Responsibly made in California *for* Californians

2024 SUSTAINABILITY REPORT SUMMARY

CALIFORNIA RESOURCES

A Different Kind Of Energy Company

Letter from the CEO

Francisco J. Leon
President and Chief Executive Officer
California Resources Corporation (CRC)

California is a land of abundance—rich in natural resources, ingenuity, and opportunity—and CRC is here to help harness it. We are not only providing the energy to power homes, businesses, and communities across the state, we are demonstrating that energy reliability and climate action can go hand in hand. At CRC, we see ourselves as stewards of California's incredible natural resources and leaders in building a more resilient, sustainable, and equitable future.

Too often, self-imposed energy scarcity and regulatory hurdles slow progress, forcing a choice between energy reliability and climate action. We believe we can do both. By producing cleaner, local energy under some of the world's strictest environmental and labor standards, we can help reduce California's dependence on energy imports that frequently have higher environmental footprints and questionable labor and human rights practices. That is how we create abundance, responsibly.

A New Chapter: Responsible Net Zero

In 2024, CRC entered an exciting new chapter as the largest oil and gas producer in California. Our merger with Aera Energy LLC (Aera) was not just a strategic move—it was a transformational moment that expanded our operational scale, bolstered our production capabilities, and sharpened our focus. The merger nearly doubled our production, which brings an even greater responsibility to lead with integrity and purpose.

Our 2024 Sustainability Report introduces CRC's **Responsible Net Zero (RNZ) strategy**—a focused, impact-driven approach to decarbonization built on what we can control:

- Reducing operational emissions
- Lowering carbon intensity of production
- Scaling carbon management solutions through our Carbon TerraVault (CTV) business

This strategy reflects both the scale of our growth and the current regulatory realities, particularly around Scope 3 greenhouse gas (GHG) emissions and carbon capture accounting. RNZ is not just a goal—it is a blueprint for delivering cleaner energy while staying true to our values.

A Global Standard—and a Higher One

Our RNZ strategy is designed to align with the United Nations Sustainable Development Goals (SDGs), a global framework for responsible business. From employment equality to clean water, biodiversity to ethical supply chains, CRC's actions are guided by a commitment to sustainable progress.

California imports approximately 75% of the oil it consumes, much of it from nations with far lower scores on the SDGs Index than those of the United States and by extension, California. By producing oil right here in California under our state's rigorous standards, we not only prioritize local jobs and local revenue, but also demonstrate that "Made in California" energy embodies a higher standard. This is not just about lower-carbon energy; it is about raising the bar on how energy is produced.

Real Progress, Real Impact

In 2024, we not only talked about sustainability—we delivered. We expanded conservation efforts across our newly combined footprint and bolstered biodiversity programs in the San Joaquin Valley and coastal regions. We also remained the only major oil and natural gas producer operating entirely under California's environmental and labor standards.

We achieved industry firsts, including becoming the first operator in California and the Rocky Mountain region to earn MiQ's independently certified gas "Grade A" designation. We also met our companywide methane reduction goal—an important milestone in our broader effort to reduce emissions and strengthen accountability. And we secured California's first-ever EPA permits for underground CO_2 injection and storage, laying the groundwork for California's first commercial-scale carbon capture and storage (CCS) project.

These are not just milestones—rather, they demonstrate that responsible, local energy can be part of the climate solution. By prioritizing safety, environmental stewardship, good-paying jobs, and contributions to California's economy, CRC is setting a new standard for the energy transition.

Our leadership has not gone unnoticed. In 2024, CRC was honored with the **Philanthropist of the Year Award** from the Bakersfield College Foundation and the **Corporate Visionary Award** from the Latino Corporate Directors Association. We were also named one of **America's Most Responsible Companies** by *Newsweek* for the fourth consecutive year. In addition, CRC received **Wildlife Habitat Council recertifications** for our conservation projects at the THUMS Islands Habitats in Long Beach, Bolsa Chica Wetlands Ecosystem in Huntington Beach, and Elk Hills Conservation Area in Kern County. Together, these honors and acknowledgements affirm our unwavering commitment to doing what is right.

Looking Ahead: Abundance and Innovation

The path forward is clear. California does not need to settle for energy scarcity. With the right mindset and investments in innovation, we can deliver abundant, affordable, and sustainable energy for generations to come. That is how CRC defines energy abundance, and we are proud to be leading this charge: driving local oil production, advancing CCS solutions, and pushing the boundaries of decarbonization.

I am incredibly proud of the passion and dedication of our CRC team, and I am grateful for the trust our stakeholders place in us. Together, we will continue to prove that California's energy future can be reliable, sustainable, and built on abundance.

We are CRC—a different kind of energy company, leading California forward.

Sincerely,

Francisco J. Leon

Responsibly Made in California for Californians

CRC's approach to sustainability is grounded in a simple but ambitious idea: abundance. We define abundance not as unchecked growth, but as the ability to meet California's energy needs responsibly with in-state energy production. **From our perspective, California's energy abundance is within our grasp**.

California remains one of the largest importers of jet fuel, oil and natural gas in the nation. For example, the state imports more than 75% of the oil it consumes, much from countries that do not operate under stringent environmental and labor laws like CRC does in California.

In 2022, that meant importing more than 300 million barrels from foreign countries alone, a number that continues to grow. (See CA Energy Commission, Annual Oil Supply Sources to CA Refineries, and CRC Video)

In 2024, CRC strengthened its commitment to leading energy abundance in California by doubling our capacity to meet California's energy needs with local, responsibly produced oil and natural gas and investing in carbon capture and storage (CCS) at an unprecedented level. We see ourselves as "A Different Kind of Energy Company"— one that serves as a steward of our state's natural resources, provides essential and affordable energy, innovative lower carbon solutions and champions for a more resilient and sustainable energy future.

We define abundance not as unchecked growth, but as the ability to meet California's energy needs responsibly with in-state energy production.

CRC is an independent energy and carbon management company advancing energy transition through environmental stewardship and the safe delivery of California oil and natural gas. Leveraging its land, mineral ownership, technical and operational expertise and decades of experience, CRC is driving decarbonization by developing CCS and other emission-reducing solutions.

Producing Essential Energy

Explores for, produces, gathers, processes and markets crude oil, natural gas and natural gas liquids under California's high standards

Managing Carbon and Reducing Emissions

Works to decarbonize California through low carbon initiatives such as Carbon TerraVault (CTV)

As of December 31, 2024:

Gross Production*:
129 MBOE/d
(Annual Average)

Gross Natural Gas Liquids*:
11 MBL/d
(Annual Average)

Employees:
1,551

* Only includes 2H 2024 for Aera

Expanded Portfolio Drives Strategic Realignment

2024 marked a transformative milestone for CRC. Our merger with Aera expanded operations, enhanced production and clarified our strategic priorities. It also cemented our role as **California's largest oil and natural gas producer and the state's leader in the energy transition** through our expanded production and progress on low-carbon solutions.

With leadership comes responsibility, and our commitment to purpose and integrity is stronger than ever. To achieve responsible energy abundance, we must maximize the benefits of local oil and natural gas production for Californians while accelerating the decarbonization of multiple industries.

By producing 100% of our energy within California, CRC supports a more accountable energy system — one that harnesses our homegrown energy, aligns with the state's ambitious climate goals, safeguards local communities and supports in-state economic growth through job opportunities and state and local tax revenues. That's why we created our Responsible Net Zero (RNZ) strategy with the goal of aligning our business with the United Nations Sustainable Development Goals (SDGs) and directly reducing our emissions and well production carbon intensity.

The language in this approach is purposeful — each word reinforcing our vision for California's energy future: a future where local, responsibly produced energy meets California's energy demand. Local production can be the state's fuel foundation supported by carbon management solutions to benefit our communities and the environment.

Responsible Net Zero: What It Means and Why It Matters

Introduced in 2025, our RNZ strategy sets a new standard for measurable, high impact decarbonization inclusive of our merger with Aera. This approach is designed to demonstrate that CRC's production is responsibly produced, competitive relative to imports, aligned with our commitment to lowering carbon intensity under California's comprehensive regulatory requirements. It emphasizes the emissions within our control, defining reduction goals with road maps to help ensure that we lead with credibility, not just ambition.

RNZ Strategy

Responsible Production:

Aligning business with SDGs

Long-term goal:

Reducing Scope 1 and 2 emissions by at least 80% by 2045 compared to a 2020 baseline

Near-term ambition:

Lowering the average carbon intensity of all CRC oil and gas production by at least 20% by 2035 compared to a 2020 baseline

Carbon Management:

Scaling carbon management solutions through our Carbon TerraVault (CTV) business

SDG Alignment and 2024 Highlights

As an exclusive California producer, we operate under one of the world's strictest regulatory environments. Yet our energy production is forced to compete with global imports, nearly all of which are not subject to the same level of regulatory oversight on environmental, labor or human rights issues. To affirm this, we aligned our RNZ strategy with the SDGs to position our sustainability performance in a broader international context.

The SDGs offer a global framework for addressing climate change, social inequity and economic development. Below we represent those key SDGs that are most relevant to our business, stakeholders and sustainability priorities.

Report Highlights

As we continue to help advance the energy transition in California and aid the decarbonization of local economies, the following are noteworthy highlights from 2024 with SDG alignment identified:

CLEAN WATER AND SANITATION

In a state where water scarcity poses growing risks, CRC views responsible water management as an operational and environmental priority.

Recycled or reclaimed approximately **75%** of produced water

As a net water provider, CRC delivered more than **4.7 billion gallons of treated, reclaimed water**

Maintained **100% recycling of produced water from steam flood operations** at Kern Front

Partnered with **The Nature Conservancy** to acquire approximately **1,030 acre-feet of conservation water** in Kern County, creating open-water migratory bird habitat

DECENT WORK AND ECONOMIC GROWTH

CRC's commitment to workforce development goes beyond job creation – it's about safe working conditions, personal and professional growth and meaningful career pathways.

Received **23 National Safety Council awards**

Partnered with **Improve Your Tomorrow** to establish a **CRC internship program** to support career pathways in San Joaquin County

Combined company paid more than **$80 million** in mandatory fees under the CARB Cap and Trade programs to **support California's Greenhouse Gas Reduction Fund**; a minimum of 35% of the revenue will benefit disadvantaged communities

Invested in our **employee's professional growth** and **workforce readiness** by offering **tuition reimbursement**, part-time roles for actively enrolled students, and **summer internships** that recruit students from universities in the communities where we operate

Ensured pay equity, a foundational part of our human rights approach and aligned with **California and U.S. equal pay laws**

Generated **over $130 million in state and local tax revenue and fees** through our operations in 2024

CLIMATE ACTION

13 CLIMATE ACTION

CRC's RNZ strategy reflects our belief that climate action must be bold, accountable and grounded in real progress.

Secured **California's first-ever EPA permits for underground CO_2 injection and storage**, laying the groundwork for **California's first commercial-scale CCS project**

Reduced legacy CRC methane emissions by 32% (more than 1,200 MT Methane) from 2020 baseline

Reduced Scope 1 and 2 GHG emissions 27% from 2020 baseline (decrease of approximately 145,000 MT CO_2e through thermal field combustion reduction in 2024)

Continued as a **net supplier of electricity, producing more electricity than we consumed on site** (through cogeneration facilities)

Reported a **combined methane intensity of <0.05 MT Methane/MBOE under CARB reporting requirements**

Achieved a **well production carbon intensity of 11.35 g/MJ (9% below CARB 2023 statewide average)**

Signed **a memorandum of understanding (MOU) with Sage Geosystems** to **pursue geothermal energy development in California**

Entered partnership with the **Los Angeles Rams** through the **'Football Without the Footprint'** initiative to help **reduce or offset GHG emissions**

LIFE ON LAND

15 LIFE ON LAND

Protecting the land where we operate is integral to how CRC defines responsible energy production.

Launched the **Urban Coast Fund in partnership with California State University, Long Beach** to support student- and faculty-led projects addressing **marine biodiversity, water quality and ecosystem resilience**

Maintained our **Wildlife Habitat Council** (WHC) certifications recognizing **excellence in corporate conservation** (Elk Hills Conservation Area and THUMS native plant species projects)

Continued support for **California's 30x30 conservation goal through Bolsa Chica Wetlands project (WHC's Invasive Species Award winner in 2023, finalist in 2025)**

Participated in the **Blue Zones Project** in Bakersfield, supporting healthy land use initiatives to **revitalize green spaces and promote community well-being**

PEACE, JUSTICE AND STRONG INSTITUTIONS

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

CRC fosters a culture of character, where we act with integrity and honor to build and maintain public trust by employing strong governance systems.

Provided nearly
$20 million
in cumulative contributions
to local non-profits and organizations
since the Company's inception in 2014

Administered **strong alignment with the four pillars of the Task Force on Climate-related Financial Disclosures (TCFD)**: **Governance, Strategy, Risk Management, and Metrics and Targets**

Utilized internal policies to guide all supply chain decisions, **ensuring alignment with labor rights, anti-corruption laws, and fair labor standards** explicitly prohibiting forced labor, child labor, discrimination, and harassment, and **reinforcing our core values of integrity, respect, and responsibility**

Prohibited any direct or indirect commercial bribery

Committed to protecting whistleblowers from retaliation and ensuring that **all reported issues are thoroughly investigated and addressed**

Provided transparent information to stakeholders through annual reporting and compliance hotline responsiveness (**100% of public inquiries were resolved**)

Followed a comprehensive, risk-based approach to identify, assess, and **manage material risks from cybersecurity threats** guided by the NIST Cybersecurity Framework

AMERICA'S MOST RESPONSIBLE COMPANIES 2024 Newsweek statista

Named one of
America's Most Responsible Companies by Newsweek
for the fourth consecutive year

BAKERSFIELD COLLEGE FOUNDATION FOUNDED 1975

Honored with the
Philanthropist of the Year Award
(Bakersfield College Foundation)

Latino Corporate Directors Association

Honored with the
Corporate Visionary Award
(Latino Corporate Directors Association)

To learn more about how CRC achieves California's high standards for safety and environmental protection, please refer to our full 2024 Sustainability Report located at Sustainability – CRC.

Evolving Our Goals Under RNZ

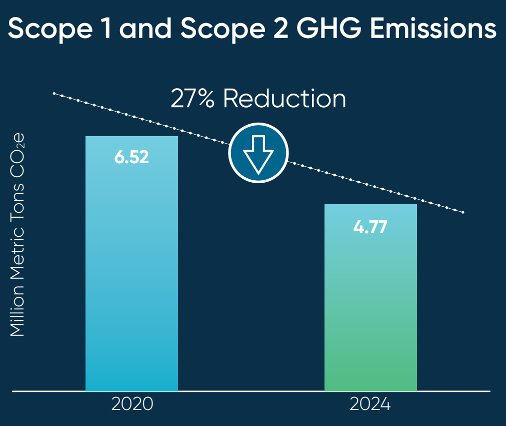
The adoption of RNZ highlights and is consistent with our commitment to emissions reduction and recalibrates company sustainability goals for today's realities and tomorrow's vision, aligning with both SDGs and California's evolving regulatory landscape.

Sustainability Goal	2024 Progress	SDG Alignment
Achieve Net Zero for Scope 1 and 2 GHG emissions by 2045*	**27% reduction** from 2020 baseline	13 CLIMATE ACTION; 15 LIFE ON LAND
Reduce methane emissions by 30% from our 2020 baseline by 2030	**Achieved in 2024**	13 CLIMATE ACTION
Reduce freshwater usage in our oil & gas production by 30% from our 2022 baseline by 2025	**Achieved in 2023**	6 CLEAN WATER AND SANITATION
Give back to our local California communities where we produce local, responsibly sourced fuel and develop carbon management initiatives	**$5.7 MM** in 2024** Approximately $20MM given since 2014***	10 REDUCED INEQUALITIES
25% of executive annual incentive pay related to company performance linked to ESG-related performance	**Maintained**	16 PEACE, JUSTICE AND STRONG INSTITUTIONS

* Scope 1 and 2 2020 baseline includes Aera emissions

** Contributions for the full 2024 calendar year also include donations made by Aera, which merged with CRC in July 2024

*** Total charitable contributions from 2014 to 2024 include donations made by CRC legacy only. Contributions for the full 2024 calendar year include donations made by the combined company



In our path to RNZ, we have **reduced our emissions by 27% or 1.75 MM tons of CO_2e** from our 2020 baseline.*

As part of our RNZ goal, we plan to **reduce our operational emissions by at least 80% by 2045** and then neutralize residual emissions through a portfolio of offsets either produced internally through CTV projects, through cap and trade or via the voluntary carbon market.

* Presents data for the combined company through year-end 2024 (CRC + Aera).

To continue our progress, our RNZ strategy encourages the deployment of advanced emissions control technologies, continuous improvement of operational practices and adherence to California's strict regulatory standards. These projects include:

- Operational emissions reduction (equipment upgrades, e-rig usage)
- Methane reduction (pneumatic control device replacement)
- Enhanced Leak Detection and Repair (LDAR) program
- Investment in CCS technologies through CTV's growing portfolio
- Emissions data third-party verification
- Strategic decarbonization partnerships (MOUs to support clean and reliable baseload electricity projects)
- Idle wells management program

More information on each of these projects is included in our full 2024 Sustainability Report located at Sustainability – CRC.

Putting RNZ Strategy to Work for California

Our practices reflect California's highest standards and ambitions for a decarbonized economy — and consistently go beyond them in delivering safe outcomes, sustainable production and local benefits.

LOWER CARBON INTENSITY

- Achieved well production carbon intensity of 11.35 g CO_2e/MJ (9% lower than the average CARB Oil Production Greenhouse Gas Emissions Estimator [OPGEE] California state-wide oil used in 2023)
- Committed to achieve a 20% reduction in the carbon intensity of all CRC oil and gas production by 2035
- Reduced emissions by 27% or 1.75 MM metric tons of CO_2e from our 2020 baseline
- Committed to net zero Scope 1 and 2 GHG emissions by 2045

HIGH ENVIRONMENTAL AND LABOR STANDARDS

Complies with rigorous state and federal regulations, including:

- California Environmental Quality Act (CEQA)
- California Air Resources Board (CARB)
- California Geologic Energy Management Division (CalGEM)
- SB 657 (California's Supply Chain Transparency Act)
- U.S. Clean Air Act
- U.S. Clean Water Act

LOCAL ECONOMIC INVESTMENT

- Directly employed over 1,500 Californians
- Indirectly supported job creation through contracts, infrastructure investments and community partnerships
- Generated over $130 million in state and local tax revenue and fees
- Combine company contributed more than $80 million to California's Cap-and-Trade program
- Contributed $5.7 million to local community initiatives through CRC's community giving programs

Beyond economic value, responsible in-state production enables California to reduce reliance on imported oil and gas that may be tied to higher emissions, lesser regulatory standards and weaker oversight, or extractive processes inconsistent with the state's sustainability priorities.

CRC's operations may strengthen California's energy system against global disruptions by enhancing regional resilience and transparency — cornerstones of a just, sustainable transition. This model reflects our belief in responsible abundance: energy that's accessible, locally accountable and aligned with long-term client goals.

One of CRC's core values is commitment. Respecting our neighbors and advancing community interests for ample, affordable and reliable energy.

Translating 'Responsible' Into Results

Claiming to operate responsibly means nothing without accountability and action. At CRC, responsibility is measurable and outcome-focused to build long-term value.

We produce energy the 'California Way' – with low carbon-intensity and in alignment with the state's climate and social values. Independent, third-party verification underscores our responsible performance.

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Partner	Certification	Status
MiQ Methane Emissions Performance Standard (Methane Performance) MiQ	Certification assesses three categories: company practices, monitoring technology deployment and methane intensity	Earned a second 'Grade A' rating in Q1 2025 for Los Angeles and Orange County assets First operator in CA and Rocky Mountain region to earn 'Grade A' designation Expanding certification across our full production segments
California Cap-and-Trade Performance Standard, Scope 3 Voluntary Reporting (GHG Performance) California Climate Investments — Cap and Trade Dollars at Work	Reasonable assurance of emissions data including Scope 1 and 2 emissions. Reasonable assurance of Scope 3 performance	Continued annual third-party verification of our Scope 1 and Scope 2 emissions under CARB GHG Mandatory Reporting Regulation for Scope 1 and Scope 2 facilities 2024 independent verification of our largest Scope 3 emissions category, use of sold product
Wildlife Habitat Council™ Standard (Environmental Stewardship Performance) WHC Certification CERTIFIED	WHC promotes and certifies habitat conservation and management on corporate lands through partnerships and education. WHC certification programs take corporate sustainability goals and objectives and translate them into tangible and measurable on-the-ground actions. WHC programs focus on healthy ecosystems and connected communities	Our largest field, Elk Hills, is home to several native animal and plant species. The WHC has certified the Elk Hills Conservation Area for CRC's proactive environmental management since 2001 CRC's operations in Long Beach and Huntington Beach are located within distinctive coastal ecosystems south of Los Angeles. Our long-standing habitat conservation initiatives at the Bolsa Chica Ecological Reserve in Huntington Beach have been certified by WHC since 2016, and the THUMS Islands Habitats in the Wilmington Field have held WHC certification since 2005
California Certified Incident Management (Environmental Preparedness Performance) California Department of Fish & Wildlife	Emergency Planning and Response certification covers criteria for the number of people on a certified Spill Management Team (SMT), timeframes for personnel arrival, response objectives, and training qualifications	Certified in 2023 as a California Certified Incident Management Team, our emergency response team operates 24/7 As the first certified oil and natural gas operator in California, our internal SMT enables faster, more proactive spill response, demonstrating our in-state environmental stewardship

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