

OXY'S POSITIONS ON CLIMATE- RELATED POLICIES





Oxy leverages its leadership in carbon management to advance lower-carbon technologies and products while reducing operational GHG emissions, actions that help address the global challenge of climate change. Thus, we offer a few observations to set the stage for this document:

- Policy support is needed in the short term to accelerate the deployment of technologies that reduce and remove GHG emissions, including Carbon Capture, Utilization and Sequestration (CCUS) and Direct Air Capture (DAC).
- Policy should be designed to support the commercial application of technologies and be sufficient, certain and financeable.
- Longer term, we believe compliance and voluntary markets will provide commerciality.
- CCUS and DAC will remain essential over the long term for the production of low-carbon fuels, power, and products, and to remove atmospheric CO₂.

Oxy was the first U.S. oil and gas company to establish net-zero goals for direct and indirect GHG emissions and to endorse the World Bank's [Zero Routine Flaring](#) by 2030 initiative. Oxy was the first U.S. oil and gas producer in the Permian Basin to join the UN-sponsored Oil & Gas Methane Partnership (OGMP) 2.0. In 2025, Oxy achieved the OGMP 2.0 Gold Standard, which positions Oxy among leading global oil and gas companies with the most rigorous methane reporting practices. Oxy is also an original signatory of the Oil and Gas Climate Initiative's "Aiming for Zero Methane Emissions" pledge and of the Oil and Gas Decarbonization Charter. Our [Sustainability Report](#) outlines Oxy's dedication to being part of the solution to climate change. That report presents our climate-related strategy to develop and commercialize technologies that lower both GHG emissions and remove atmospheric CO₂.

In 2020, Oxy announced targets to reach net-zero¹ emissions associated with our operations and energy use before 2040 and an ambition to achieve net-zero emissions associated with our total carbon inventory, including the use of our sold products before 2050. Our [approach](#) to achieve these milestones focuses on emissions reduction and mitigation efforts, with an emphasis on the deployment of DAC and other CCUS technologies at scale to reduce emissions and remove CO₂ from the atmosphere. Our approach includes:

Direct GHG Emissions: actions to address direct emissions from our operations include improving efficiency and optimizing processes, measuring methane emissions with advanced monitoring technologies, controlling methane emissions through facility designs, equipment upgrades and operating practices, utilizing associated data platforms for emissions management, and deploying revolutionary technologies such as DAC;

Indirect Energy Use GHG Emissions: transitioning operations to low-emission power sources, such as renewables, natural gas with carbon capture (NET Power), nuclear, and geothermal; and

Indirect Value Chain GHG Emissions: continuing to lower the carbon intensity of our oil and gas products, developing innovative products that use CO₂ as a feedstock, and facilitating development of DAC and other carbon capture facilities and sequestration hubs.

Oxy is an active member of the Carbon Capture Coalition (CCC), comprising a nonpartisan collaboration of nearly 100 diverse stakeholder members industries, unions and NGOs working to support federal legislation, regulations and policies to incentivize CCUS. Through our membership, we helped develop CCC's [Federal Policy Blueprint](#) for carbon capture technologies.

¹ net zero: As defined by the IPCC, "net zero emissions" balances anthropogenic GHG emissions to the atmosphere with GHGs taken out of the atmosphere over a specified period. At Oxy, net zero means that we facilitate the reduction, capture, removal and sequestration of at least the same quantity of GHGs that are emitted directly from our operations, generated by others to create the electricity we purchase to conduct our operations, and generated by customers and consumers using the products we sell.



Oxy is also developing products and services to support other industries, emitters and governments in their efforts to reduce and remove GHG emissions.

We are a recognized world leader in the capture, transportation, utilization, and sequestration of CO₂ with over 50 years of experience. Our Oxy Low Carbon Ventures, 1PointFive, Carbon Engineering, and TerraLithium businesses are advancing leading-edge technologies and solutions to economically grow our business while reducing emissions. Oxy is pursuing DAC technology, geologic sequestration hubs, and direct lithium extraction technology, leveraging Oxy's engineering, geology and major projects expertise.

We believe effective public policies are a key catalyst to accelerate the implementation of our net-zero strategy. We support policies that incentivize investment in and deployment of these carbon capture technologies, including performance-based incentives such as the federal Section 45Q tax credit, grants and loans for CCUS and DAC technologies and CO₂ infrastructure, and public investments in research, development and deployment (RD&D) of these technologies.

We recognize the growing consensus of international organizations and scientists regarding the need for significant removal of atmospheric CO₂ alongside emissions reductions. We do not take a prescriptive view as to which policy approach could most efficiently meet that need. Rather, we support a range of policies aimed at reducing and removing emissions and recognize different levels of government from various countries will take distinct approaches. We focus our efforts on the design of proposed policies seeking to advance technological solutions that can deliver significant reductions in GHG emissions and remove atmospheric CO₂ and that also extend reliable resources and enable differentiated oil and gas, power and products. We believe both DAC and CCUS can, with targeted and investable incentives early in their development and deployment, achieve rapid technology and cost improvements in the near-term and broad deployment in the medium- and longer-term supported by voluntary and compliance markets.

Congress has strengthened policy support for carbon management in recent years that can reduce and remove emissions while making the U.S. energy supply more resilient and sustaining technological leadership and competitiveness. The Section 45Q tax credit is the foundational policy accelerating commercialization of carbon capture, DAC, and CO₂ utilization. The Department of Energy has invested in technologies and first-mover projects through R&D and demonstration programs such as the Regional DAC Hubs and Carbon programs. The EPA and state Underground Injection Control Class VI program provide the rigorous regulatory framework for safe, secure geological CO₂ sequestration.

PURSING NET-ZERO EMISSIONS

We support international efforts that aim to limit the global average temperature increase to well below 2° C above pre-industrial levels and to 1.5°C by 2100. To advance our climate-related strategy in support of these efforts, we are building our first commercial-scale DAC plant and developing geologic sequestration hubs in multiple locations to enable industrial emissions reductions.



In Chapter 4 of its Sixth Synthesis Report released in September 2021, the United Nations Intergovernmental Panel on Climate Change (IPCC) notes that "to compensate for greenhouse gas emissions from sectors that cannot completely decarbonize or which may take a long time to do so," the deployment of carbon dioxide removal (CDR) technologies, such as DAC, is necessary to achieve significant aggregate emissions reductions. Oxy believes that the quickest and most efficient path to net zero will be the development and deployment of technologies that remove CO₂ from the atmosphere in parallel with actions to reduce ongoing GHG emissions.

TECHNOLOGY AND INNOVATION INCENTIVES

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, just as governments have supported the growth of renewable energy. Therefore, we support incentives for DAC and other CCUS technologies that reduce and remove CO₂ emissions and help multiple industry sectors to achieve net zero.

Carbon Capture, Utilization and Sequestration (CCUS): We strongly support CCUS, which is a proven solution for reducing CO₂ 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 CO₂ directly from the atmosphere and will play a key role in Oxy's net-zero [strategy](#). We strongly support policy incentives to accelerate DAC technology development and widespread deployment.

EMISSIONS REDUCTION POLICIES

We support policies that reduce GHG emissions, stimulate investment in DAC and other CCUS technologies and help develop the infrastructure needed for broad-based CCUS deployment. We also continue to support technically feasible and cost-effective regulations that reduce emissions, sustain a resilient energy supply and promote the well-being of communities and the environment.

Oxy believes that, while a variety of policies can enable emissions reductions, performance-based incentives and market-based mechanisms should complement a functional regulatory framework. We are focused on the design of proposed policies that accelerate the deployment of technological solutions like CCUS and DAC. Performance-based incentives include policies such as tax credits, for example the 45Q tax credit.

Market-based policy mechanisms can include carbon intensity product standards, emissions trading programs, carbon pricing and carbon border mechanisms. We believe in the following core principles for design of performance-based incentives and market-based mechanisms:

- CCUS must be included as a pathway for emissions reduction, and DAC as a pathway for removals, in any program. For example, aviation or maritime sector emissions policies, such as fuel standards, should be carbon-intensity based and include DAC carbon removals and DAC-enabled fuels including CO₂ enhanced oil recovery as eligible pathways.
- The measurability and permanence of DAC with geologic sequestration relative to other forms of carbon removal should be recognized.
- Consistent with the "like for like" principle, emissions of greenhouse gases should be balanced by removals that isolate CO₂ from the atmosphere for similar duration to the residence of the greenhouse gas in the atmosphere.
- Revenue raised by governments through market-based mechanisms should be invested in technology and infrastructure development for CCUS and DAC to facilitate broad deployment.



CARBON ACCOUNTING

We believe that a transparent, standardized carbon accounting framework that enables product-level comparisons on a carbon-intensity basis will be required to facilitate commercial markets that drive emissions reduction and removal technology deployment. We support the development of a product-level carbon accounting framework that appropriately accounts for CCUS emissions reductions and DAC removals, and recognizes the role of durable DAC removals with geologic sequestration for balancing CO₂ emissions.

In supporting such a framework as we develop our DAC and CCUS business, we are dedicated to transparent public disclosure regarding our business. We will continue to monitor the various reporting protocols, frameworks and standards that are being developed to address the accounting and reporting of carbon dioxide removals and engage with standard-setters and other stakeholders to help advocate for transparent, accessible and comparable reporting.

METHANE POLICIES

- **Reducing 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. oil and gas company to join the World Bank's Zero Routine Flaring by 2030 Initiative. We have also supported 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.
- **Streamlining Methane Regulations:** Methane is both a greenhouse gas and an essential natural resource. To help our industry and our customers maximize the beneficial use of methane as a fuel and feedstock, Oxy participates actively in several voluntary initiatives, such as OGMP 2.0, that advocate for the reduction of methane emissions in the U.S. and globally. The success of these efforts stems from multiple oil and gas companies, technology developers and NGOs working together to design, pilot, deploy and share innovations and best practices for the cost-effective detection, measurement and control of methane. We have also supported technically feasible and cost-effective regulation of methane emissions to establish a baseline across industry. We have worked collaboratively with federal and state agencies to provide constructive input to improve the feasibility and cost-effectiveness of federal and state methane regulations, avoid overlapping, conflicting or duplicative regulations, recognize the differences of our industry, and enable continuing innovations in reducing methane emissions.

COLLECTIVE CLIMATE ADVOCACY

To advance our vision from a policy perspective, we advocate and engage on climate issues directly and through our membership in trade associations, coalitions and other organizations. Oxy joins with environmental, business and labor groups, NGOs and other companies to advocate for climate policies aligned with our policy principles. 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. Where the positions held by the associations,



coalitions and other organizations in 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 related positions or public statements on climate change, please refer to our [Climate Advocacy and Engagement](#) disclosure on oxy.com.

TRANSPARENCY

Transparent approaches to carbon accounting, robust lifecycle analyses, public reporting and external verification are important to maintain public trust and to support maturing markets for low-carbon environmental attributes such as CDR credits. Since 2018, Oxy has published reports on climate-related risks and opportunities informed by the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and supports TCFD-aligned reporting. Oxy actively engages with shareholders and other stakeholders on opportunities to enhance our reporting.

GOVERNANCE

The policies and guidelines above have been established by Oxy's management and are overseen by Oxy's Board of Directors. They are intended to help promote alignment with Oxy's strategy and core values.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This disclosure contains "forward-looking statements" based on Oxy's current expectations, beliefs, plans or forecasts. All statements other than statements of historical fact are forward-looking statements. 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," "work," 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 disclosure. 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 definitions, assumptions, data sources and estimates or measurements that are subject to change in the future, including through rulemaking or guidance. Factors that may affect Oxy's business and these forward-looking statements can be found in Oxy's filings with the U.S. Securities and Exchange Commission (SEC), including its most recently filed Annual Report on Form 10-K, which may be accessed at the SEC's website, www.sec.gov.

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