

lum has the ambition to monitor suppliers and contractors according to Group-wide requirements. Monitoring takes place in various ways, partly through auditing Castellum's environmental management system, surveys, questionnaires and site visits. In 2017, Castellum purchased services or products from a total of 4,847 suppliers, of which the 73 largest suppliers, with a purchase volume > SEKm 10, accounted for 66% of the purchase volume. Furthermore, no significant changes occurred in Castellum's chain of suppliers during the year.

Working environment

Castellum protects and supports both employees and suppliers, and it is our responsibility that no one gets hurt, either physically or mentally, due to workplace activities. Castellum works continuously to develop and improve working environments within the entire Group. Castellum also has a Code of Conduct for suppliers where demands are placed on suppliers to meet the same requirements as Castellum regarding work environments. During the year, 12 work-related accidents were reported, 3 of which concerned Castellum employees. The percentage of sick leave within the Group remained low during 2017, corresponding to 2% (3).

To reach the Group's tough sustainability goals of net-zero carbon dioxide emissions by 2030 and a fossil-independent vehicle fleet by 2020, Castellum's employees must prioritize sustainable travel and meetings. During the year, the following guidelines were issued:

- Web meetings should be prioritized; e.g.
- 30% of Group Management meetings are to be conducted via the web in 2018
- Travels < 450 km should primarily be booked by train
- Environmental requirements are imposed on all travel; e.g. green vehicles should be selected when booking taxis
- Annual climate compensation for all of the Group's travels

Community involvement

For Castellum, community involvement is about offering healthy and productive urban environments where people feel good. It is also about contributing to urban development that encourages integration of different social groups.

Another important aspect for Castellum is to contribute to more young people and people with varied cultural backgrounds entering the labour market. Castellum holds stakeholder dialogues and participates in joint projects with other real estate owners and players to create better living environments together.

In 2017, a total of 57 young people worked at Castellum as vacation workers, interns, apprentices, with academic-degree projects, or as trainees. Fourteen of the young people were apprentices, which is equivalent to approx. 4% of Castellum's employees. In addition, Castellum shall also offer incentives to major-project entrepreneurs who create work opportunities for young people. During the year, Castellum also offered internships to people with non-Swedish background cultures who had recently come to Sweden.

One example of how Castellum works is Project Samspelet (Teamwork), which we initiated together with Peab for the new construction of Citypassagen in Örebro. Through Samspelet, we created a platform for interaction, inclusion and integration. The aim was also to create an interest in the construction and real estate industries, where the need for labour will be great in the next few years.

Developing local communities

Castellum has implemented several programs in the cities in which we operate. Currently, Castellum's program covers 100% of Castellum's properties. Castellum's commitment varies according to specific properties and local needs and the programs comprise a stakeholder analysis to investigate current needs. Depending on the

The primary focus for Castellum's sustainability efforts

Our stakeholder dialogues, combined with the company's own materiality analysis, define the Castellum focus to:

THE PLANET How we responsibly and effectively reduce resource use and carbon emissions that cause global warming.

FUTURE-PROOFING How we create a sustainable real estate portfolio in a changing world.

WELLNESS How we promote health, wellness and productivity.

SOCIETY How we can create better-functioning communities, featuring increased employment and involvement.

External priority	Higher	<ul style="list-style-type: none"> • Customize the properties for climate change • Sustainable financing, e.g. "green MTN bonds" • Audit suppliers about working conditions, human rights and environment 	<ul style="list-style-type: none"> • Efficient use of resources (energy, water and materials) • Environmentally and socially sustainable building materials and installations • Further investments in renewable energy • Collaborate with customers to achieve higher sustainability performance • Healthy premises that increase tenant well-being • Environmental certification of buildings
	High	<ul style="list-style-type: none"> • Create conditions for waste sorting • Pay adequate tax • Anti-corruption • Increase the amount of green space and ecosystem services 	<ul style="list-style-type: none"> • Work for more diversity and equality • Offer an attractive workplace • Create smarter workplaces through modern technology, e.g. services for sharing office space and smart technologies • Create attractive local communities, e.g. by offering apprenticeships
		High	Higher

The matrix shows the results of stakeholder dialogues conducted through surveys during the autumn of 2016.

city's needs and interests, a local decision is made on how Castellum will get involved. Castellum's commitment in the programs currently includes how we measure and can affect the environment and social interaction in a positive way to improve the local community and the environments in and around our properties. Castellum, as a long-term player and community developer, is involved in developing both new and existing areas. The programs currently comprise 309 different commitments, including social involvement in our cities, and participation in city networks, sustainability networks and corporate associations where Castellum interacts with customers, municipalities

and other partners to develop cities. Castellum is also actively working with the community, schools and universities to offer young people apprenticeships and summer jobs.

Castellum's sponsorship and support to the local community primarily focus on promoting young people's education and health. During the year, Castellum sponsored the Science Festival, Young Entrepreneurship and local sports associations. Moreover, direct support was given to the City Mission and to the Swedish Childhood Cancer Foundation. In 2017, Castellum gave a total of SEKm 10.8 in direct support through sponsorships and other sustainability-related initiatives.



Beekeeping in Kopparlunden

Ecosystem services include all products and services from nature's ecosystem that contribute to human well-being. At Castellum we are actively working with ecosystem services together with our tenants. We evaluate ecosystem services in connection with new construction and larger projects. Pollination, natural water regulation and nature experiences are some examples. Hence, we are extra proud of our beekeeping in the Kopparlund area of Västerås. Beekeeping efforts are carried out in collaboration with Bee Urban and a local beekeeper, and this year, plantations with flowers that are particularly good for our bees have also been established in the area. The plants are in bloom for most of the season. So, in addition to beautifying the area, our plantations contribute to the bees being able to pollinate for a much longer period. And the honey? Well, naturally, we distribute it to our tenants in Kopparlunden.