

Stakeholder dialogue and materiality analysis

To develop and improve the sustainability initiatives of the operation, Castellum continually and systematically surveys and analyses both positive and negative impacts of the operations on its business environment from the perspective of the economy, the environment, society and human rights.

Routine dialogue with stakeholders

The input we routinely receive from our stakeholders through various situations and channels is one of the elements that facilitates a survey and analysis of material sustainability issues. Regular surveys and dialogues with stakeholders on issues concerning sustainability illustrate the sustainability issues that the stakeholders consider to be most important in their relationship with Castellum. These issues are dealt with on a routine basis, for example, at Board meetings, Executive Management meetings and meetings with shareholders, and in daily two-way communication with customers, employees, partners, suppliers and various societal stakeholders.

In addition to continual dialogue, we conduct annual interviews with selected stakeholders who are experts in the field and are considered as having the greatest impact on – or are impacted most by – Castellum's operations. The survey of material sustainability issues included both short- and long-term perspectives on how these issues impact the business environment and the operation.

Castellum's central stakeholder groups

The following stakeholders have been identified as central to Castellum's operations and have been given priority in the analysis of sustainability-related issues:

- Customers
- Board of Directors
- Suppliers
- Employees

MATERIAL SUSTAINABILITY ISSUES

Focus Area	Sustainability issues	GRI Standard
The Planet	Environmental and climate risks	—
	Renewable energy	Energy
	Minimise climate impact	—
	Efficient use of resources	Energy, water, environmental compliance
	More sustainable building materials and installations	—
	Partner with customers for increased sustainability performance (e.g. through waste management and green mobility)	—
	Adapt the properties for climate change	Emissions
	Increase circularity	Waste
	Biodiversity and ecosystem services	Biodiversity
Future-proofing	Environmental certification of buildings	Product responsibility
	Offer smart, flexible workplaces	—
Well-being	Attractive workplace	Employment and working conditions, training, health and safety
	Diversity and equal opportunity	Diversity and equal opportunity
	Occupational Health and Safety	Occupational Health and Safety
	Healthy premises	Customer Health and Safety
Social responsibility	Sustainable financing	Economic performance, tax
	Good business ethics and anti-corruption	Anti-corruption, economic performance, tax
	Ensure sustainable supply chains	Evaluation of suppliers regarding environmental impact and social criteria
	Develop local communities (e.g. through apprenticeships)	Local communities

The table shows how Castellum's prioritised sustainability issues correlate with the topics in the GRI Standards. A number of Castellum's sustainability issues are considered important for the company's sustainability initiatives and therefore extend outside the GRI reporting system.

Materiality analysis

Based on continual dialogues with various stakeholders, Castellum reviews its sustainability issues and their priority in a materiality analysis. The latest update was conducted in 2021. Additional input for the materiality analysis is obtained from comprehensive business intelligence and from discussions with in-house and external experts.

The perspectives of the stakeholder groups on which sustainability issues are relevant to them in their relationship with Castellum is reflected on the y-axis of the materiality matrix. The impact – positive or negative – that various sustainability issues have on the business environment is analysed by Castellum’s sustainability experts and is reflected on the x-axis of the materiality matrix. The final prioritisation of the material sustainability issues is validated with various experts. The sustainability issues constitute a part of the sustainability strategy of the operation, which is reviewed and approved annually by the Board of Directors and management in conjunction with the strategy initiatives.

Many of Castellum’s sustainability issues have an impact outside the company’s legal framework; for example, on our customers, suppliers, and in the communities in which the company operates. The materiality analysis is limited to the areas where Castellum or the company’s significant business relationships have a major impact, or to areas where the business environment has a major impact on Castellum’s operations. All sustainability issues in the analysis are considered important for Castellum, but they are evaluated in the matrix from the perspective of low, medium or high relevance and impact, respectively.

In relation to the previous materiality analysis from 2020, some of the issues are deemed to have become more or less material. For example, the issue of environmental and climate risks is considered to be more material than previously, while the issue of developing local communities is deemed to be somewhat less material. Both minimising climate impact and increased circularity have been added as material sustainability issues in the 2021 analysis. In Castellum’s dialogue with stakeholders and in taking both the business environment and its own operations into account, it emerged that these issues are material for reducing our potential negative impact on the environment.

The materiality analysis and sustainability issues form the basis of Castellum’s analysis of key risks and business opportunities. It also forms the basis of the company’s sustainability strategy and sustainability goals. Castellum’s efforts around these sustainability issue are collected in Castellum’s Agenda for the sustainable city. The specific targets can be found on page 171.

Castellum reports background descriptions for each material sustainability issue and precisely where in the company’s value chain this topic has an impact. These are summarised in the table on page 175.

