



Reginn hf. Green Financing Framework Second Opinion

March 31, 2020

Reginn is an Icelandic real estate company that serves the commercial and public sectors. They have a portfolio of 116 properties and close to 377,000 m². The company invests in, develops and manages commercial real estate and has a diverse group of tenants both in private and public sector. Reginn has positioned environmental and social sustainability as a core part of their business and a requirement for long term profitability.

Overall, Reginn's green financing framework aligns well with a low-carbon future and climate change mitigation and it supports the efforts of the city of Reykjavik and Iceland towards carbon neutrality. The framework provides a clear set of eligibility criteria in five project categories: Green Buildings, Energy Efficiency, Renewable Energy, Pollution Prevention and Control and Clean Transportation. The framework excludes investments in fossil fuel related projects and nuclear energy. Proceeds can be used for financing and refinancing new and existing projects. A large majority of the proceeds are expected to be used for Green Buildings (>90%) and mainly towards existing projects.

The company has created solid environmental and sustainability policies with clear objectives and metrics providing a base for good governance structure. While the company is considering flood risk there is no assessment of climate resilience and risk overall as recommended in the TCFD.

The company has already surpassed some its medium-term goals and they have expressed their commitment to setting more ambitious goals in those categories. The categories chosen work synergistically to lower the emissions of the company throughout the life-cycle of their projects and services. They have engaged in partnerships that should increase the environmental impacts of their work. Other strengths of the framework are that the company is working with the Green Building Council to establish baseline data for the Icelandic market and their new projects include options to offset embodied carbon emissions for new materials through the Icelandic Wetland Fund which works towards rigorous restoration of wetlands in the country.

Based on the overall assessment of the project types and transparency considerations, Reginn's green financing framework receives a **CICERO Medium Green** shading and a governance score of **Good**. Reginn could improve its framework by implementing TCFD recommendations as well as by considering construction emissions and rebound effects. Construction emissions in both new buildings and renovations can be a significant carbon burden. Further, energy efficiency efforts may result in rebound effects, which is partly mitigated by energy consumption and normalized energy use targets.

SHADES OF GREEN

Based on our review, we rate Reginn's green financing framework **CICERO Medium Green**.

Included in the overall shading is an assessment of the governance structure of the green financing framework. CICERO Shades of Green finds the governance procedures in Reginn's framework to be **Good**.



GREEN BOND and GREEN LOAN PRINCIPLES

Based on this review, this Framework is found in alignment with the principles.





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1 Terms and methodology

This note provides CICERO Shades of Green's (CICERO Green) second opinion of the client's framework dated March 31, 2020. This second opinion remains relevant to all green bonds and/or loans issued under this framework for the duration of three years from publication of this second opinion, as long as the framework remains unchanged. Any amendments or updates to the framework require a revised second opinion. CICERO Green encourages the client to make this second opinion publicly available. If any part of the second opinion is quoted, the full report must be made available.

The second opinion is based on a review of the framework and documentation of the client's policies and processes, as well as information gathered during meetings, teleconferences and email correspondence.

Expressing concerns with 'shades of green'

CICERO Green second opinions are graded dark green, medium green or light green, reflecting a broad, qualitative review of the climate and environmental risks and ambitions. The shading methodology aims to provide transparency to investors that seek to understand and act upon potential exposure to climate risks and impacts. Investments in all shades of green projects are necessary in order to successfully implement the ambition of the Paris agreement. The shades are intended to communicate the following:

CICERO Shades of Green



Dark green is allocated to projects and solutions that correspond to the long-term vision of a low carbon and climate resilient future. Fossil-fueled technologies that lock in long-term emissions do not qualify for financing. Ideally, exposure to transitional and physical climate risk is considered or mitigated.



Medium green is allocated to projects and solutions that represent steps towards the long-term vision, but are not quite there yet. Fossil-fueled technologies that lock in long-term emissions do not qualify for financing. Physical and transition climate risks might be considered.



Light green is allocated to projects and solutions that are climate friendly but do not represent or contribute to the long-term vision. These represent necessary and potentially significant short-term GHG emission reductions, but need to be managed to avoid extension of equipment lifetime that can lock-in fossil fuel elements. Projects may be exposed to the physical and transitional climate risk without appropriate strategies in place to protect them.



Brown is allocated to projects and solutions that are in opposition to the long-term vision of a low carbon and climate resilient future.

Examples



Wind energy projects with a strong governance structure that integrates environmental concerns



Bridging technologies such as plug-in hybrid buses



Efficiency investments for fossil fuel technologies where clean alternatives are not available



New infrastructure for coal

Sound governance and transparency processes facilitate delivery of the client's climate and environmental ambitions laid out in the framework. Hence, the governance aspects are carefully considered and reflected in the overall shading of the green financing framework. CICERO Green considers four factors in its review of the client's governance processes: 1) the policies and goals of relevance to the green financing framework; 2) the selection process used to identify and approve eligible projects under the framework, 3) the management of proceeds and 4) the reporting on the projects to investors. Based on these factors, we assign an overall governance grade: Fair, Good or Excellent.



2 Brief description of Reginn's green financing framework and related policies

Reginn hf. ("Reginn") is an Icelandic real estate company that serves the commercial and public sectors. They have a portfolio of 116 properties and close to 377,000 m². The company invests in, develops and manages commercial real estate and has a diverse group of tenants both in private and public sector. Their business approach is to create desirable living and working environments and their revenue comes from management and operation of spaces and rent.

Environmental Strategies and Policies

Reginn has an explicit belief that sustainability is critical for long term profitability and for risk reduction and has integrated the Sustainable Development Goals into their general efforts and policies. Inherent of the real-estate sector, the company's main impacts on climate relate to land use change, construction related emissions for new buildings and the use phase of their buildings and assets. Scope 1 emissions are direct emissions from operation of buildings and vehicle fleet. In 2019 the company emitted 66.6 tons of CO_{2e} in this category, which is an increase of 10% compared to 2018. Numbers for energy consumption, waste and water use are specified for six properties managed by Reginn that account for 34% of Reginn's portfolio by m² – this data reflects usage for operation and tenant usage. Scope 2 emissions are related to contracts for energy carriers, solid waste and water treatment. In 2019, the company reports 388 tons of CO_{2e} in this category, which is a decrease of 8% compared to 2018. Scope 3 emissions are due to products to and from the company and accounted for 218.5 tons of CO_{2e} in 2019. The total reported CO_{2e} emissions for the company in 2019 are 673.1 tons of CO_{2e}, a decrease of 3% compared to 2018.

Reginn has clearly outlined sustainability goals that include environmental and social aspects and each goal has an associated reporting period. Notably the company aims at reaching BREEAM certification of 50% of their portfolio by the year 2025 and reducing scope 1 and 2 GHG emissions by 20% by the year 2030. In 2019 they received the first BREEAM In-Use certification. While no risk reduction method has been adopted for the company, their new construction plans include risk assessments related to the main climate hazards in Iceland.

The company is emphasizing a process of monitoring and improvement around their environmental goals. As a real estate company Reginn has reported environmental emissions normalized both to their total building volume and floor space. Their total emissions factor is 5.3 kgCO_{2e}/m² of floor space and their electricity consumption is 20.1 kWh/m³ of building and 154.2 kWh/m² of floor space. Their hot water consumption is 25 kWh/m³ of building and 194 kWh/m² of floor space. Their vehicle fleet consumes 4,220 kWh/full time equivalent units. The company reports 99.4% use of renewable energy. They consume 422,313 m³ of hot water and 270,246 m³ of cold water. They generate 603.5 tons of waste of which 39.7% is recycled. The remaining solid waste is disposed of in waste-to-energy and landfill.

In 2019 the company reports significant improvements in most categories, particularly in electricity and water usage, CO₂ impact and an increased efficiency in waste management. Some of the initially outlined goals have been surpassed ahead of schedule. The company has expressed to us that these goals will be revised and made more aggressive.

There is an emphasis in Reginn's policies to work with other actors and maintaining transparency. Their ESG report follows the NASDAQ ESG Guidelines 2.0 and it makes cross-references to the UN Global Compact and



SDGs, the Global Reporting Initiative, TCFD, and the Sustainability Accounting Standards Board (SASB). No description is given on climate resilience and the process of management for climate related risks and opportunities done by the board or senior management. They have been working with the city of Reykjavik on the C40 Cities Climate Leadership Project where they earned the Best Entry Distinction. Reginn sees their efforts as a partnership in the city's aggressive environmental goals. The company is also a member of the Green Building Council Iceland, part of the World Green Building Council, and FESTA, the center for social responsibility, a member of the UN Global Compact and CSR Europe.

Also, the company has established environmental policies that they will use when working with suppliers and contractors and In-Use BREEAM policies are included in all design specifications and tenders.

Use of proceeds

Proceeds can be used to finance or refinance projects in any of five categories: Green Buildings, Renewable Energy, Energy Efficiency, Pollution Prevention and Control, and Clean Transportation. Funds can be allocated to new or existing projects. It is expected that a vast majority of the proceeds will be used for refinancing existing buildings, but no specific look back period has been established. The Green Building category is expected to account for at least 90% of the use of proceeds with less than 5% going to Energy Efficiency and Clean Transportation.

The framework explicitly excludes use of proceeds for fossil-based activities, nuclear energy, weapons and defense, potentially environmentally negative resource extraction, gambling or tobacco.

Selection:

The selection process is a key governance factor to consider in CICERO Green's assessment. CICERO Green typically looks at how climate and environmental considerations are considered when evaluating whether projects can qualify for green finance funding. The broader the project categories, the more importance CICERO Green places on the governance process.

The framework establishes a Green Financing Committee, composed of representatives from the Finance, Business Development, and Sustainability Team. The Sustainability Team representative has veto power. The committee is to follow the criteria outlined in each of the project categories in the framework when deciding on projects and obtaining input and formal opinions from external sustainability experts as required. The committee will screen existing assets that truly follow the framework guidelines and add them to the "Green Asset Pool."

Reginn expresses that they have been building in-house expertise on sustainability. However, in the case of projects where in-house expertise is not available, or a project is controversial, external expertise and input will be sought. The company already engages with several outside experts such as Efla, Verkis Engineering, Piacon and Klappir to support their monitoring, evaluation and certification processes.

Management of proceeds

CICERO Green finds the management of proceeds of Reginn to be in accordance with the Green Bond and Green Loan Principles. The proceeds will be segregated into a separate account denominated the "Green Account". Any transfer from the Green Account will be documented to ensure traceability. Proceeds will be allocated to a portfolio of disbursements. The treasury department will keep track of Green Assets which fulfill the criteria in the project category and ensure that there are enough assets in the Green Asset Pool. The issuer will disclose the balance of the Green Account when the value of the Green Asset Pool is less than the total outstanding Green Financing Instruments. Unallocated proceeds can be used in investments that follow Reginn's financial policy, still subject



to the exclusion criteria against fossil-based activities, nuclear energy generation, research and/or development within weapons and defense, potentially environmentally negative resource extraction, gambling or tobacco.

Reporting

Transparency, reporting, and verification of impacts are key to enable investors to follow the implementation of green finance programs. Procedures for reporting and disclosure of green finance investments are also vital to build confidence that green finance is contributing towards a sustainable and climate-friendly future, both among investors and in society.

The issuer will make publicly available an annual impact report on their Green Financing Website while Green Financing Instruments are available with the first impact report expected for February 2021. The company's finance department and CFO will have responsibility for the report. As with their ESG reports, Reginn will rely on external experts to supply and/or verify metrics to international standards when required. The report will include the amount of financing and the assets in the Green Asset Pool, broken down by category, a full list of green buildings and examples of individual Green Assets. An external auditor or similar party will review the Green Asset Pool's value compared to the total Green Financing instruments.

For the Green Buildings category performance indicators will be reported on share of renewable energy used, type and level of certification, energy performance, CO₂ scope 1 and 2 emissions and water intensity. At this moment there is no expectation for reporting scope 3 emissions or land use change emissions. However, Reginn expresses that a vast majority of the proceeds are to be used for existing buildings and they have environmental policies aimed at reducing environmental impacts from the supply chain and contractors. For other categories appropriate KPIs will be reported such as annual renewable energy generation, annual energy savings, annual GHG emissions avoided from cars and amount of waste that is separated, collected and treated.

The use of proceeds for financing vs refinancing will be disclosed, as well as proceeds not allocated and green borrowing capacity (the existence of green assets above and beyond the financial instruments outstanding). Reginn will also publish semi-annual updates in the company's interim reports. These reports will include the amount of Green Financing Instruments Outstanding and the total value of the Green Asset Pool.



3 Assessment of Reginn’s green financing framework and policies

The framework and procedures for Reginn’s green financing investments are assessed and their strengths and weaknesses are discussed in this section. The strengths of an investment framework with respect to environmental impact are areas where it clearly supports low-carbon projects; weaknesses are typically areas that are unclear or too general. Pitfalls are also raised in this section to note areas where Reginn’s should be aware of potential macro-level impacts of investment projects.

Overall shading

Based on the project category shadings detailed below, and consideration of environmental ambitions and governance structure reflected in Reginn’s green financing framework, we rate the framework **CICERO Medium Green**.

Eligible projects under the REGINN’s green financing framework

At the basic level, the selection of eligible project categories is the primary mechanism to ensure that projects deliver environmental benefits. Through selection of project categories with clear environmental benefits, green financing aims to provide investors with certainty that their investments deliver environmental returns as well as financial returns. The Green Bonds Principles (GBP) state that the “overall environmental profile” of a project should be assessed and that the selection process should be “well defined”.

Category	Eligible project types	Green Shading and some concerns
Green Buildings	Financing or refinancing of development, major renovations or existing properties that fulfil the following criteria: (i) use electricity and space heating from 100% renewable energy sources, (ii) have or will receive (a) a design stage certification or (b) a post-construction certification or (c) an in-use certification of “BREEAM Very Good” or better, “LEED gold” or better, Nordic Swan Ecolabel or other certification of similar ambitions. (iii) have documented flood risk assessment undertaken by relevant organisation/authority or a competent individual,	Medium Green ✓ Having 100% renewable energy consumption is a standard in Iceland. ✓ Renovations are large scale projects that improve existing buildings to meet the criteria outlined. Smaller projects, like LED lighting changes, are considered in the energy efficiency category. ✓ Focus is on existing buildings with only one new construction project in the horizon. ✓ Company is targeting reductions in energy and water usage of 5% by 2025 across the whole company. Target for



(iv) solutions for a car-free living and electric charging stations fuelled with 100% renewable energy sources

energy will be increased as it has already been achieved.

- ✓ The company’s policies consider offsetting embodied carbon emissions of new materials but not the emissions of construction.
- ✓ Goals established by the city of Reykjavik require all new buildings to be BREEAM Excellent or Outstanding. Buildings with a BREEAM Very Good label must meet additional standards of performance.
- ✓ There are an estimated 395 charging stations for public use in Iceland. Reginn has already installed over 11% of them (42 stations) and expects to install more.
- ✓ While the company does not comply with the EU taxonomy on Green Buildings, they are making efforts to achieve it through partnerships with Green Building Council.
- ✓ For some of Reginn’s buildings bus routes are optimized for the incoming/outgoing traffic by the local municipalities.
- ✓ Should consider climate resilience beyond floods.

Renewable Energy

Financing of renewable energy production, such as on-site solar power installations as well as related infrastructure investments.



Dark Green

- ✓ Iceland electricity matrix is already 100% renewable.
- ✓ This type of project may incentivize resiliency in the grid.
- ✓ It is advised that life cycle emissions, including construction, are considered.
- ✓ No specific definition of renewable energy sources is given, but the company expects this to be largely solar PV.

Energy Efficiency

Financing of investments in the existing portfolio of buildings that target a lower overall energy use and an improved environmental footprint with a minimum 30%

Dark Green

- ✓ The energy efficiency criteria of 30% improvements is in line with IEA



	<p>energy savings compared to pre-investment level. This could include, for instance, the installation of energy efficient lighting, low-flow water fixtures and toilets or an upgraded ventilation system.</p>	<p>recommendations and represents a high level of ambition</p> <ul style="list-style-type: none"> ✓ Improvements are calculated per installation, not for the whole building. ✓ Water efficiency gains are also set at 30%, an ambitious target. ✓ Efficiency improvements may lead to rebound effects 	
<p>Pollution Prevention and Control</p>	<p>Financing of investments in waste management, such as prevention, reduction or recycling of waste as well as enabling infrastructure and facilities.</p>	<p>Dark Green</p> <ul style="list-style-type: none"> ✓ Reginn informed us that they will not consider waste2energy projects at this time. ✓ There may be problems with smart recycling facilities that provide monetary incentives resulting in cross-contamination and unwanted emissions. ✓ Construction emissions may be significant. 	
	<p>Clean Transportation</p>	<p>Financing of supportive infrastructure such as charging stations for all types of electric vehicles, bicycle garages, pedestrian walkways, bicycle lanes or other investments that support and emphasize the use of clean transportation solutions.</p>	<p>Dark Green</p> <ul style="list-style-type: none"> ✓ This category focuses on infrastructure support and not actual vehicles. ✓ Iceland private car fleet is quickly moving to electrification with a large renewable energy matrix in the country. ✓ Emissions from construction may be significant and should be considered. ✓ The company has confirmed that hybrid vehicles, biofuels and other transition energy sources that involve significant environmental impacts are not considered.

Table 1. Eligible project categories

Background

As a real estate company, Reginn is naturally exposed to transitional risks and physical risks associated with climate change and more frequent extreme weather. For the Icelandic building sector, the most severe physical



impacts will likely be increased flooding and urban overflow, as well as increased storms and extreme weather. According to the International Energy Agency (IEA), the buildings and buildings construction sectors combined are responsible for 36% of global final energy consumption in 2018 and nearly 40% of total direct and indirect CO₂ emissions. The materials, construction and demolition phase of the building lifecycle constitute additional emissions and are becoming increasingly important as buildings becomes more energy efficient and the electricity and heat supply becomes 'greener'. A little over half of all life cycle greenhouse gas emissions in new offices or residential apartment building in the Nordics comes from heat and energy use, while approximately 40% comes from use of materials. Emissions associated with construction and demolition accounts for around 2-5%.

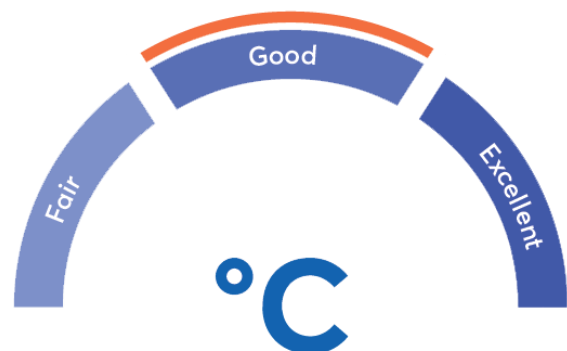
Real estate development can incur heavy environmental impacts due to construction emissions. The company is actively looking at offsetting these types of emissions, including partnership with the Iceland Wetland Fund. Restoration of wetlands in Iceland is a significant opportunity for reducing carbon emissions. It is estimated that up to two thirds of emissions in Iceland come from drained wetlands and offset capacity is high with over 4,200 km² of wetlands that can be restored¹.

Governance Assessment

Four aspects are studied when assessing the Reginn's governance procedures: 1) the policies and goals of relevance to the green financing framework; 2) the selection process used to identify eligible projects under the framework; 3) the management of proceeds; and 4) the reporting on the projects to investors. Based on these aspects, an overall grading is given on governance strength falling into one of three classes: Fair, Good or Excellent.

The policies and related goals established by the company are clear, accompanied by KPIs that are reported in the ESG report with clear metrics for progress. Although the effort has only been ongoing for a couple of years, clear progress is shown. Where goals were surpassed quickly, the company is reevaluating to adopt more ambitious targets. Where the policies can be clearer is in the use of internationally accepted methodologies, such as life-cycle assessment, in establishing clear requirements for their supply chain and contractors and in including a management plan for climate risks and opportunities and resilience.

The proposed reporting to investors provides annual reports with semi-annual updates, includes a list of all green buildings and will provide specific KPIs for each category of investment. A potential improvement would be to integrate the full reporting recommendations of the TCFD around resilience and climate risks and opportunities. The overall assessment of Reginn's governance structure and processes gives it a rating of **Good**.



Strengths

The framework establishes five categories that work synergistically towards achieving carbon neutrality for the company. Green buildings focus on the use phase of their assets, energy efficiency and renewable energy adds resilience to the local grid's clean matrix, clean transportation helps reduce indirect emissions and pollution prevention and waste management allows a partnership with tenants towards environmental sustainability. The Green Building category in particular has well-established criteria.

¹ <https://www.votlendi.is/carbon-offset>



Reginn sees themselves as partners with their tenants and the local government. Iceland is in a unique situation as a global leader in environmental issues. The energy matrix of the electricity grid is 100% renewable and the geothermal sources in the city of Reykjavik extend that renewable energy to thermal demand. The city is also making aggressive strides towards carbon neutrality. This allows Reginn to present a solid framework that easily aligns with a low-carbon future.

Reginn utilizes 100% renewable energy consumption in their green-buildings category. Specific energy and water consumption goals for the buildings established by the company policies make the green building category even stronger. The company has already reached some of its environmental targets ahead of schedule and is intending to update these targets.

The company has engaged in a significant number of partnerships that exemplify their willingness to excel in the sustainability space. They have partnered with the city of Reykjavik on their C40 Cities Climate Leadership Project, the Icelandic Green Building Council (GBC), and Festa, the center for social responsibility. Along with the GBC, the company is working to establish performance data for the Icelandic real estate market. This will help the market in general and will allow Reginn to more effectively report their performance to the local and international markets.

While not a central part of the framework, Reginn's work in attempting to offset embodied carbon emissions of new construction materials through wetland restoration is a significant strength. Degraded wetlands represent one of the largest sources of carbon emissions in the country. Reginn is currently considering both the Iceland Wetland Fund and the Iceland Carbon Fund as options for carbon emissions offsetting. In all likelihood it will be a mixture of these two solutions that Reginn will utilize allowing them to offset another stage of the life-cycle of their work by contributing to a major source of emissions in their context. Offsets will not be financed through the framework.

Weaknesses

No significant weaknesses perceived at this time.

Pitfalls

While the selection criteria for Green Building category are very clear and specific, the other categories provide less specific eligibility criteria resulting in the pitfall of financing projects with potentially less ambitious positive climate impact. The framework does not explicitly consider rebound effects which can be important specially in the Energy Efficiency category. However, this is mitigated by the establishment of clear targets for energy consumption in an absolute and normalized metric. Pollution Prevention does not explicitly address life-cycle emissions of the technologies and cross contamination that may increase the greenhouse gas emissions when compared to the very low carbon factor of the Icelandic grid. With regards to Clean Transportation, some technologies considered clean, such as hybrid and biofuel powered buses may lock-in carbon emissions for a medium term. However, the company expects to not finance these types of technologies.

In all the categories, construction emissions can be a significant part of the emissions related to an investment. A total life-cycle approach that includes the reduction of those emissions is not clear in the framework. Neither is the consideration of land-use change emissions in the case of new constructions. This could result in projects that have significant upfront environmental impacts, despite their general performance once established. While the company is very strong in the operations area (use phase of their projects) they have expressed their need for a steep learning curve on construction climate impacts. For now, their only new project is the C40 Cities for Climate project.



Currently, Reginn reports energy consumption, waste and water use for six properties representing 34% of Reginn's portfolio by m². The primary reason for this is that electricity, water and waste usage data is not easily available as tenants in those properties in many cases have a direct business relationship with the electricity/water/waste management providers. This pitfall is mitigated as Reginn is currently rolling out "Green Lease Agreements", which contain specific clauses allowing Reginn to gain access to environmental data. Reginn has a goal of 200 green leases in 2025. Reginn aims for 90% of its new lease agreements to be green lease agreements in 2025 compared to 50% in 2020.

While Reginn assesses some climate risks such as flooding, Reginn has no systematic approach to physical and transition climate risk assessment and does not yet screen for climate risks according to TCFD recommendations. The issuer informed us that Reginn has begun preparatory work on TCFD implementation. Systematic physical risk assessments are especially important, as extreme weather events, in combination with sea level rise in coastal areas, in addition to increases in heavy precipitation and flooding in urban areas, have already been observed and are expected to increase across the range of climate scenarios explored in the IPCC 4th Assessment Report.^{2,3}

² Shades of Climate Risk, CICERO 2017 (<https://cicero.oslo.no/en/climateriskreport>)

³ Flood Risk for Investors, CICERO 2018 (<https://www.cicero.oslo.no/en/posts/news/half-of-flooding-damage-left-uninsured>)



Appendix 1: Referenced Documents List

Document Number	Document Name	Description
1	Reginn Green Financing Framework	Document that outlines the use of proceeds, project selection, proceed management, and reporting procedures for Green Finance mechanisms issued by Reginn.
2	Reginn Code of Conduct	Outline of expected conduct of company employees and contractors.
3	Reginn CSR Report 2019	Document providing data from 2018 on the company's environmental and social indicators and outlining efforts for future improvement.
4	Reginn Equal Pay Policy	Outline of the company's policy for pay across genders
5	Reginn Equality Policy	Outline of the company's procedures for eliminating discrimination on the basis of sex, gender, etc.
6	Reginn Sustainability Policy	High level description of the process and concerns the company is taking to protect the environment, increase social well-being, and ensure profitability.
7	Reginn Public Website	Information repository for tenants, public and possible investors.
8	Reginn 2019 Sustainability Report	Updated sustainability report issued by the company outlining progress towards targets from the 2018 initial report.



9	Environmental Management Targets	Document listing all environmental management targets and expected metrics.
10	Reginn ESG Report 2019	Recent Environmental and social governance report for the company outlining their progress towards specific metrics
11	Harnartorg – Waste Management	Outline of the smart waste management system established at the Harnartorg property as an example of a Pollution Prevention investment
12	Reinventing Cities C40 Fabric Project	Phase 2 description of the C40 wining entry for the development of the Lágmúli property.



Appendix 2: About CICERO Shades of Green

CICERO Green is a subsidiary of the climate research institute CICERO. CICERO is Norway's foremost institute for interdisciplinary climate research. We deliver new insight that helps solve the climate challenge and strengthen international cooperation. CICERO has garnered attention for its work on the effects of manmade emissions on the climate and has played an active role in the UN's IPCC since 1995. CICERO staff provide quality control and methodological development for CICERO Green.

CICERO Green provides second opinions on institutions' frameworks and guidance for assessing and selecting eligible projects for green bond investments. CICERO Green is internationally recognized as a leading provider of independent reviews of green bonds, since the market's inception in 2008. CICERO Green is independent of the entity issuing the bond, its directors, senior management and advisers, and is remunerated in a way that prevents any conflicts of interests arising as a result of the fee structure. CICERO Green operates independently from the financial sector and other stakeholders to preserve the unbiased nature and high quality of second opinions.

We work with both international and domestic issuers, drawing on the global expertise of the Expert Network on Second Opinions (ENSO). Led by CICERO Green, ENSO contributes expertise to the second opinions, and is comprised of a network of trusted, independent research institutions and reputable experts on climate change and other environmental issues, including the Basque Center for Climate Change (BC3), the Stockholm Environment Institute, the Institute of Energy, Environment and Economy at Tsinghua University and the International Institute for Sustainable Development (IISD).

