

Social Responsibility

The long-term goal is for Castellum to conduct its operations in a responsible manner in relation to society and stakeholders. Going beyond expectations. Worthy of trust. The Code of Conduct describes how employees are to treat tenants, suppliers, partners and other players in day-to-day operations.

Castellum's commitment

We will conduct business in a responsible manner in relation to the community as well as to our stakeholders.

Code of Conduct

Castellum's Code of Conduct, which applies to all Castellum employees, regulates behaviour towards one another as well as towards Castellum's tenants, suppliers, partners, and other stakeholders that employees meet in daily operations. It is based on Castellum's values (Personal, Passionate, Proactive and Reliable), the ten principles of the UN Global Compact, the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. The Code of Conduct clarifies Castellum's position on human rights, working conditions, business ethics and information. Castellum is to provide quality service, comply with laws and regulations, never discriminate against anyone, and ensure a healthy working environment with a high safety level at the workplace. Castellum also maintains focus on gender equality issues, as described in the company's diversity plan.

Castellum's operations are subject to each country's laws and regulations concerning, for example, working conditions, occupational safety and freedom of association. Castellum's HR manual addresses issues such as working environment, equal opportunities, salaries, pensions and company cars. Each new employee undergoes mandatory training that includes the company's Code of Conduct, sustainability initiatives and diversity. Preventive efforts regarding corruption issues, where conduct in various everyday situations is continually discussed, are conducted throughout the Group.

A pivotal element is that all employees understand and follow the Code of Conduct. All employees must undergo Castellum's mandatory training concerning the content of the Code of Conduct. Departures from the Code of Conduct must be reported and discussed with an immediate supervisor or, if this is impossible, with another representative of the company. Castellum has a whistleblower function, independent of the company, that can be reached via the Group's website and Intranet. This function is intended to help both employees and external parties to report incidents and actions that are not in line with Castellum's values or Code of Conduct, or otherwise have a negative impact on the company or people's health and safety. All whistleblower cases are handled in accordance with established procedures. Those reporting a whistleblower case receive prompt feedback and then the aim is to maintain a dialogue with the initial notifying person. All cases are handled confidentially, and the person making the report will always receive some form of feedback within ten days. In 2021, Castellum received some ten cases through the whistleblower function. Some of the cases led to a change in routines or to targeted communication efforts. In 2021, the company and management did not receive any information on the occurrence of incidents that had a negative impact on the health and safety of tenants. In the last five years, neither Castellum nor any representative of the company have been sentenced for any crime that could

be linked to a departure from the company's Code of Conduct, corruption or operations that inhibit competition. Nor was the company ordered to pay damages or any fines, linked to either violations of environmental legislation or other legislation, in 2021. Castellum has not paid any financial subsidies or otherwise compensated lobbying organisations or other non-profit operations whose purpose is to impact political campaigns or other forms of legislation.

Community engagement

For Castellum, community engagement is about offering healthy and productive urban environments where people have a high sense of well-being. It is also about contributing to urban development that encourages the integration of different societal groups. Another important aspect for Castellum is to facilitate the entry of more young people and people with varied cultural backgrounds into the labour market. Castellum holds stakeholder dialogues and participates in joint projects with other property owners and players to create better living environments together. In 2021, a total of 62 (47) young people worked at Castellum as vacation replacements, interns, apprentices, trainees or with academic degree projects. 19 (9) of these young people were apprentices (in Castellum's definition, people who are struggling to enter the job market), which is equivalent to approximately 4% of Castellum's employees. Castellum has also adopted a goal of requiring its contractors to hire apprentices in all larger projects. In addition, Castellum collaborates with organisations such as the Jobbsprånget internship programme, which is an initiative that matches companies with academics who have just arrived in Sweden. During the year, Castellum offered job experience positions to individuals with non-Swedish backgrounds who had just arrived in the country.

Castellum also has a Code of Conduct for suppliers, since Castellum expects suppliers to also promote sustainable development. Castellum's work on diversity and equality are also important components in building a corporate culture in which employees are given the right conditions to work. That is why Castellum has produced an equality policy as well as a diversity and equality plan in order to take a proactive approach to these issues every day. In addition, there are ambitious long-term goals regarding diversity and equality.

A cornerstone of Castellum's corporate culture has been its decentralised organisation, which creates committed employees who take on responsibilities and feel themselves a part of operations.

Long-term value creation

Long-term value creation requires that operations are conducted with a focus on sustainability. Sustainability initiatives involve environmental considerations such as efficient and responsible use of resources and developing a future-proof and sustainable asset portfolio as well as social responsibility by promoting the development of the cities where Castellum operates.

The work also involves ensuring a healthy work environment for employees. Sustainability initiatives are carried out in collaboration with customers and other stakeholders – a requirement for success. Guidelines for conducting value-creating sustainability initiatives can be found in the sustainability policy, the Code of Conduct and the Code of Conduct for suppliers.

Castellum reports on this work in accordance with the GRI standards. Reports on sustainability activities are regularly presented to Castellum's Board of Directors.

Monitoring

Routine monitoring takes place at many levels in the Group, at the property and regional levels as well as at Group level. Through the Audit and Finance Committee, the Board of Directors evaluates the information submitted by Executive Management and the auditors. Furthermore, the Company's auditors report their observations from the review, and their assessment of internal controls, directly to the Audit and Finance Committee at least twice a year.

In addition, the Audit and Finance Committee conducts an annual review of the risk assessment and the measures agreed on. Monitoring by the Audit and Finance Committee and the Board of Directors is of particular importance for the development of internal control and for ensuring that action is taken regarding any shortcomings and proposals that emerge.

Internal audit

Castellum has a decentralised and transparent organisation. The economic and Treasury functions are managed from the head office, meaning that routines and processes are uniform but also provide the conditions for various parts of the functions to review one another's processes – a form of self-assessment, all for the purpose of increasing and improving internal control. The business units and the Company monitor the income statements and balance sheets on a quarterly basis.

Clear documentation through policies and instructions, along with frequent monitoring and regular discussions with the auditors, continually ensure the work to improve these processes. Management and reporting are reviewed by the Company's auditors and reported to both the Audit and Finance Committee and the Board.

In addition, there is a whistleblower function on the Group's website and intranet. Taken together, this means that a specific division for internal audits is not considered justifiable.

Whistleblower

Castellum's whistleblower service can be accessed on the Group's website and the Group's intranet. The whistleblower service is an early warning system that provides both employees and external stakeholders the opportunity to anonymously report any deviations from Castellum's values and business ethics. The service is administered by an external partner to ensure anonymity and professionalism.

Sustainability governance

Castellum's sustainability governance must ensure an efficient organisation that develops the company's sustainability initiatives and realises its sustainability strategy. Key starting points are the 17 Sustainable Development Goals, the Paris Agreement and the ambition of achieving the company's own long-term sustainability goals that run up through 2030.

The work of the Board on sustainability issues

Castellum's Board of Directors annually adopts a sustainability policy and Codes of Conduct, and routinely discusses and follows up on the sustainability initiatives and the work on the sustainability strategy. The Board of Directors, together with Executive Management, are ultimately responsible for adopting Castellum's sustainability goals. Every year, the company's risk analysis is reported to the Board of Directors, which means that sustainability risks – including climate-related risks and risks linked to human rights – as well as opportunities and measures are reviewed. The Board of Directors and CEO together approve Castellum's sustainability report on an annual basis in conjunction with its signing. The Board has not appointed either a sustainability or a climate committee.

Significant deviations and actions linked to Castellum's sustainability initiatives and Code of Conduct are reported to the Board of Directors when such incidents occur. During the year, no significant deviations linked to sustainability initiatives and the Code of Conduct were reported to the Board.

The work of Executive Management on sustainability issues

Castellum's CEO is ultimately responsible for all sustainability initiatives. This responsibility also encompasses climate-related risks and opportunities. The Head of Sustainability pursues and develops sustainability and climate initiatives for the Group, and reports directly to the Chief Operating Officer in Executive Management. The Head of Sustainability informs Executive Management of the results of the initiatives at least four times a year, or when the need arises. Executive Management annually approves the sustainability report, and the materiality analysis when it is updated. There has not been a need to inaugurate a special climate committee at the management level, since the sustainability managers in the organisation pursue climate initiatives as an integral part of the operation. The Head of Sustainability and the sustainability managers are responsible for supervising

Policies for sustainability initiatives

Regulations that control Castellum's sustainability initiatives:

External laws and guidelines

- The Swedish Companies Act
- The Swedish Annual Accounting Act
- The Swedish Environmental Code
- The Swedish Work Environment Act
- Building Regulations from the National Board of Housing, Building and Planning
- UN Guiding Principles on Business and Human Rights
- UN Convention on the Rights of the Child
- EU Taxonomy Regulation
- Other applicable laws and regulations

External initiatives

- GRI Standards
- UN Sustainable Development Goals
- Paris Agreement
- Sweden's road map to Fossil-Free Sweden
- UN Global Compact
- OECD Guidelines for Multinational Enterprises
- TCFD
- ISO 14001
- Science Based Targets

- Sustainability certifications
 - Green Building
 - Miljöbyggnad
 - BREEAM
 - LEED
 - WELL
 - Noll CO2
- Local sustainability programmes and climate adaptation plans

Important internal regulations

- Sustainability Policy
- Work environment handbook
- Code of Conduct
- Code of Conduct for suppliers
- Internal environmental management system
- Internal control processes
- Other instructions

climate-related risks and opportunities, monitoring compliance with the company's sustainability policy, realising the sustainability strategy and achieving the sustainability goals.

Governance of sustainability initiatives

All of Castellum's operations are encompassed by the sustainability initiatives, and this is governed with the use of a management system that consists of Group-wide policies, guidelines, short- and long-term measurable goals and detailed action plans. The aim of this work is to monitor, document, evaluate and improve Castellum's sustainability activities. Castellum follows the precautionary principle, which is integrated into Castellum's sustainability policy and business processes, and is monitored via the company's environmental management system. To ensure and maintain systematic sustainability initiatives, all Swedish and Danish operations are certified under ISO 14001.

Castellum's sustainability initiatives are based on committed, skilled employees and training in sustainability issues on a regular basis. The efforts to identify and manage our social, environmental and economic impact has been delegated to Castellum's Sustainability Team. All of

Castellum's employees undergo mandatory web-based training in sustainability, diversity and codes of conduct, which is also a part of the onboarding of new employees.

Basis for sustainability initiatives

Castellum is a responsible community developer that intends to be part of promoting sustainable development. Castellum regards the precautionary principle and society's requirements under laws and regulations as minimum requirements. To achieve properly functional sustainability initiatives, Castellum will:

- Act in accordance with the UN Global Compact.
- Promote the realisation of the UN Sustainable Development Goals and the Paris Agreement.
- Follow Castellum's Code of Conduct and the Code of Conduct for suppliers. All Castellum's employees and partners must understand and comply with their respective Codes of Conduct.
- Continually increase competence in sustainability through education and communication of sustainability issues.
- Routinely monitor, report on and improve the company's sustainability initiatives.