>2</sub>e</b>	<b>MTCO<sub>2</sub>e/MT</b>	<b>MMTCO<sub>2</sub>e</b>	<b>MTCO<sub>2</sub>e/MT</b>
Scope 1: GHG Emissions	0.003		0.003*	0.004	0.004		0.007	
Scope 2: GHG Emissions	0		0.007*	0.007	0.007		0.006	
<b>Other Operations GHG Emissions (Scope 1 + 2)</b>	<b>0.003*</b>		<b>0.010*</b>	<b>0.011</b>	<b>0.011</b>		<b>0.013</b>	



APPENDIX II - 2022 INDEPENDENT ASSURANCE STATEMENT



**Independent Limited Assurance Report to Occidental Petroleum Corporation**

ERM Certification & Verification Services Incorporated (“ERM CVS”) was engaged by Occidental Petroleum Corporation (“Oxy”) to provide limited assurance in relation to the selected information set out below and presented in Oxy’s Climate Report, Sustainability Report, and annual summary of ESG performance indicators on Oxy’s website (together the ‘Reports’) for the 2022 reporting period.

Engagement summary	
<b>Scope of our assurance engagement</b>	<p>Whether the 2022 data for Oxy’s operations are fairly presented in the Reports, in all material respects, in accordance with the reporting criteria.</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; and</li> <li>• Equity basis.</li> </ul> </li> </ul>
<b>Reporting period</b>	January 1, 2022 – December 31, 2022
<b>Reporting criteria</b>	<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>
<b>Assurance standard and level of assurance</b>	<p>We performed a limited assurance engagement, in accordance with the International Standard on Assurance Engagements ISAE 3000 (Revised) ‘Assurance Engagements other than Audits or Reviews of Historical Financial Information’ issued by the International Auditing and Assurance Standards Board (IAASB).</p> <p>The procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement and consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.</p>
<b>Respective responsibilities</b>	<p>Oxy is responsible for preparing the Reports and for the collection and presentation of the information within it, and for the designing, implementing, and maintaining of internal controls relevant to the preparation and presentation of the Reports.</p> <p>ERM CVS’ responsibility is to provide conclusions to Oxy on the agreed scope based on our engagement terms with Oxy, 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 comprised of only the following categories: Category 9: Downstream Transportation and Distribution, Category 10: Processing of Sold Products, and Category 11: Use of Sold Products.



## APPENDIX II CONT. - 2022 INDEPENDENT ASSURANCE STATEMENT

**Our conclusion**

Based on our activities, as described below, nothing has come to our attention to indicate that the following 2022 GHG emissions data for the disclosures listed under 'Scope' above are not fairly presented in the Reports, in all material respects, in accordance with the reporting criteria:

**2022 (Total Oxy)**

- Scope 1 GHG Emissions: 17.60 million metric tonnes CO<sub>2</sub>e
- Scope 2 GHG Emissions (location-based): 4.90 million metric tonnes CO<sub>2</sub>e
- Total GHG Emissions (Scope 1 and Scope 2 (location-based)): 22.50 million metric tonnes CO<sub>2</sub>e
- Total Methane Emissions: 45.44 thousand metric tonnes CH<sub>4</sub>

**2022 (Other Operations<sup>2</sup>)**

- Total GHG Emissions (Scope 1 and Scope 2 (location-based)): 0.0032 million metric tonnes CO<sub>2</sub>e

*By Business Unit***2022 (Oxy Oil & Gas)**

- Scope 1 GHG Emissions: 11.35 million metric tonnes CO<sub>2</sub>e
- Scope 2 GHG Emissions (location-based): 3.20 million metric tonnes CO<sub>2</sub>e
- Total GHG Emissions (Scope 1 and Scope 2 (location-based)): 14.55 million metric tonnes CO<sub>2</sub>e
- Total Methane Emissions: 45.22 thousand metric tonnes CH<sub>4</sub>
- Total Scope 3 GHG Emissions<sup>3</sup> (operated basis): 217 million metric tonnes CO<sub>2</sub>e
- Total Scope 3 GHG Emissions<sup>3</sup> (equity basis): 175 million metric tonnes CO<sub>2</sub>e

**2022 (OxyChem)**

- Scope 1 GHG Emissions: 6.25 million metric tonnes CO<sub>2</sub>e
- Scope 2 GHG Emissions (location-based): 1.70 million metric tonnes CO<sub>2</sub>e
- Total GHG Emissions (Scope 1 and Scope 2 (location-based)): 7.95 million metric tonnes CO<sub>2</sub>e
- Total Methane Emissions: 0.22 thousand metric tonnes CH<sub>4</sub>

<sup>2</sup> Other Operations include company-operated aviation and property management.

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



## APPENDIX II CONT. - 2022 INDEPENDENT ASSURANCE STATEMENT

**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**

Considering the level of assurance and our assessment of the risk of material misstatement of the Selected Information, a multi-disciplinary team of sustainability and assurance specialists performed a range of procedures that included, but was not restricted to, the following:

- Evaluating the appropriateness of the reporting criteria for the Reports.
- Interviews with relevant staff to understand and evaluate the management systems and processes (including internal review and control processes) used for collecting and reporting the selected disclosures.
- A review at corporate level of a sample of qualitative and quantitative evidence supporting the reported information.
- An analytical review of the year-end data submitted by all locations included in the consolidated 2022 group data for the selected disclosures which included testing the completeness and mathematical accuracy of conversions and calculations, and consolidation in line with the stated reporting boundary.
- In-person visits to the following facilities and offices to interview relevant staff, discuss the reported 2022 facility-level data, and collect/review underlying documentary evidence:
  - Oxy Permian Plants – Salt Creek Field Gas and Wason CO<sub>2</sub> Recovery Plants, USA;
  - Oxy Chemical Corporation – Geismar Plant, USA; and
  - Oxy Oman – Block 53 Mukhaizna field operations and the Muscat office, Sultanate of Oman;
- Multiple discussions with key stakeholders, data owners and operational staff to review activity data sources, data acquisition methods including but not limited to meter management, emission calculations, and internal and external data quality controls.
- Desk-based review of a sample of 2022 source data for purchased electricity for selected facilities within the Permian Basin, USA.
- Confirming conversion and emission factors and assumptions used.
- Reviewing 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. It is important to understand our assurance conclusions in this context.

**Our independence, integrity, and quality control**

ERM CVS is an independent certification and verification body accredited by UKAS to ISO 17021:2015. Accordingly, we maintain a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements. Our quality management system is at least as demanding as the relevant sections of ISQM-1 and ISQM-2 (2022).



APPENDIX II CONT. - 2022 INDEPENDENT ASSURANCE STATEMENT



ERM CVS applies a Code of Conduct and related policies to ensure that its employees maintain integrity, objectivity, professional competence, and high ethical standards in their work. Our processes are designed and implemented to ensure that the work we undertake is objective, impartial and free from bias and conflict of interest. Our certified management system covers independence and ethical requirements that are at least as demanding as the relevant sections of the IESBA Code relating to assurance engagements.

ERM CVS has extensive experience in conducting assurance on environmental, social, ethical and health and safety information, systems, and processes, and provides no consultancy related services to Oxy in any respect.

Beth Wyke  
Head of Corporate Assurance Services  
Malvern, PA

August 23, 2023

ERM Certification & Verification Services Incorporated  
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APPENDIX II - 2021 INDEPENDENT ASSURANCE STATEMENT



**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	
<b>Scope of our assurance engagement</b>	<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>
<b>Reporting periods</b>	<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>
<b>Reporting criteria</b>	<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>
<b>Assurance standard</b>	International Standard on Assurance Engagements ISAE 3000 (Revised).
<b>Assurance level</b>	Limited assurance.
<b>Respective responsibilities</b>	<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. - 2021 INDEPENDENT ASSURANCE STATEMENT

**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. - 2021 INDEPENDENT ASSURANCE STATEMENT

**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 Wyke  
Partner, Head of Corporate Assurance, Malvern, PA  
October 17<sup>th</sup>, 2022  
ERM Certification and Verification Services, Inc.  
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APPENDIX III

# SHORT-TERM GHG GOALS

GHG SCOPE	TARGET DATE	TYPE	METRIC
Scope 1+2	<b>2022</b>	Annual	Milestones in Emissions Reduction Efforts established annually by the Board of Directors
Scope 3	<b>2022</b>	Annual	Milestones in Low Carbon Ventures Projects established annually by the Board of Directors
Scope 1+2	<b>2024</b>	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	<b>2025</b>	Carbon Intensity	Oil and gas Scope 1+2 GHG emissions intensity of 0.02 MTCO <sub>2</sub> e/BOE
Scope 1+2	<b>2025</b>	Absolute	OxyChem Scope 1+2 GHG emissions reduced by 187,990 MTCO <sub>2</sub> e
Scope 1+2	<b>2025</b>	Absolute	OxyChem Scope 1+2 GHG emissions reduced by 2.33%
Scope 1+2	<b>2025</b>	Carbon Intensity	OxyChem Scope 1+2 GHG emissions intensity reduced by 2.7%
Scope 1	<b>2025</b>	Methane Intensity	Methane Emissions Intensity <0.25% of operated wet gas produced for market





APPENDIX III CONT.

# MEDIUM- AND LONG-TERM GHG GOALS

GHG SCOPE	TARGET DATE	TYPE	METRIC
<b>Medium Term (2026-2035)</b>			
Scope 1	<b>2030</b>	Absolute	Eliminate all routine flaring by 2030
Scope 1, 2 + 3	<b>2032</b>	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	<b>2035</b>	Net-Zero Ambition	Achieve net zero for Scope 1+2 emissions with an ambition to do so before 2035
<b>Long Term (2036-2050)</b>			
Scope 1+2	<b>2040</b>	Net-Zero Goal	Achieve net zero for Scope 1+2 emissions before 2040
Scope 1, 2 + 3	<b>2050</b>	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 1, 2 + 3	<b>Beyond 2050</b>	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
<b>Governance</b>	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="#">10-14</a> , <a href="#">20-21</a>
<b>Strategy</b>	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	pages <a href="#">23-34</a> , <a href="#">36-37</a>
	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	pages <a href="#">23-34</a> , <a href="#">38-40</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="#">38-40</a>
<b>Risk Management</b>	Describe the organization's processes for identifying and assessing climate-related risks.	pages <a href="#">36-40</a>
	Describe the organization's processes for managing climate-related risks.	pages <a href="#">7-8</a> , <a href="#">20</a> , <a href="#">36-37</a> , <a href="#">39</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="#">36-40</a>
<b>Metrics &amp; Targets</b>	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="#">46-47</a> , <a href="#">49</a> , <a href="#">57-58</a>
	Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	pages <a href="#">36-37</a> , <a href="#">42-47</a> , <a href="#">49</a>
	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	pages <a href="#">42-45</a> , <a href="#">57-58</a>



APPENDIX V

# OXY'S 50+ YEAR CARBON MANAGEMENT LEGACY

**1972**  
CO<sub>2</sub>-EOR initiated in Crane/Upton Counties, TX

**1983**  
Denver Unit began CO<sub>2</sub>-EOR operations

**2000**  
Acquired Altura Energy, a leading CO<sub>2</sub>-EOR operator in the Permian

**2008**  
Original 45Q tax credit for carbon storage and use established

**2010**  
CO<sub>2</sub> Century Plant came online with the capacity to capture 8+ million metric tons per year

**2015**  
Denver Unit CO<sub>2</sub> field MRV approved, the first by the U.S. EPA

**2017**  
Hobbs CO<sub>2</sub> field MRV approved, the second by the U.S. EPA

**2018**

- Expanded 45Q (Future Act) changes approved by Congress, incentivizing carbon capture
- Established Low Carbon Ventures group
- Joined Oil and Gas Climate Initiative
- White Energy capture project feasibility study announced
- Goldsmith Solar project announced
- Invested in NET Power
- Published first climate report

**2019**

- Board of Directors created Sustainability and Shareholder Engagement Committee
- Invested in Carbon Engineering
- Invested in XCHG to create global marketplace for carbon credits
- Goldsmith Solar Facility successful startup
- Invested in Cemvita, a biotech startup focused on bioengineered pathways for CO<sub>2</sub> utilization
- Formed TerraLithium JV
- OLCV formed Technical Advisory Services to support CCUS projects around the world
- Submitted applications to the California Air Resources Board for fuel pathways and permanence

**2020**

- First U.S. oil and gas company to establish a net-zero goal for our total carbon inventory of Scope 1, 2 and 3 emissions
- Carbon Finance Labs formed
- 1PointFive development company created to deploy Carbon Engineering's DAC technology
- Sequestration business formed to finance, develop, operate, and maintain CO<sub>2</sub> sequestration hubs in the U.S.
- 45Q extended by 2 years to 2026; USE-IT Act adopted
- OLCV awarded Project Tundra carbon storage consulting services contract
- First U.S. oil & gas company to endorse the World Bank's Zero Routine Flaring by 2030 Initiative

**2021**

- Obtained third MRV from U.S. EPA for West Seminole San Andres Unit
- First ever carbon-neutral oil shipment
- Infrastructure Investment and Jobs Act adopted, providing grants for DAC, CCUS and other low-carbon projects
- Front-End Engineering and Design (FEED) commenced for STRATOS, the first commercial-scale DAC plant
- Joined Oil and Gas Methane Partnership 2.0
- Joined Methane Guiding Principles
- First U.S. upstream oil and gas company to enter into sustainability-linked credit facilities

**2022**

- Completed FEED and started site construction activities for STRATOS in the Permian Basin
- Secured worldwide agreement with Carbon Engineering for deployment and execution of DAC and Air To Fuels™ solutions
- Entered into agreements to provide carbon dioxide removal credits from DAC and to offer future opportunities to supply net-zero oil as markets emerge
- Started pre-FEED 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 facilitated Oxy's development of DAC facilities and sequestration hubs
- Entered into agreements for more than 400 square miles of pore space access with capacity of up to 6 billion metric tons of CO<sub>2</sub> for sequestration, primarily in Louisiana and Texas, and filed permit applications for multiple Class VI sequestration wells
- Original signatory to Aiming for Zero Methane Emissions Initiative



## APPENDIX VI

## GLOSSARY

## A

**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 - 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

**CCUS:** Carbon Capture, Utilization and Storage - a categorization of technologies and approaches for capturing, utilizing and storing CO<sub>2</sub> with the purpose of reducing global emissions.

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

**CO<sub>2</sub>e:** Carbon dioxide equivalent - obtained by converting a mixture of GHGs 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.

**CDRs:** Carbon Dioxide Removals - credits from technologies, practices and approaches that remove and durably store CO<sub>2</sub> from the atmosphere.

## 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.

## 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](#).

**ESG:** Environmental, Social and Governance.

## F

**FEED:** Front-End Engineering and Design.

## G

**GHG:** Greenhouse gas - A gas in the earth's atmosphere that absorbs infrared radiation and traps heat. The primary GHGs are: 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.

**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](#).

**IJA:** Infrastructure Investment and Jobs Act (2021) - U.S. legislation that, among other things, expanded incentives for deployment of CCUS.

**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).

**MMbbl/d:** Million barrels of oil per day.

**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:** 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.

**OGMP 2.0:** Oil and Gas Methane Partnership 2.0 - the United Nations Environment Programme's flagship oil and gas reporting and mitigation programme for methane emissions.

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

**OPEC:** Organization of the Petroleum Exporting Countries - intergovernmental organization of 13 oil-exporting nations that coordinates and unifies the petroleum policies of its Member Countries.

## P

**Paris Agreement:** An international treaty on climate change adopted by 196 Parties at the UN Climate Change Conference (COP21) in Paris, France in December 2015 and administered under the 1992 United Nations Framework Convention on Climate Change. The Paris Agreement's overarching goals are to hold "the increase in the global average temperature to well below 2°C above pre-industrial levels" and pursue efforts "to limit the temperature increase to 1.5°C above 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.

**SEC:** U.S. Securities and Exchange Commission.

## T

**Tcf:** Trillion cubic feet.

**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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