

Regency Centers' Task Force on Climate-Related Financial Disclosures (TCFD) 2020 Report

JANUARY 2021

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Centers.





About This Report

This is Regency's 2020 report addressing recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). This report supplements the TCFD section in our 2019 Corporate Responsibility Report and should be read together with, and as a companion to, that Report, which can be accessed at [RegencyCenters.com/CorporateResponsibility](https://www.regencycenters.com/CorporateResponsibility).

Regency recognizes that climate change is one of the most significant issues facing our society today, and that its potential impacts on our business need to be analyzed and incorporated into our strategic planning. To do so we have addressed the recommendations of the TCFD and undertaken a climate change scenario analysis and risk and opportunities assessment. Climate scenario analysis and reporting is a new area for many companies, including Regency, and we expect our methodologies, tools and analyses to evolve and change over time as we improve our understanding of climate-related risks, challenges and opportunities. We expect to build upon and revise the results of this analysis on an ongoing basis, as part of our strategic planning.



Lisa Palmer,
President and Chief
Executive Officer

Governance

Regency's Board of Directors sets the direction of our Corporate Responsibility strategy and business alignment, and has delegated to its Nominating and Governance Committee oversight of Regency's Corporate Responsibility program and assessment of its success in meeting our objectives. Our CEO, Lisa Palmer, is on our Board and has ultimate senior management responsibility for the program. Our Corporate Responsibility Committee, which is comprised of senior leaders from key areas of our business, is tasked with working with management's Executive Committee to ensure that our Corporate Responsibility strategy and objectives are embedded throughout Regency's business decisions, processes and activities. These Committees also ensure that climate change, and the risks and opportunities it may present, are considered in our strategic planning process. The Corporate Responsibility Committee meets at least quarterly, and its Chair reports regularly to our CEO and periodically to the Board's Nominating and Governance Committee.





Persimmon Place | San Francisco, CA | LEED Gold Certified



Cochran Commons | Charlotte, NC | Tesla Charging Stations

Strategy

Regency is committed to doing what is right for our people, our communities, our stakeholders and the environment. This includes implementing environmentally responsible and sustainable practices, irrespective of legislative mandates, that we believe are right for society, our business and our stakeholders.

At the management level, our Executive Committee is responsible for implementing and incorporating the Company's Corporate Responsibility strategy throughout our operations and business decision-making.

In 2018, we began our TCFD journey by conducting an analysis of our properties in Florida, where a significant portion of our portfolio is located in an area projected to be at risk of sea level rise. We based our analysis on the National Oceanic and Atmospheric Administration (NOAA) sea level rise projections in coastal areas, and identified certain assets that would be most at risk in that market.

During 2020, we further built on that work, and expanded our review to our entire portfolio and business over the medium to long term (2030-2100), including a robust assessment of a comprehensive range of climate-related risks and opportunities. Our analysis looked at two scenarios: One assuming low levels of greenhouse gas emissions (a 'sustainable growth' scenario) and another where greenhouse gas emissions continue to rise (a 'current trends' scenario).

We now have a comprehensive report on the risks and opportunities at both the portfolio and geographic market levels, under the two different climate scenarios and over the medium and long term. This work will be used for strategic and property-level planning by our Executive Committee, and the analysis will be revisited periodically as changes in circumstances and information warrant.

We took the following steps, guided by consultants expert in the impacts of climate change and its potential effect on properties like ours:



Risk Management

Risk management is integrated into all that we do and our risk management practices are set out in our Corporate Responsibility Policies and Practices.

Our 2019 sea level rise analysis has informed how we manage risks to our Florida properties, while the results from our 2020 work will similarly inform risk management across our entire portfolio and will be integrated into strategic planning. Risks considered to have high impact and likelihood may be managed through specific risk action plans.

Metrics and Targets

Regency is committed to sustainability and has been implementing measures to reduce our environmental footprint for many years. We have implemented environmental stewardship goals designed to lower our impact on the planet and climate. These include a goal to reduce our Scope 1 and 2 greenhouse gas emissions by 5% each year from 2018 to 2028. We disclose our energy use, water consumption, waste diversion and greenhouse gas emissions in our annual Corporate Responsibility Report, as well as progress toward achieving our goals.



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Climate Change Related Risks and Opportunities

Our 2020 analysis leveraged globally recognized sources for building the sustainable growth and current trends scenario models. The IEA's World Energy Outlook 2018 was the main reference for transitional changes and the IPCC Fifth Assessment Report (AR5) and the Fourth National Climate Assessment (NCA) were foundational references for physical risks. Additionally, climate data and projections from open governmental and academic sources such as Partnership for Resilience and Preparedness data, the National Oceanic and Atmospheric Administration (NOAA) Climate Explorer, and World

Resources Institute Aqueduct, as well as widely cited studies referenced by the IPCC and NCA provided useful visualization tools and guidance.

Transitional risks, such as policy and legal risks, market risks, and reputational risks were analyzed, as well as physical risks such as severe storms and sea levels rising, in accordance with TCFD recommendations. Both risks that directly impact Regency, for example through damage to properties and indirect risks, such as impaired tenant operations were factored into our analysis.

The key risk identified in both the sustainable growth and current trends scenarios were direct physical risks as summarized below.

Key Risk	Description	Approach
Severe Storms	Increased risk of damage to buildings from extreme winds, hailstorms, tornadoes and other severe storms may result in larger capital costs to either rebuild damaged buildings or retrofit existing buildings to be more resilient, and larger insurance premiums. The more significant risk is to our properties in Texas, Florida, and Georgia.	Regency is focused on ensuring resilience at our properties and in our business. We implement leading construction and operational practices as well as robust planning for swift recovery from any incident. We also procure appropriate insurance to protect our assets and business. The geographic spread of the properties in Regency's portfolio means individual natural events such as a severe storm, which potentially impact one or a small number of properties, should not have a significant financial impact on the business in the aggregate. However, we will continue to monitor any increases in incidents and ensure our strategic plan provides resilience on a portfolio-wide basis.
Wildfires	Increased risk of wildfire damage to buildings could result in larger capital costs to either rebuild damaged buildings or retrofit existing buildings to be more resilient, as well as increased insurance premiums over time. The most significant risk is to our properties in California.	Regency is focused on ensuring resilience at our properties and in our business. We implement leading construction and operational practices as well as robust planning for swift recovery from incidents. We also ensure appropriate insurance coverage is in place. The geographic spread and primarily suburban siting of Regency's portfolio means individual events such as a wildfire should not have a significant financial impact on the business. However, we will continue to monitor any increases in incidents and ensure our strategic plan provides resilience on a portfolio-wide basis.
Flooding	Increased risk of damage to structure and roads due to flooding during heavy rainfall events, and larger insurance premiums. Greatest exposure is to our properties in Georgia, California and the Eastern Seaboard.	Regency is focused on ensuring resilience at our properties and in our business. We implement leading construction and operational practices as well as robust planning for swift recovery from incidents. We also ensure appropriate insurance policies are in place. The geographic spread and primarily suburban siting of Regency's portfolio means individual events such as a flood do not have a significant financial impact on the business. However, we will continue to monitor any increases in incidents and ensure our strategic plan provides resilience against this.

We also analyzed the opportunities available in each of the sustainable growth and current trends scenarios. The key opportunities identified in both are summarized below.

Key Opportunity	Description	Approach
External stakeholder awareness	Meeting tenant and investor demand for sustainable operations may offer a competitive advantage.	Regency Centers is, and has been, focused on sustainable operations for many years. We implement green building practices and sustainability initiatives that we believe will create resource-efficient operations, as evidenced by our achievement of a Green Star from GRESB, the Global Real Estate Sustainability Benchmark for six consecutive years. We are committed to achieving our goals to reduce greenhouse gas emissions, energy use and waste, and will continue to be transparent and ensure tenants and investors are aware of our sustainability initiatives.
Internal stakeholder awareness	Best-in-class sustainability credentials may reduce turnover and increase talent acquisition, which leads to reduced recruitment and training costs and increased employee satisfaction, engagement and productivity.	Regency Centers has been committed to doing what is right – since our foundation, it is one of our guiding values. Not only are we focused on sustainability and achieving our environmental goals, but we are determined to do what is right for our people. Our efforts in both the social and environmental arenas will continue to make us a leader in providing a safe, inclusive and productive workplace, recognized by our employees and attractive to candidates.
Overall and local economic growth	Reducing climate-related risk in the portfolio by siting new developments in geographies most resilient to, or benefiting from, climate migration, may make Regency Centers' portfolio more attractive.	Regency Centers is committed to understanding and addressing climate change-related risks, and the results of our TCFD-aligned scenario analysis is being incorporated into our strategic plan. This will help us reduce risk to our business and remain the preeminent owner, operator and developer of neighborhood shopping centers.

Certain statements in this report may be "forward-looking statements." These statements are based on the current expectations of Regency Centers and are subject to uncertainty and changes in circumstances. These statements are not guarantees of future results or occurrences. Actual results and financial condition may differ materially from those anticipated or expected from or represented by these statements due to a variety of factors, including, among others, socio-demographic and economic trends, energy prices, technological innovations, climate-related conditions and weather events, legislative and regulatory changes and other unforeseen events or conditions, and the precautionary statements included in this report and those contained in Regency Centers' filings with the Securities and Exchange Commission (SEC). Any forward-looking statements made by or on behalf of Regency Centers speak only as to the date they are made, and Regency Centers does not undertake to update forward-looking statements to reflect the impact of circumstances or events that arise after the date the forward-looking statements were made. In addition, while this report describes potential future events that may be significant, the significance of those potential events should not be read as equating to materiality as the concept is used in Regency Centers' filings with the SEC.