



TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES REPORT JULY 2024



CBL[®]
CBL PROPERTIES

EXECUTIVE SUMMARY

CBL continually assesses its operational risks, including those related to climate, in the markets where our properties are located. We have prepared this report to summarize the risks we have identified as well as potential mitigation and sustainability strategies to effectively manage these risks. This report is based on currently available information and is subject to change. As such, our assessments and strategies may evolve over time.

Our assessment of climate related risks is based on the Task Force on Climate-Related Financial Disclosures (TCFD) framework. To analyze physical risks that may impact our properties, identify the most relevant potential physical hazards and the potential impact on our business, we utilized data from FEMA's National Risk Index and the WRI Aqueduct Water Risk Platform, available as of December 2023. We intend to update this assessment on an annual basis.

We also identified specific transition risks that have the potential to negatively impact our business.

Lastly, we identified areas of opportunity that could reduce our risk exposure and our overall greenhouse gas emissions.

CBL understands the importance of assessing and addressing our climate risks. With a national portfolio of enclosed malls, lifestyle, open-air and outlet centers spanning 22 states, we believe it is important to work towards improving the resiliency of our portfolio to help ensure we are prepared for the risks associated with a changing climate. This report highlights that commitment and demonstrates that our company remains steadfast in our focus on risk awareness and risk mitigation.





Governance

The CBL ESG Executive Steering Committee is comprised of executives, officers, and functional leaders from key departments across the Company. It is chaired by the Vice President-ESG and sponsored by the Company's Chief Operating Officer. The committee meets quarterly and is responsible for providing the strategic direction and support needed to execute CBL's ESG strategy. Members of the committee consult with external legal counsel, auditors, energy management consultants or other subject matter experts, as needed. Oversight of CBL's ESG efforts is the responsibility of the Nominating/Corporate Governance Committee of our Board of Directors.

This climate risk analysis is the responsibility of our Vice President-ESG and our ESG Executive Steering Committee. Results from the analysis are communicated to internal functional leaders, such as our Operations Services, Management, Legal, and Development departments. Additionally, results are communicated to the Nominating/Corporate Governance Committee.

Strategy

We understand that climate change can have a substantial impact on our business and on the communities in which we live and work. Therefore, we performed a thorough analysis of both our physical and transition risks and identified opportunities for risk mitigation.

Physical Risk

Physical risks are defined as the harm to people and property resulting from the effects of a changing climate. This includes increased severity and frequency of weather events such as hurricanes, tornados, and droughts. Physical risks can be acute or chronic in nature. Physical risks have the potential to cause damage to our assets, disrupt business and impact the safety of our team members, our tenants and our customers.

RISK	DESCRIPTION	FINANCIAL IMPACT	APPROACH
Increased Storm Activity and Severity	Increase in both severity and frequency of weather-related events such as tornados, hurricanes, severe thunderstorms, and extreme winter storms.	Increased costs related to insurability, storm damage, and preparedness planning.	While the geographic diversification of CBL's portfolio limits the financial risk and impact on our business from any one incident, CBL maintains operational, training and planning practices to further mitigate any impacts. As part of this, CBL maintains comprehensive storm preparedness plans and a crisis response manual. Installation of hail resistant material and dual panel systems to HVAC equipment.
Extreme Temperatures	Increase in the average number of days with excessive temperatures resulting from changing climate conditions.	Increased demand for cooling or heating resulting in increased costs related to building operations. Impact on property traffic resulting from potential shifts in population densities due to climate migration.	While the geographic diversification of CBL's portfolio limits the financial risk and impact on our business from any one incident, CBL maintains operational, training and planning practices to further mitigate any impacts. As part of this, CBL maintains comprehensive storm preparedness plans and a crisis response manual. Installation of cool roofing at select properties. Where appropriate, we consider the use of extreme temperature tolerant landscaping.
Increased Flood Risk	Higher risk in areas where increased storm frequency and severity can produce riverine flooding.	Increased cost related to insurability, storm damage and preparedness planning.	While the geographic diversification of CBL's portfolio limits the financial risk and impact on our business from any one incident, CBL maintains operational, training and planning practices to further mitigate any impacts. As part of this, CBL maintains comprehensive storm preparedness plans and a crisis response manual. Use of retention ponds and stormwater management at select properties.

Transition Risks

Transition risks are those related to the global transition to a low-carbon economy. These can be grouped into four key categories: Policy and Regulation, Technology, Market, and Reputation. Changing conditions regarding requisite compliance, market forces or competitive positioning can have substantial impacts on our business. Therefore, we assess these risks to ensure we are prepared and well positioned to address them.

TRANSITION RISKS	DESCRIPTION	APPROACH
Policy and Regulation	Emerging national, state, and municipal regulations.	CBL keeps apprised of applicable regulations to develop approaches to ensure compliance.
Technology	Required spending on new technologies and processes that help with the transition to a low-carbon economy.	CBL is working on the introduction of new data management and analysis tools to streamline data collection and efforts to assess greenhouse gas emissions.
Market	Evolving costs of natural resources and utility services. Changing consumer preferences. Investor concern and awareness.	CBL works with vendors, where appropriate, to manage our energy contracts to help ensure we secure the best terms. CBL actively communicates our ESG efforts through annual reporting and our website. CBL responds to investor requests and publishes an update on our ESG progress annually.
Reputation	Ability to compete for and retain talent. Ability to compete for and retain tenants.	CBL works to promote our commitment to ESG as a means of recruiting and retaining the best talent. CBL uses our ESG efforts to align with the needs of our tenants and to ensure we can attract in-demand tenants to our centers.

Opportunities

As a result of assessing our Physical and Transition Risks, we have identified several areas of opportunity that can help us reduce our risk exposure and our carbon emissions.

OPPORTUNITY	DESCRIPTION	IMPACTS
Renewable Energy/Solar	Engage with third party vendors to explore the installation of solar power roof systems at available properties.	Reduced reliance on grid power. Lower carbon emissions. Cost savings.
Policy and Regulation	Incentives provided for improved sustainable operations.	Cost savings. Improved environmental performance.
Energy Efficiency and EMS	Work with third-party vendors to manage the deployment of energy management systems, LED lighting, and demand management.	Reduced energy usage, cost savings, improved environmental performance.
Technology	Engaging with third-party service providers to provide technological services that will improve data management and analysis.	Ensures ability to administer data management, conduct data analytics, and benchmark. Provides methods for more comprehensive risk analysis.
External Stakeholder Engagement	Providing outreach and information to investors, tenants, insurers, and other stakeholders on climate risk strategies.	Improved corporate reputation.
Internal Stakeholder Engagement	Deliver internal education to help inform understanding and decision making around climate risks and their potential impacts, including mitigation training.	Improved employee recruitment and retention.
Asset Level Risk Management	Maintain comprehensive preparedness and crisis response plans.	Ensure all property managers have consistent risk management planning in place. Mitigate financial impact of weather-related events.

Mitigation Strategies

CBL has several methods in place to address identified risks that we believe may be relevant to our business, including climate risk.

CBL has a risk mitigation manual that we deploy to both ensure we are ready for pending storms and able to address damages that may be incurred. We work to identify property-specific concerns and create mitigation plans to address them.

In addition, our broader ESG efforts to promote more sustainable operations are also intended to reduce risk exposure and limit climate related risk concerns. This includes working across our corporate functions to manage and address transition risks.

Risk Management

CBL has developed an ESG strategy that focuses on three key elements.

1. **Assessment** – We begin with a review of our material needs and risks to help frame our approach. We then combine our materiality analysis with our annual assessment of potential acute and chronic physical climate risks and identified transition risks.
2. **Operations** – Based on the identified material issues, CBL develops projects and programs focused on improving performance and enhancing operations. A key facet of this is our focus on efficiency. CBL has built a robust energy efficiency program that includes, but is not limited to, utilization (or installation) of energy management systems, demand management, LED lighting, cool roofs, and equipment maintenance and upgrades. These approaches have proven historically successful in reducing our overall energy usage and helping to mitigate climate risk.

In addition to our energy-efficiency efforts, CBL is actively partnering with third parties on the installation of EV charging stations across our portfolio to provide greater access for electric vehicles and to facilitate a more comprehensive charging infrastructure in the US.
3. **Reduction** – Beyond operational improvement, CBL is also focused on reducing our consumption in key areas, such as energy and water, and we intend to continue our efforts to reduce greenhouse gas emissions. To help us accomplish that objective, CBL sets annual goals focused on improving efficiency and reducing consumption across our portfolio.

In addition to this approach, CBL has developed a strategic point of view specific to climate risk and how we incorporate mitigation strategies within our operations. Given the potential impact climate risks can have on our business, CBL utilizes this analysis as well as the broader risk assessments completed by our risk management team to determine the most relevant and material risk exposures and the appropriate mitigation strategies needed to address them.

Risk management is a strategic imperative for CBL. We look at risk as both a challenge to our business continuity and performance and a means of identifying opportunities that can create value. As such, addressing risk is key to our success.

Our Board of Directors and its committees are responsible for overseeing our risk management efforts which include a broad range of risk areas that have the potential to impact the Company, including risks related to climate change and compliance with emerging climate-related and other regulations.

In addition, under its charter, the Audit Committee is responsible for reviewing and discussing management's policies with respect to risk assessment and risk management.

Beyond these measures, CBL's internal audit function regularly tests our processes and procedures to ensure the adequacy of our internal controls.

More information can be found in the section titled, "RISKS RELATED TO REAL ESTATE INVESTMENTS AND OUR BUSINESS" beginning on page 9 of our 2023 Annual Report on Form 10-K, which can be accessed [here](#).

As part of our climate risk analysis, we have created a risk mitigation manual for our mall teams and property managers to assist in preparing for and addressing severe weather-related events and their impact. The risk mitigation manual provides checklists for the events most likely to occur, focusing on pre-storm, during storm, and post-storm activities.

These checklists will also be used to inform CBL's disaster recovery plans, to manage the potential risks associated with severe weather, and to develop training programs for our corporate and property teams.

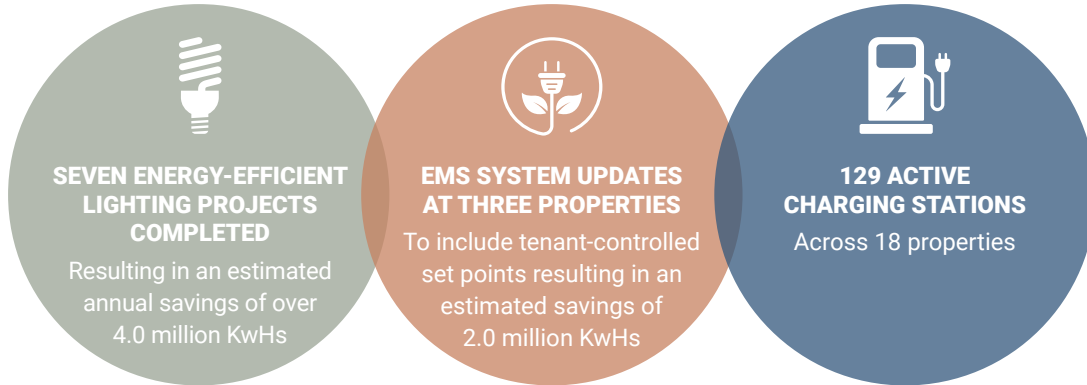
Finally, the ESG Executive Steering Committee works with appropriate departments across the Company to manage the assessment of climate-specific risks and determine the relevant and appropriate strategic approaches for mitigation.

CBL integrates these overlapping approaches to risk management to ensure a comprehensive view of risk and risk mitigation, including an understanding of where climate risk fits into CBL's broader enterprise risk reduction strategy.



Metrics & Targets

CBL set and achieved advancements towards several specific objectives in 2023. These achievements include efforts to help advance more sustainable operations and reduce greenhouse gas emissions. They included:



In 2023, CBL began efforts to develop a process for completing an annual climate risk analysis, which culminated in the publication of this report.

In addition, the Company also worked to determine relevant milestones for measuring our success. Examples include:

- Working to improve our ratings on key rating platforms utilized by investors and other stakeholders, such as MSCI, GRESB and ISS.
- Implementing a formal climate-risk assessment process to identify critical climate-related risks.
- Developing additional tools and internal educational resources to further mitigate potential impacts.
- Enhancing public-facing communications through additional website disclosures and the publication of our first ESG update.
- Continuing tenant engagement and collaboration efforts.

While CBL has not yet completed a Scope 1 and Scope 2 Greenhouse Gas Analysis, we are making plans to begin that work.



Conclusion

In our first TCFD report, we have highlighted our established and ongoing approach as we work to track and manage potential climate-related risk, as well as how those efforts are integrated with our broader ESG efforts. We believe these efforts are important to our business strategy, and we remain committed to continuing to build them in the future. For more information, please visit <https://www.cblproperties.com/esg-commitment/overview>.

Forward Looking Statements

Information included herein contains "forward-looking statements" within the meaning of the federal securities laws. Such statements are inherently subject to risks and uncertainties, many of which cannot be predicted with accuracy and some of which might not even be anticipated. Future events and actual events, financial and otherwise, may differ materially from the events and results discussed in the forward-looking statements. The reader is directed to the Company's various filings with the Securities and Exchange Commission (SEC), including without limitation the Company's Annual Report on Form 10-K, and the "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" sections included therein, for a discussion of such risks and uncertainties.

This Report is not a filing made with the SEC and is not, and shall not be deemed to be, incorporated by reference into any filings CBL has made or will make with the SEC.



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