

California Resources Corporation (CRC) Sustainability Accounting Standards Board (SASB) Report 2020

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

This report provides CRC's performance data aligned with the recommended metrics for the SASB Extractives and Minerals Processing— Oil and Gas Exploration and Production sector. All data represents full-year 2020 information and represents 100% of CRC's operating assets.

SASB Accounting Code and Metric	Disclosure and Additional Information
Greenhouse Gas Emissions	
EM-EP-110a.1	
Gross global scope 1 emissions	2.9 million metric tonnes CO ₂ e
Percentage methane	2.99%
Percentage covered under emissions-limiting regulations	100% ¹
EM-EP-110a.2 ¹	
Amount of gross global scope 1 emissions from:	
(1) Flared hydrocarbons	2.39%
Flared gas as a % of gross gas production	1.58%
(2) Other combustion	94.18%
(3) Process emissions	0.34%
(4) Other vented emissions	2.79%
(5) Fugitive emissions	0.29%

¹CRC accounts for and reports GHG emissions to the California Air Resources Board (CARB) under California's pioneering Cap-and-Trade program. These emission reports undergo third party verification to ensure accuracy. CRC mitigates our GHG emissions through state-issued allowances and approved offsets. Most allowances are initially sold by CARB at state auctions and offsets are subject to rigorous review by CARB under approved quantification protocols. CARB uses the proceeds raised by these auctions to fund billions of dollars of environmental projects that further the goals of reducing emissions, improving energy efficiency and mitigating climate change.

Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets

CRC has some of the lowest carbon intensity production in the US and we are focused on maximizing the value of our land, mineral and technical resources for decarbonization by developing Carbon Capture and Sequestration (CCS) and other emissions reducing projects.

Decarbonization (Long-Term) Strategy

CRC is pursuing carbon capture and solar opportunities as part of its decarbonization strategy.

Carbon Opportunities:

- CRC's strategically placed infrastructure across California affords CRC an opportunity to participate in the full Carbon Capture and Storage (CCS) value chain. CRC has identified up to 1 billion metric tons of potential CO₂ permanent storage capacity.
- CRC has applied for a permit for one of two initial permanent Carbon Capture and Storage (CCS) projects at the Elk Hills Field – which are collectively referred to as Carbon TerraVault I. We expect that these projects will inject CO₂ from industrial sources into depleted underground oil and gas reservoirs and permanently store CO₂ deep underground. With a total estimated capacity of up to 40 million metric tons of storage, the Carbon TerraVault I projects will be capable of injecting over 1 million metric tons of CO₂ per year, equivalent to the annual emissions of approximately 200,000 passenger vehicles.

Solar Opportunities:

- Three projects identified for utility scale development of 300-1,000 MW of solar power for grid supply
- Identified opportunities for up to 45 MW of solar photovoltaic power for CRC's own power needs

Scope 1 Greenhouse Gas Emissions Efficiency

CRC is already the lowest GHG emissions intensity producer among the top 100 US oil and gas producers². To drive further GHG emissions cuts, and to align with the State of California's net zero climate goals, CRC has established the following environmental performance goals:

- 50% methane emission reduction by 2030, from 2013 baseline. As of 2020, methane emissions have been reduced 69.7% from 2013.
- Add 10 MW of renewable energy to oil and gas operations by 2030, from 2013 baseline. As of 2020, 4 MW of solar designed for incorporation at two CRC properties, advancing up to 45 MW of behind-the-meter solar projects for CRC's own power needs.

²2021 Oil & Gas Benchmarking report, M.J. Bradley & Associates

Air Quality	
EM-EP-120a.1	
Air emissions of the following pollutants:	
(1) NOx (excluding N ₂ O)	210 tonnes
(2) SOx	29 tonnes
(3) Volatile organic compounds (VOCs)	395 tonnes
(4) Particulate matter	43.55 tonnes
Water Management	
EM-EP-140a.1	
(1) Total freshwater withdrawn	1,602,014,592 gallons
EM-EP-140a.3	
Percentage of hydraulically fractured wells for which there is public disclosure of all fracturing fluid chemicals used	100% per state law
EM-EP-140a.4	
Percentage of hydraulically fractured sites where ground or surface water quality deteriorated compared to a baseline	0% per groundwater monitoring data
Biodiversity Impacts	
EM-EP-160a.1	
Description of environmental management policies and practices for active sites	<p>At our formation in 2014, our Board of Directors has established three specific Health, Safety and Environmental (HSE) Principles that apply to everything we do:</p> <ul style="list-style-type: none"> • Safeguard people and the environment in the design, operation and maintenance of our facilities; • Engage proactively with neighbors, regulators, suppliers, customers, employees, investors and other stakeholders to serve as an active and supportive community partner; and • Promote conservation of water, habitat and energy in all of our operations. <p>Adherence to these Principles is guided by our HSE Management System, and related programs. CRC's Environmental program comprises regulatory compliance, conservation and sustainability efforts throughout the life of a field, from exploration, primary development and enhanced recovery to ultimate decommissioning and restoration. Details can be found in the CRC HSE Management System Summary.</p>

EM-EP-160a.2	
Number of hydrocarbon spills ³	8
Volume of hydrocarbon spills ³	23 barrels net (not recovered) oil spilled; 111 barrels gross oil spilled
Volume of hydrocarbon spills in Arctic ³	N/A
Volume of hydrocarbon spills impacting shorelines with ESI rankings 8-10 ³	0 spills impacting shoreline
Volume recovered	88 barrels gross
Security, Human Rights & Rights of Indigenous Peoples	
EM-EP-210a.1	
Percentage of proved reserves in or near areas of conflict	N/A
Percentage of probable reserves in or near areas of conflict	N/A
EM-EP-210a.2	
Percentage of proved reserves in or near indigenous land	N/A
Percentage of probable reserves in or near indigineous land	N/A
EM-EP-210a.3	
Discussion of engagement processes and due diligence practices with respect to human rights, indigenous rights, and operation in areas of conflict	<p>CRC has a number of policies and systems in place that are designed to ensure our business practices are consistently effective and highly principled. Our Business Ethics and Corporate Policies underscore our commitment to promoting compliance with all applicable laws, rules and regulations, which include, among others, those:</p> <ul style="list-style-type: none"> • prohibiting forced or compulsory labor, child labor, human trafficking, discrimination and harassment • requiring fair labor standards and equal employment opportunity • protecting health, safety and the environment <p>CRC's standard purchasing terms require suppliers to comply with all applicable laws, rules and regulations, which include laws governing human rights, labor and employment, and with CRC's policies. Suppliers and vendors providing goods or services to CRC are provided with a copy of our policies and are required to comply with their terms.</p> <p>CRC's standard supplier contracts allow us to conduct compliance audits. We apply a risk-based approach to determine which suppliers are subject to audit by our internal procurement or audit resources. We regularly evaluate our risk profile and adjust the audit requirements to reflect perceived changes in the level of risk.</p> <p>A supplier's or vendor's failure to comply with relevant terms would constitute a breach of contract and may be subject to appropriate remedies, including termination of the supplier relationship.</p> <p>An excerpt of CRC's Business Ethics and Corporate Policies are available here.</p>

³SASB definition: Spills are defined as greater than 1bbl (42 U.S. gallons or 159 liters). Spills include those that reached the environment and exclude spills that were contained within impermeable secondary containment.

Community Relations

EM-EP-210b.1

Discussion of process to manage risks and opportunities associated with community rights and interests

At California Resources Corporation (CRC), our values of Character, Responsibility and Commitment direct how we conduct our business, contribute to our communities, support local economies, protect the environment, and interact daily with our stakeholders. From supporting Science, Technology, Engineering and Mathematics (STEM) education and job training programs to civic empowerment, we are an active and supportive community partner.

Specific examples of our community engagement initiatives include:

- Education and Job Training – CRC champions education programs that enable students of all ages from diverse communities to learn about STEM, skills which are important in California’s cutting-edge industries such as oil and natural gas production. We also partner with union apprenticeship programs, universities and non-profits to provide paid internships, scholarships and workforce training, focusing on those from disadvantaged communities.
- Public Health and Safety – CRC champions and develops programs that promote community health, safety and wellbeing, focusing on children’s health and wellness in underprivileged communities and our dedicated public safety servants who keep California’s residents safe.
- Environmental Stewardship and Water Conservation – CRC’s workforce values the sensitive ecosystems of the Golden State and enthusiastically contributes to solving challenges. In addition to ongoing employee volunteerism, CRC dedicates resources to habitat conservation and biodiversity and partners with water districts and non-profit organizations to help alleviate the impact of California’s drought on farmers and rural communities.

Details regarding relevant programs are available in our [2019 Sustainability Report](#).

EM-EP-210b.2

Number of non-technical delays

0

Duration of non-technical delays

0

Workforce Health & Safety

EM-EP-320a.1

Employees (full-time):

(1) Total Recordable Incident Rate (TRIR) 0.17 per 200,000 hours worked

Lost Time Incident Rate (LTIR) 0.15 per 200,000 hours worked

(2) Fatality Rate 0

Contract Employees:

(1) Total Recordable Incident Rate (TRIR) 0.37 per 200,000 hours worked

Lost Time Incident Rate (LTIR) 0.17 per 200,000 hours worked

(2) Fatality Rate 0

EM-EP-320a.2

Discussion of management systems used to integrate a culture of safety throughout the exploration and production lifecycle

At CRC, our Board of Directors has established three specific Health, Safety and Environmental (HSE) Principles that apply to everything we do:

- Safeguard people and the environment in the design, operation and maintenance of our facilities;
- Engage proactively with neighbors, regulators, suppliers, customers, employees, investors and other stakeholders to serve as an active and supportive community partner; and
- Promote conservation of water, habitat and energy in our operations.

Adherence to these Principles is guided by our HSE Management System, and related programs. CRC's Health & Safety program confirms our approach to occupational health and safety, industrial hygiene, security and emergency response. Details can be found in the [CRC HSE Management System Summary](#).

Business Ethics & Transparency

EM-EP-510a.1

Percentage of proved reserves in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index

0%

Percentage of probable reserves in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index

0%

EM-EP-510a.2

Description of the management system for prevention of corruption and bribery throughout the value chain

CRC's comprehensive business and ethics and corporate policies are available in our Governance section on CRC.com. These policies apply to all directors, officers and employees, each of whom personally commits to following our code and our corporate policies, as well as to suppliers and vendors working in our operations. Our position is that no business goal is worth our employees or business partners compromising their integrity or our shared values.

All leaders at CRC are responsible for:

- Creating a culture of compliance in which employees understand their responsibilities and feel comfortable raising concerns without fear of retaliation.
- Identifying compliance risks and seeking to mitigate them.
- Monitoring to ensure compliance.
- Responding to perceived non-compliance, acting promptly and notify the appropriate Company partners in the human resources, HSE, legal, insurance, finance or other departments.

Our expectations and procedures related to ethical behavior are described the excerpt of CRC's Business Ethics and Corporate Policies, available [here](#).

Critical Incident Risk Management

EM-EP-540a.2

Description of management systems used to identify and mitigate catastrophic and tail-end risks

The CRC HSE Management System is designed to support the safeguarding of people and the environment. The HSE Management System includes an emergency response program, with a Communications Operations Center that is staffed 24 hours per day year-round to report and address medical, safety, security or environmental incidents and to dispatch company personnel, environmental contractors and local emergency responders. CRC's HSE and security professionals mobilize to such incidents, and aid local emergency responders in third-party events unrelated to our operations such as wildfires or vehicle accidents. Safety and environmental events are tracked consistently in CRC's Knowledge Management System for reporting, investigation and resolution as well as continuous improvement.

Details can be found in the [CRC HSE Management System Summary](#).

Workforce Diversity

N/A

Percentage of gender representation for:

(1) Management	20.00%
(2) All "other" i.e. non-management employees	19.83%
(3) All employees	19.84%

Percentage of racial/ethnic group representation for:

(1) Management	26.67%
(2) All "other" i.e. non-management employees	36.22%
(3) All employees	35.96%

Activity Metric	
EM-EP-000.A	
Production of:	
(1) Oil	80 thousand barrels per day gross production
(2) Natural gas	194 thousand mcf per day gross production
EM-EP-000.B	
Number of offshore sites	1
EM-EP-000.C	
Number of terrestrial sites	CRC operates in 130 oil and gas fields within CA