Introduction

With 106 years of experience, C.W. Driver remains dedicated to making a positive impact in the communities we serve. The purpose of this disclosure is to comply with the requirements of California SB 261 administered by the California Air Resources Board (CARB) regarding the disclosure of climate-related financial risks. This disclosure is aligned with the Final Report of Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) (June 2017) and the Implementation Recommendations (October 2021) that updates and supersedes the 2017 Annex "Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures". This includes the recommendations for Governance, Strategy, Risk Management, Metrics, and Targets. The disclosure of Greenhouse Gas (GHG) emissions under the Metrics and Targets section is not included.

C.W. Driver Companies is a multi-faceted builder providing general contracting, construction management, and design/build services throughout Southern California. With evolving climate risks, our TCFD-aligned report assesses our exposure to potential climate-related risks and how our expertise in sustainable buildings enables us to best prepare for the future.

Governance

Describe the board's oversight of climate-related risks and opportunities.

Our Board of Directors ("Board") has the ultimate responsibility for managing climate-related risks and opportunities. This includes overseeing strategies to identify, manage, and report risks. The Board works closely with our executive team to integrate the findings of our climate-related risk assessment into our strategy.

Describe management's role in assessing and managing climate-related risks and opportunities.

Our executive team supports the Board and is responsible for managing our climate-related risks and opportunities through our risk management process. Our risk process has cross-departmental leads, and our Chief Financial Officer provides oversight.

Strategy

Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.

C.W. Driver defines our time horizons as follows for business planning purposes:

- Short term: 0-1 years
- Medium term: 1-3 years
- Long term: 3+ years

We recognize that some of our risks have longer time horizons, and we deploy forward-looking thinking beyond our business planning horizons where relevant.

Physical Risks

In order to better assess relevant physical risk and our potential exposure, our operations have been segmented into three categories.

1. Office operations: Our office operations are exposed to high levels of Water Stress and Baseline Water Depletion. While this may not be a material risk to our office operations, it could lead to higher utility costs. Rising average temperatures may also increase our cooling needs.

2. Construction: The construction sector is water-dependent and, therefore, operating in areas of high-water stress could materially affect our operations. Extreme Weather events can also cause delays through our supply chain and impact worker safety.

3. Supply Chain: Our supply chains can be disrupted by both acute and chronic physical risks. Water stress and other disruptions may affect the costs of cement, softwood lumber, steel, and water-intensive materials.

Risk	Description	Time Horizon
Acute: Extreme Weather Events	The rising frequency and severity of extreme weather events (wildfires, flooding, heatwaves, and extreme precipitation) can cause disruptions across our offices, supply chain, and construction activities. Our construction timelines may face delays and heightened uncertainty, especially during heatwaves or wildfire season.	Short Term
Chronic: Water Stress	Southern California, and therefore our operations, is vulnerable to extremely high levels of water stress and baseline water depletion. Limited water availability impacts our supply chain, construction process, and operational costs.	Medium Term
Chronic: Average Temperature Rise	Rising average temperatures can contribute to heat stress, construction delays, and operational challenges. Warmer conditions may alter the performance of materials such as cement, concrete, and joint systems, potentially affecting project efficiency and quality. These impacts may also prompt regulatory changes and increase demand for climate-resilient buildings. Additionally, higher temperatures can elevate utility costs due to greater cooling needs.	Long Term

Transition Risks

For our inaugural report, we have relied on a qualitative analysis of the construction industry to identify relevant climate-related transition risks.

Risk	Description of Existing Risk	Time Horizon
Policy and Regulatory	Evolving climate-related regulation, including zoning laws, climate and emissions disclosures, increases the compliance costs through an increased spend on reporting activities.	Short term
Increased Cost of Raw Materials	Carbon taxes and stricter climate regulations may increase the cost of raw materials, both domestic and imported. Water regulations could raise expenses due to the water-intensive nature of cement manufacturing and construction. Regulations affecting forests and steel mills may also increase the cost of softwood lumber and steel, two key materials in our operations.	Medium term

Climate-Related Opportunities

As climate regulations and market conditions evolve, we continue to explore climate-related opportunities. This year, we have relied on a qualitative assessment; however, the ongoing measurement of our Scope 1 and 2 GHG Emissions will allow us to better understand relevant opportunities as we continue to drive towards greater efficiencies with our technological edge and dynamic management teams.

Opportunity	Description of Existing Opportunity	Time Horizon
Changing customer behavior	With 25 LEED Accredited Professionals and an extensive portfolio demonstrating sustainability expertise, changing customer preferences for Low-Carbon and climate-resilient builds could increase demand for C.W. Driver's expertise and services as we continue to innovate across our portfolio to deliver LEED Gold-Certified Builds. Our expertise in reconstruction and demonstrated ability to work closely with local partners after extreme weather events, such as the Palisade Fires, could increase the demand for our services in the event of local devastation and emergencies.	Medium term

Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.

Our Board works with our management team to ensure that we effectively integrate material findings, including climate-related risks and opportunities, into our strategy. Our diverse portfolio of projects and sustainability expertise allows us to ensure that we continue to build resilience for ourselves and our customers in a changing climate. With 25 LEED-accredited professionals, we can integrate our sustainability, energy efficiency, and materials expertise to directly support the continued integration of climate-related risks and opportunities into our business model, strategy, and financial planning.

The 2025 Palisades Fires caused devastating impacts across our community. C.W. Driver worked together with partners to transform a shuttered Sears in Santa Monica into a temporary campus for over 2,500 students, just months after the Palisades Fire. A combination of

teamwork, innovation, and urgency made it possible and demonstrated the urgency of understanding climate-related risks and how they can be managed and mitigated across our communities and own operations.

Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

Physical Risk Scenario Analysis

Three Intergovernmental Panel on Climate Change (IPCC) Representative Concentration Pathway (RCP) scenarios have been selected to assess our vulnerability to water stress across our facilities and operations:

1. Optimistic (RCP 2.6) scenario where society decarbonizes quickly, and global warming is limited.
2. Business as Usual (RCP 7.0) scenario, where current policies are implemented, and global warming is accelerated.
3. Pessimistic (RCP 8.5) scenario where emissions continue to increase, leading to very high levels of warming.

Since water stress is a relevant risk to be monitored in the construction industry, understanding our vulnerability based on our geographic location and operations allows us to better understand and prepare for our evolving vulnerability. Using the Aqueduct Water Risk Atlas tool, we can see that our vulnerability is 'Extremely High' in all scenarios, with potential impacts being greater in more pessimistic scenarios (RCP 8.5), supporting our continued drive to increase efficiency in our operations and build.

Transition Risk Scenario Analysis

The following International Energy Agency (IEA) scenarios were used to assess transition risk scenarios: the Net Zero by 2050 Scenario, the Announced Pledges Scenario, and the Stated Policies Scenario. In a Net Zero by 2050 scenario, all new buildings would likely be subject to more stringent environmental regulations, increasing the need for sustainability expertise and associated estimated training costs.

Risk Management

Describe the organization's processes for identifying and assessing climate-related risks.

Physical Risks

A combination of external data sources and internal expertise was used to assess our exposure to physical risks:

- World Resources Institute (WRI) Aqueduct Water Risk Atlas
- Climate Central's Coastal Risk Screening Tool
- Environmental Protection Agency Heat Wave Tool

Transition Risks

In 2025, we relied on a qualitative assessment of the construction industry and peer disclosures to assess relevant transition risks that are typically cited in our industry.

Describe the organization's processes for managing climate-related risks.

Physical Risk Mitigation

Project Superintendents, in coordination with Regional Management and the Safety and Risk Management departments, oversee the assessment and management of physical climate-related risks across all projects and offices. This includes screening new sites for hazards, such as flooding, wildfire, and extreme heat, and incorporating resilience measures like flood resistance and system redundancies. Emergency preparedness and response actions follow the company's Emergency Response Manual, which outlines procedures for site assessments, communication protocols, and emergency work during natural disasters. These procedures ensure worker safety, rapid stabilization of affected areas, and continuity of operations.

Transition Risk Mitigation

Led by our internal sustainability expertise, C.W. Driver implements a range of sustainable strategies for our projects. We have achieved LEED Gold Accreditation Status across multiple projects, allowing our customers to be more resilient to evolving climate risk.

Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.

In line with CARB's disclosure requirements, we will update our climate risk assessment biannually to assess our operations and construction sites for vulnerabilities to climate-related risks. Our Chief Financial Officer will review risk findings and escalate them, as required, to the Board of Directors to integrate material findings into our risk register.

Metrics and Targets

Disclose your organizational greenhouse gas reduction targets

C.W. Driver has not set GHG reduction targets at the time of reporting.

Disclose the metrics used by your organization to assess climate-related risks and opportunities in line with its strategy and risk management process.

We track climate-related risks through a biannual assessment that identifies facilities and project sites that may be exposed to heat, flooding, wildfire, or severe weather. The findings serve as key metrics that guide our mitigation and resilience efforts.