Responsibly made in California *for* Californians

SUSTAINABILITY UPDATE SUMMARY 2025

A Different Kind of Energy Company

CALIFORNIA RESOURCES

Letter from the CEO

Francisco J. Leon
President and Chief Executive Officer

California's energy future demands more than ambition — it demands execution. CRC is built for this moment, delivering more responsibly produced energy and scalable carbon management solutions that support the state's growing energy needs and climate goals.

Being a California company is core to who we are. While others have walked away, we've leaned in — investing in the energy, carbon management, and infrastructure to power California's future.

Rebuilding California's Energy Security

California is one of the nation's largest energy markets, yet over the past few decades the state has increased dependence on imported oil. Today, foreign producers supply nearly two-thirds of the crude refined in-state, while local production has dropped to about 23% — despite California holding one of the country's largest oil and gas resource bases.

This shift has been driven, in part, by the perception that one must choose between local energy production and environmental responsibility. CRC believes that Californians don't have to choose. As the state's leading oil and gas producer, we aim to produce energy that meets or exceeds California's high sustainability standards while strengthening local energy security.

If California is serious about climate leadership, which I believe it is, the state must consider not only how much energy it uses, but where that energy comes from and how it's produced. We believe that a credible energy transition requires accountability, innovation, and policies that support both climate progress and reliable supply.

Delivering Measurable, Verified Emissions Reductions

At CRC, we believe that responsibly producing oil and natural gas in state — and reducing imports — strengthens California's sustainability leadership.

Since 2020, CRC has reduced Scope 1 and 2 greenhouse gas emissions by 25%, avoiding more than 1.61 million metric tons of CO_2e while maintaining well production carbon intensity below the CARB statewide average. Our methane performance across the San Joaquin, Los Angeles, and Ventura basins has also earned MiQ's highest "Grade A" certification, supported by nearly $10 million invested in detection, prevention, and abatement.

These results advance our Responsible Net Zero (RNZ) strategy, aligned with the United Nations Sustainable Development Goals (SDGs), and demonstrate that California can improve energy security and climate performance simultaneously.

Pioneering Carbon Management for California

Reducing emissions is essential, but it isn't enough on its own. California must build the technology and infrastructure to achieve its decarbonization goals.

Carbon TerraVault (CTV), CRC's carbon capture and storage (CCS) platform, is the most advanced of its kind in California. CTV I is the state's first commercial CCS facility, capable of storing up to 1.6 million metric tons of CO_2 per year, supported by the first U.S. EPA permit to use existing reservoirs for CO_2 storage. Eight additional reservoirs are progressing through permitting.

The full CTV platform aims to permanently store up to 352 million metric tons of CO_2 - equivalent to the annual emissions from more than 82 million cars and approximately 24% of California's annual addressable industrial-sector emissions[1]. That's the scale California needs.

Stewardship of California's Natural Resources

CRC is proud to be a net water provider, delivering approximately 4.6 billion gallons of treated, reclaimed water in 2025 to water districts — more than three times our operational consumption. Throughout our operations, we recycled, reused, or reclaimed nearly 75% of our produced water and invested approximately $280,000 in improved water management activities in 2025. In a water-stressed state, actions like these matter.

Protecting California's land and wildlife is also central to our stewardship approach. In 2025, our conservation work spanned habitat restoration, wildlife protection and partnerships with local organizations — from San Joaquin kit fox monitoring to Bolsa Chica Wetlands restoration and expanded native seed collection programs. We also maintained three certified Wildlife Habitat Council sites.

[1] Based on pending and issued permits and CARB 2000 - 2023 GHG Inventory (2025 Edition)

Investing in the Communities that Define California

We believe Californians should feel the benefits of CRC's presence in their communities. Last year, we invested more than $2 million in workforce training, education, food security, and local economic development.

Key to our engagement is listening and responding to the needs of the communities where we live and work. With one in four California adults experiencing food insecurity in 2025, we expanded support for statewide and local food banks and continued our partnership with the Los Angeles Rams to build edible school gardens that improve food access.

These are just a few highlights that reflect a deeper principle: creating value for California means producing responsible energy in partnership with the communities we serve.

Governance that Turns Commitments into Action

Strong governance helps ensure our actions match our commitments. In 2025, we worked to raise the bar on how we report, govern, and hold ourselves accountable, including:

- Deepening our sustainability strategy and reporting aligned with the UN SDGs for greater international comparison and standard setting.
- Strengthening our human rights policy with enhanced language on Indigenous peoples, child labor, and forced labor.
- Continued tying employee and executive compensation to sustainability performance.

These efforts reflect a broader commitment to doing business the right way — and while recognition isn't what drives us, it does confirm that we're on the right track. We were proud to be named one of TIME Magazine's America's Best Midsize Companies of 2025 and one of Extel's "Most Honored Companies" in 2025, including Best ESG Program.

Ready for the Work Ahead

California's energy transition is complex. It requires capital, conviction, and the willingness to do things that haven't been done before. I'm proud of what we've already accomplished and even more focused on what comes next.

Thank you to our employees, partners, and stakeholders who share our ambition to build a lower carbon, more resilient energy future for California. We're not waiting for someone else to solve our state's energy future. We're a California-built company — and a different kind of energy company.

Sincerely,

Francisco J. Leon

Responsibly Made in California, for Californians

California Resources Corporation's (CRC) approach to sustainability is grounded in a clear commitment: meeting California's energy needs responsibly with locally produced oil and natural gas. California's energy future demands more than ambition—it demands execution. CRC is purpose-built for this moment.

As the world's fourth-largest economy, California remains one of the nation's largest energy markets yet it has never been more dependent on outside supply. In 2025, California represented approximately 2% of total U.S. oil production (less than 100 million barrels for the first time since 1918), while international suppliers provided over 60% of the crude oil refined in-state. Much of that imported oil comes from countries that do not operate under the same stringent environmental, labor, and human rights standards that CRC meets every day in California.

In 2025, the merger with Berry Corporation further expanded CRC's operations and cemented our position as California's largest oil and natural gas producer. CRC now accounts for approximately 41% of California's oil production and 82% of the state's natural gas.[2] That scale comes with responsibility and our commitment to environmental stewardship and operational excellence is stronger than ever.

We see ourselves as California's energy company. One that produces the majority of our oil and natural gas within the state, under some of the world's most rigorous environmental, labor, and regulatory standards. By keeping energy production local, we support a more accountable energy system: one that aligns with California's ambitious climate goals, safeguards local communities, and supports in-state economic growth through jobs, infrastructure, and tax revenues. That's why our Responsible Net Zero (RNZ) strategy, designed to align our business with the UN SDGs while directly reducing our emissions and well production carbon intensity, remains the foundation of our approach.

[2] U.S Energy Information Administration - California Analysis

CRC is an independent energy and carbon management company advancing California's energy transition through responsible production, environmental stewardship, and the safe delivery of in-state oil and natural gas. Leveraging its land, mineral ownership, technical expertise, and decades of operational experience, CRC is driving decarbonization through Carbon TerraVault (CTV) and other emissions-reducing solutions, while strengthening California's energy security.

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 Carbon TerraVault (CTV), California's first commercial-scale carbon capture and storage project, and other low-carbon initiatives.

CRC's 2025 Economic Snapshot

CRC's operations

contribute to California's economy

through direct employment, workforce development, supplier engagement, tax contributions, and infrastructure investment.

Energy & Economic Contribution

Produced

41% of California oil

production, and 82% of the state's natural gas (per CalGEM Data).

$322 million

in capital expenditures.

Following the Berry merger, CRC's Kern County output increased by about 20,000 bbl/d for a combined production of about 127,000 bbl/d. This positions CRC to account for about

49% of California's 2026 year-to-date average

of 260,000 bbl/d.

CRC and the upstream onshore production sector supported over

50,000 jobs and contributed ~$6.7 billion to GDP and $2 billion

in tax revenue to California in 2024.

Jobs & Workforce

1500+

direct employees, 98% local to California.

CRC's average employee wage is more than

50% higher

than California's statewide average annual wage of approximately $97,200.

>30 student internships supported,

45 graduates from the MC3 pre-apprenticeship Initiative.

100% of eligible employees offered

6 weeks

of paid parental leave, with an additional 6-8 weeks of paid short-term disability leave for the birthing parent.

80% employer-paid

health insurance premiums for full-time employees.

>37,000 total training hours,

with an average of 25 training hours per employee.

Local Investment

$1.2 billion

total supplier spend with 52% spent with local California suppliers.

More than $2 million

community giving.

Responsible Net Zero: Our Strategy and Progress

Our Responsible Net Zero (RNZ) strategy sets a standard for measurable, high-impact decarbonization. This approach is designed to demonstrate that CRC's production is responsibly sourced, competitive relative to imports, aligned with our commitment to lowering carbon intensity, and exceeds California's regulatory requirements. It emphasizes the emissions within our control, defining reduction goals with clear roadmaps so we lead with credibility, not just ambition.

RNZ Strategy

	Goal	2025 Progress
Responsible Production	**Align** the business with the **UN Sustainable Development Goals**	▪ **Expanded SDG alignment** across reporting ▪ **Updated human rights policy** ▪ Completed company-wide **pay equity assessment**
Long-Term Goal	**Reduce Scope 1 and 2** emissions by at least **80% by 2045 (2020 baseline)**	▪ **25% reduction** achieved, equating to 1.61 million metric tons of CO_2e since 2020
Near-Term Ambition	**Lower the average carbon intensity** of all CRC oil and gas production at least **20% by 2035** compared to a 2020 baseline of 10.6 g CO_2e/MJ	▪ Well production carbon intensity of 12.58 gCO_2e/MJ – **below the CARB 2024 statewide average** of 14.08 g CO_2e/MJ
Carbon Management	**Scale carbon management solutions** to other businesses through our **CTV business**	▪ CTV I construction **completed at Elk Hills** ▪ First **CO_2 injection commenced** May 2026 ▪ **Eight additional reservoirs** in permitting

SDG Alignment and 2025 Highlights

Our RNZ strategy is aligned with the UN 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 are the key SDGs most relevant to our business, stakeholders and sustainability priorities.

SDG 6: CLEAN WATER AND SANITATION

As a net water provider, CRC delivered approximately **4.6 billion gallons of treated, reclaimed water** to water districts.

This is more than three times our internal freshwater consumption making CRC a net water provider to the state.

Recycled, Reused, or Reclaimed nearly **75% of produced water** through our operations.

Invested approximately **$280,000 for water management,** installing additional meters and conducting freshwater system assessments to identify leaks and improvement opportunities.

Funded $205,000 to acquire more than **1,000 acre-feet of water in Kern County,** maintaining wetlands to support critical wetland species.

Donated **$25,000 to California State University, Long Beach** to support the Urban Coast Fund, advancing student and faculty research on urban coast ecology, including sea-level-rise-related groundwater contamination risks in coastal California and the impacts of viruses on diatoms that influence marine ecosystem health.

SDG 8: DECENT WORK AND ECONOMIC GROWTH

8 DECENT WORK AND ECONOMIC GROWTH

$130+ million contributed in state and local taxes, fees, and related payments supporting California public services and environmental programs.

A new study by California State University, [Bakersfield Center for Economic Education and Research](#) highlighted that the energy industry contributes **~$4.6 billion annually, and ~8% of Kern County's total GDP,** where the majority of our operations are located.

Completed a company-wide **pay equity assessment, a foundational part of our human rights approach** aligned with California and U.S. equal pay laws.

Recognized as one of the **"Most Honored Companies"** in the investor-voted 2025 Extel All-America Executive Survey, an achievement earned by just 130 companies across America out of 1,425 nominations.

In collaboration with the Long Beach Center for Economic Inclusion in 2025, CRC helped **expand economic development and workforce programs** focused on low-income residents, particularly in North Long Beach.

More than $2 million in charitable donations to support local communities and economic development.

SDG 13: CLIMATE ACTION

Reduced Scope 1 and 2 GHG emissions by 25%
since 2020, equating to 1.61 million metric tons of CO_2e.

Signed MOUs with Capital Power and Middle River Power to support CCS solutions for power generation and industrial decarbonization, wherein CRC will serve as the provider of CO_2 transportation and permanent sequestration for at least
4 million metric tons of CO_2 per year.

Achieved a 2025 well production carbon intensity of 12.58 g CO_2e/MJ, which is
>10% lower than the published CARB 2024 statewide average
of 14.08 g CO_2e/MJ.

Invested over $1 million to eliminate or convert 351 pneumatic devices,
eliminating approximately 450 metric tons of methane emissions.

Completed construction of California's first CCS project (CTV I) at Elk Hills, designed to permanently store up to
1.6 million metric tons of CO_2 annually,
with first injection commencing in May of 2026.

Invested over $1.5 million in methane detection technologies
including aerial surveys, drones, sensors, and long-path monitoring, contributing to methane emissions intensity of less than 0.05 MT CH_4/MBOE for 2025.

Received renewed
MiQ "Grade A"
certification at the Los Angeles Basin operations and expanded MiQ "Grade A" certifications at two new basins - Ventura and San Joaquin.

SDG 15: LIFE ON LAND

Maintained our certification for the three Wildlife Habitat Council (WHC) conservation sites recognizing **excellence in corporate conservation,** and received an honorable mention for invasive species removal.

Installed conservation signage at our Elk Hills conservation habitats and continued monitoring the progress of the San Joaquin kit fox.

Partnered with local growers to **collect and propagate native plant materials** for genomic research, conservation, habitat restoration, and long-term ecosystem resilience.

Built three edible community gardens in partnership with the Los Angeles Rams.

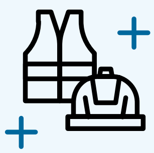
Removed hundreds of pounds of trash, debris, and microplastics from the Bolsa Chica Wetlands as part of our annual invasive species removal.

SDG 16: PEACE, JUSTICE AND STRONG INSTITUTIONS

Administered strong alignment with the Task Force on Climate-related Financial Disclosures (TCFD) four pillars:

Governance, Strategy, Risk Management, and Metrics and Targets.

Updated our Human Rights policy, recognizing the importance of Indigenous peoples and strengthening our language on the prohibition of child and forced labor.



Conducted an ISO 45001 gap assessment to identify, assess, and manage gaps in our

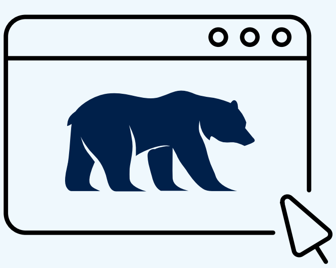
standards for employee health and safety.

Conducted a pay equity assessment

to promote a workplace rooted in fairness, transparency, and equal opportunity.

Reinforced prohibition on

direct or indirect bribery in all forms.



To learn more about CRC's sustainability performance, programs, and progress, read our full 2025 Sustainability Update located on our Sustainability homepage.

Evolving Our Goals Under RNZ

Our RNZ strategy recalibrates company sustainability goals for today's realities and tomorrow's vision, aligning with both UN SDGs and California's evolving regulatory landscape.

Sustainability Goals	2025 Progress	UN SDG Alignment
Achieve net zero for Scope 1 and 2 emissions by 2045	**25% reduction** from 2020 baseline equating to 1.61 million metric tons CO_2e.	13 CLIMATE ACTION; 15 LIFE ON LAND
Reduce freshwater usage in oil and natural gas production by 30% by 2025 (2022 baseline)	Achieved in 2023; **extended monitoring and metering** to legacy Aera assets in 2025.	6 CLEAN WATER AND SANITATION
Give back to California communities where we operate and develop carbon management initiatives	**More than $2 million** in community investment in 2025.	10 REDUCED INEQUALITIES
Align 30% of executive annual incentive pay to ESG performance	**Maintained.**	16 PEACE, JUSTICE AND STRONG INSTITUTIONS

responsible net ZERO

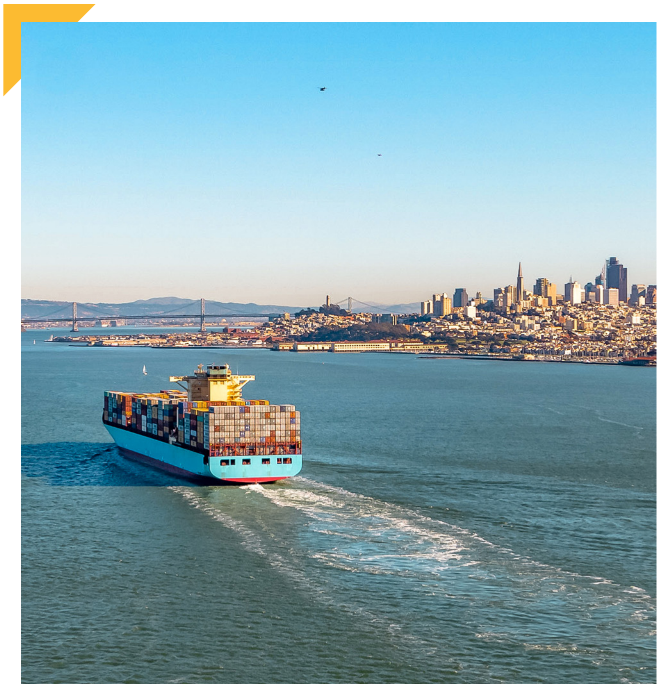
As part of our RNZ goal, we plan to reduce our operational emissions by at least 80% by 2045 and neutralize residual emissions through a portfolio of offsets produced internally through CTV projects, Cap-and-Invest, or via voluntary carbon markets.

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

- Operational emissions reduction – equipment upgrades and California's first deployment of hybrid electric E-Rigs in partnership with GPS Energy Services
- Methane reduction – 351 pneumatic devices eliminated or converted in 2025, removing approximately 450 metric tons of methane emissions
- Enhanced Leak Detection and Repair (LDAR) program – approximately $2.5 million invested in aerial surveys, drones, sensors, and continuous monitoring technologies in 2025
- Carbon management through CTV – CTV I construction completed at Elk Hills; first CO_2 injection commenced May 2026; eight additional reservoirs advancing through permitting
- Emissions data third-party verification – continued Scope 1 and 2 verification under CARB; first-ever independent verification of Scope 3 Category 10 (processed of sold products) and Category 11 (use of sold products) completed in 2025
- Strategic decarbonization partnerships – MOUs signed with Capital Power and Middle River Power to support CCS for power generation and industrial decarbonization
- Idle wells management program – plugged and sealed over 1,400 wells in 2025; first idle-well site repurposed for energy storage at Elk Hills
- To learn more about CRC's sustainability performance, programs, and progress, read our full 2025 Sustainability Update located on our Sustainability homepage.

Translating 'Responsible' Into Results

Responsible operation is not merely a claim — it must be grounded in accountability and backed by tangible action. At CRC, responsibility is measurable, outcome-focused, and independently verified. We produce energy the California Way—complying with CEQA, CARB, CalGEM, the U.S. Clean Air Act, the U.S. Clean Water Act, and the California Transparency in Supply Chains Act (SB 657). Independent third-party verification further underscores our performance.



Partner/Standard	Certification	2025 Status
MiQ Methane Emissions Performance Standard – assesses company practices, monitoring technology deployment, and methane intensity	Grade A	▪ Renewed Grade A certification for Los Angeles and Orange County operations. ▪ Expanded to Ventura County and San Joaquin Valley—majority of California production now operating under independently verified methane-performance standards. ▪ Continuing expansion across remaining production segments.
California Cap-and-Invest Performance Standard/Scope 3 Voluntary Reporting (GHG Performance) – reasonable assurance of Scope 1 and 2 emissions; assurance of Scope 3 performance	Verified	▪ Continued annual third-party verification of Scope 1 and 2 emissions under CARB Mandatory Reporting Regulation. ▪ Independently verified Scope 3 Category 10 (processing of sold products) for the first time, in addition to Category 11 (use of sold products) – together covering over 90% of total Scope 3 emissions. ▪ Verification provided by Ashworth Leininger Group.
Wildlife Habitat Council (WHC) ™ Standard – certifies habitat conservation and management on corporate lands through partnerships and education	Certified	▪ All three WHC-certified sites maintained: Elk Hills Conservation Area (certified since 2001), Bolsa Chica Wetlands Ecosystem (certified since 2016), and THUMS Islands Habitats (certified since 2005). ▪ Received honorable mention at 2025 WHC for invasive species removal at Bolsa Chica.
California Certified Incident Management – covers Spill Management Team size, response timeframes, objectives, and training qualifications	Certified	▪ First certified oil and natural gas operator in California, our internal SMT enables faster, more proactive spill response. ▪ Certification renewed in 2025. ▪ Onboarded 10+ new SMT members, expanding in-house spill response capacity. ▪ Achieved 99.9999% oil spill prevention rate.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