

Well-being

The goal is for all employees to have a high sense of well-being all the time. For Castellum, this is a matter of promoting health, well-being and improved productivity, and its operations being characterised by equal opportunity and diversity.

Castellum's commitment

We will promote health, wellness and productivity.

Core values provide guidance in daily life

Castellum's core values – the Castellum Spirit – provide guidance in day-to-day activities and various business situations concerning what is expected of an employee at the company, and how we should conduct ourselves towards each other in the company.

A flexible workplace

Work life as a whole is facing a revolution that Castellum intends to best meet through also practising change in its own operations. Issues of working remotely, flexibility and balance between work and leisure have been on the agenda for some time. When the pandemic broke out, the company introduced remote working for many employees, which it sees as an important supplement to the office going forward as well, especially to reduce commuting to work.

Castellum is part of a research partnership with KTH Royal Institute of Technology, RISE IVT, Gothenburg University and Scania, the purpose of which is to study how the lessons from the pandemic regarding flexible work can be transformed into best practice once the pandemic is over.

A workplace where everyone has high sense of well-being

Health and safety, as well as a positive work environment, are priorities at Castellum. The objective is a healthy workplace free of accidents. Using a structured approach, the company is working proactively to boost employee health, prevent risks and avoid work-related accidents.

Castellum takes care of its employees. The company continually conducts various wellness-related activities in the form of group exercise as well as interactive activities and challenges that encourage movement. All employees are offered a yearly wellness allowance of SEK 5,000 and regular health check-ups, as well as advantageous health care insurance for both employees and their respective families. Wellness activities are both preventative and rehabilitating, with the aim of promoting continued well-being.

Short-term sick leave at the company remains low, equivalent to 1.1% (0.9), of which 1.1% (0.8) for women and 1.1% (1.0) for men. Total sick leave remained low, at 2.9% (2.0). Castellum protects and supports employees, suppliers and contractors, and it is our responsibility that no one becomes ill, either physically or mentally, or is injured owing to their work. The company works routinely on developing and improving working environments within the entire Group. The occurrence of work-related injuries is very low, equivalent to 1.7 (1.2) injuries per 200,000 hours worked. Injury figures are low for Castellum's suppliers and contractors as well, with 11 (6) work-related injuries reported for the year.

Examples of workplace injuries among employees:

- Crush injuries
- Sprains and bone injuries
- Injuries sustained during the commute to and from work

Examples of workplace injuries among suppliers and contractors:

- Falls
- Cuts
- Broken bones
- Crush injuries
- Burns

Castellum's values

- Personal
- Proactive
- Passionate
- Reliable

Diversity and Equal Opportunity

For Castellum, it is important that its operations are characterised by equal opportunity, diversity and equal rights for all. By 2025, the company will have achieved a long-term gender equality balance in all positions and the share of coworkers with international backgrounds will have increased to 20% so as to reflect the actual composition of our communities over the long term.

Risks, exposure and risk management

Property ownership and management exposes operations to internal and external risks, or uncertainty factors that could impact the Group's ability to achieve its overall objectives for growth.

Castellum therefore works continually, in a structured manner, to identify and actively monitor financial and other risks that operations encounter or are faced with. The Group's risk management involves a structured process of analysis and decision-making with the aim of establishing a balance between the desire to limit uncertainty or risk and the task of generating growth and shareholder value.

Risks, exposure and risk management

Castellum defines risk as an uncertainty factor that may affect the company's ability to achieve its objectives. Risk management aims at balancing the desire to limit risk and achieving objectives. In order to assess the effect of identified risks, an internal risk rating is conducted in which each risk is assessed, from the perspectives of impact and probability. This process

determines if the risk should be further monitored (Monitor), if actions should be taken (Focus) or if it can be handled through standard review and management (Review). Castellum conducts an annual risk survey in which all the company's risks are assessed based on likelihood, impact, priority and development. Short- and medium-term risks are analysed for a period of up to 10 years. Over the last several years, Castellum has also worked on analysing various future climate-related risks and possibilities over the long term up through 2050. To facilitate risk management, Castellum has chosen to classify risks into the following categories:

- Business environment – risks due to the influence of external factors and events.
- Strategic risks – risks associated with reputation or the ownership of Castellum's asset portfolio.
- Operational risks – risks associated with routine administration of Castellum's property holdings.
- Sustainability and climate risks – risks associated with the environment, corporate responsibility and/or liability risks.
- People – risks associated with our employees and the people in and around our properties.
- Financial risk – risks in Castellum's financing and reporting.



RISKS AND RISK MANAGEMENT

Risk category	Risk	Impact	Probability	Priority	Change
BUSINESS ENVIRONMENT					
Macroeconomic risks	1. Macro – crisis	Serious	Likely	Focus	⬆️
Crises	2. Crises	Medium	Likely	Focus	⬆️
Changes in legislation	3. Changes in legislation	Medium	Certain	Focus	↔️
	4. Regulatory compliance	Serious	Likely	Focus	⬆️
STRATEGIC RISKS					
Composition of the asset portfolio	5. Composition of the asset portfolio	Major	Unusual	Monitor	↔️
	6. Obsolete product/property	Medium	Likely	Monitor	↔️
	7. Size – too big in a sub-market/area	Minor	Unusual	Review	↔️
Reputation	8. Brand	Major	Low	Monitor	✅
	9. Digitalisation	Medium	Possible	Monitor	↔️
Investments	10. Investments	Major	Likely	Focus	↔️
	11. Strategic acquisitions	Serious	Possible	Focus	↔️
Changes in value	12. Changes in value – property	Serious	Certain	Focus	↔️
OPERATIONAL RISKS					
Rental income	13. Rental income	Major	Possible	Focus	⬆️
	14. Dissatisfied tenants/customers	Serious	Low	Focus	↔️
Property costs	15. Property costs	Insignificant	Possible	Review	↔️
Tax	16. Tax	Major	Low	Review	↔️
SUSTAINABILITY AND CLIMATE-RELATED RISKS					
Sustainability	17. Operational environmental risks	Serious	Low	Focus	↔️
	18. Risks attributable to climate change	Medium	Possible	Monitor	↔️
	19. Breach of the Code of Conduct	Serious	Low	Focus	↔️
	20. Liability risks	Major	Possible	Monitor	↔️
PEOPLE					
People	21. Employees	Serious	Likely	Focus	⬆️
	22. People	Serious	Likely	Monitor	↔️
FINANCIAL RISK					
Financing	23. Financing	Serious	Possible	Focus	↔️
Reporting	24. Reporting	Serious	Unusual	Focus	↔️
Changes in value	25. Changes in value – derivatives	Medium	Likely	Monitor	↔️

✅ Reduced focus on risk area since previous year. ↔️ Unchanged focus on risk area since previous year. ⬆️ Increased focus on risk area since previous year.

Business environment

External environment risks refer to risks due to the influence of external factors, mainly outside Castellum's control, but to which Castellum has to relate. These risks can be divided into macroeconomic risks, crises changes in legislation and regulatory compliance.

Risk	Management	Exposure	
MACROECONOMIC RISKS			
1. Macro – crisis Macroeconomic risks are risks associated with a general reduction in demand in the economy, low inflation, deflation or situations which entail general difficulties in obtaining financing, or alternatively obtaining financing at higher credit margins.	<ul style="list-style-type: none"> Business intelligence. Strong balance sheet and low loan-to-value ratio. Well-composed contract portfolio with a wide spread regarding notice period, industry, type of premises, contract size and geography. Deflation protection or a minimum upward adjustment of leases. Multiple sources of financing. Frequent renegotiations and supply of new credit agreements. Asset portfolio concentrated on growth areas. Natural macroeconomic hedging mechanism between higher/lower interest costs and rental income, but with some time delay. 	A weak economy negatively impacts the demand for premises, leading to increased vacancies, falling market rents and loss of indexation for existing leases. In addition, the risk of payment problems – or even bankruptcies – among tenants increases, resulting in immediate negative effects on cash flow. Limited access to capital reduces Castellum's opportunities to conduct operations. Ultimately, reduced demand in the economy leads to declining property values. Risks linked to changed customer needs based on the pandemic of the last two years, which has led to an increase in working remotely. Could lead to increased vacancy, falling rental levels and reduced property values.	PRIORITY: FOCUS  DEVELOPMENT 
CRISES			
2. Crises Crises include all crisis events that arise in the business environment that Castellum cannot influence and are difficult to foresee, for example, terrorist attacks, cyber attacks, pandemics, extreme weather events and environmental disasters as well as information leaks.	<ul style="list-style-type: none"> Crisis plan. Succession planning for senior executives. Full coverage insurance, properties. Guidelines for information security and the creation of understanding and awareness among users that information is an asset that should be handled with care. Continuity plan IT. Expanded efforts in digitalisation throughout our entire operations. Increase knowledge of the impact of climate change on operations. 	<ul style="list-style-type: none"> No one has remained unaffected by last year's global coronavirus pandemic. Castellum was affected as well, even though it has a highly differentiated asset portfolio. In pace with rapid digitalisation, the threats and vulnerability that digitalisation entails also increase. IT attacks and hacking in the world around us have increased over the last few years. In pace with a continued increase in greenhouse gas emissions internationally, the risk of more extreme weather events and environmental catastrophes increases, as do their consequences. 	PRIORITY: FOCUS  DEVELOPMENT 
CHANGES IN LEGISLATION			
3. Changes in legislation Changes in legislation or ordinances, both national and international, can impact Castellum. Some examples are tax legislation, new regulations for banks, procedures for planning processes, and so on.	<ul style="list-style-type: none"> Monitor developments regarding laws, regulations, praxis and so on within the areas most essential to Castellum. Actively participate as much as possible in debate. Prepare Castellum for new or amended regulations. Continual renegotiation of credit agreements. Broaden the financing base via more sources of financing and financiers. 	Changes in legislation can impact future opportunities to invest, or alternately result in price increases, which lead to poorer yields moving forward. New banking legislation can impact access to financing and the price of borrowed capital, and could trigger credit covenants that would lead to increased financing costs. Changes in tax rates and tax legislation, such as proposals regarding interest deduction limitations, new regulations concerning tax depreciation and prohibitions on "bundling" of properties, may affect Castellum's future tax expenses.	PRIORITY: FOCUS  DEVELOPMENT 
4. Regulatory compliance Inadequate compliance could lead to financial losses, supervisory sanctions, loss of reputation, and in the worst case to delisting. Some regulations, such as IFRS, are open to interpretation, which means that Castellum and regulatory supervisors may have different opinions.	<ul style="list-style-type: none"> A corporate culture built on high ethical ideals. Strict internal control processes with quality assurance at several stages. Code of Conduct. Competent and responsible employees. Monitor the development of legislation, praxis, court orders etc. Compliance function that reports directly to the Audit and Finance Committee. Whistleblower function. 	Conducting Castellum's operations responsibly is crucial for the Group's long-term success. The company's operations and ability to continue creating value are based on relationships among employees, tenants, partners, investors, authorities and so on. Each and every employee jointly creates a shared image of Castellum through their conduct and what they provide to the surrounding community.	PRIORITY: FOCUS  DEVELOPMENT 

 Reduced focus on risk area since previous year.  Unchanged focus on risk area since previous year.  Increased focus on risk area since previous year.

People

Risks related to people affect both employees and people in Castellum’s business environment.

Risk PEOPLE	Management	Exposure PRIORITY: FOCUS DEVELOPMENT: 
<p>21. Employees Employees are one of our most important assets; their decisions and actions drive our business forward. The largest risk is failure to recruit, develop and retain employees and senior executives with the right skills, which may lead to underperformance at Castellum.</p>	<ul style="list-style-type: none"> • Castellum’s core values. • Open and transparent work environment. • Skills and leadership development. • Employee survey. • Succession plan for key employees/senior executives. • Market-based, competitive remuneration. • Analysis of staff turnover. 	<p>Wrong employees in the wrong place, dissatisfied employees, poor management and an organisation that does not encourage open dialogue and development can lead to employees feeling unhappy, underperforming or quitting. In turn, dissatisfied employees and high employee turnover lead to increased costs, poorer customer relations and reduced internal efficiency, which results in impaired profitability. Castellum is in the midst of a process of change in which both a reorganisation and the integration of Kungsleden are in progress.</p>
<p>22. People Castellum works actively to minimise the risk of employees, insourced staff or other people being injured physically or mentally in connection with its offices, developments or properties.</p>	<ul style="list-style-type: none"> • Continual work in accordance with Castellum’s health and safety manual. • Routine monitoring. • Protection committee. • Design and architecture with “people in focus” in order to ensure a good environment for tenants, visitors and employees. • Provide attractive offices and environments where people feel happy and are encouraged to create good conditions for performance. 	<p>PRIORITY: MONITOR DEVELOPMENT: </p> <p>Castellum works actively to minimise the risk of employees, outside staff hired by us or other people being injured in a workplace-related accident or an accident related to deficient working conditions, work environment or work safety.</p>

 Reduced focus on risk area since previous year.  Unchanged focus on risk area since previous year.  Increased focus on risk area since previous year.

Castellum's four overall sustainability areas

The Planet

Castellum acknowledges the scientific evidence that human activity is accelerating climate change. Overstepping the planet's limits involves great risk for the future. Castellum has therefore decided to set targets for its own efforts and to govern its operations in a manner that is in line with the UN Sustainable Development Goals and the Paris Agreement.

Castellum's asset portfolio will be future-proofed by making buildings more energy-efficient, taking life cycle perspectives into account in investments, assuming responsibility for natural resources and biological diversity, increasing the share of renewable energy and adapting operations to the consequences of climate change. Castellum will be involved in the climate plans and policies of its customers and of government agencies, it will display leadership and to the greatest extent possible will inspire the industry to reduce its climate impact.

Climate risks

Castellum regards a changed climate as a significant risk that over the long term constitutes a risk to our operations, our properties and our tenants. When extreme weather arises – floods or heavy rains, for example – it causes damage and disruptions in several ways: directly to the property or neighbouring infrastructure (e.g. electrical outages, waste water backing up out of drains, or disruptions to public transportation to and from our properties). Therefore, Castellum has implemented specific risk analysis processes for all investments to better take into account such climate risks as the risk of flooding, land erosion and vulnerability to extreme weather.

Climate goals

In 2018, Castellum was the first property company in the Nordic region to have its climate goals approved by the Science Based Targets initiative (SBTi). The purpose of the SBTi is to guide companies across the globe in identifying and mapping their carbon emissions, and in establishing scientifically correct climate targets that are in line with the goals of the Paris Agreement on reducing global warming.

Castellum's goal is to achieve net-zero carbon emissions from operations by 2030, thus supporting both the Paris Agreement and the national ambition for a fossil fuel-free Sweden.

To achieve properly functional sustainability initiatives, Castellum will:

- Decrease the direct and indirect carbon emissions in Scopes 1, 2 and 3 that promote global warming.
- Use natural resources responsibly and efficiently so as not to jeopardise the planet's limits, and thus our climate and the opportunities for future generations in a finite world.
- Build and manage from a service life perspective, and promote circular models.
- Promote increased biological diversity and limit the use and spread of environmentally hazardous products.
- Create conditions for responsible waste management through minimising waste, guarding against pollutants and regarding waste as a resource for reuse and recycling.

Biodiversity

The great majority of Castellum's properties are not located in environments that are protected from the perspective of biodiversity or have a high biodiversity value. In cases where Castellum constructs new buildings, it always ensures that there is at least an equal amount of biodiversity upon completion of the project as there was before the building was constructed. To ensure this, a tool that has been specially produced and adapted to Castellum's development operation is used.

21 new projects were carried out during the year. All of these have been evaluated from a perspective of biodiversity. Several different measures such as planting of flora and preservation of water courses were taken to ensure that biodiversity has not been negatively impacted.

Future-proofing

Castellum will be part of driving this development forward and promoting sustainable development. We intend to create safe and healthy work environments for customers and employees. Castellum works with acknowledged sustainability certification systems and environmental inventories to create a sustainable asset portfolio in a changing world.

To achieve properly functional sustainability initiatives, Castellum will:

- Offer comfortable, healthy environments for people in and around our properties.

- All properties held for more than one year are to be environmentally inventoried. Updates must take place at least every ten years.
- All new production is to be certified for sustainability, and existing properties are to be certified in accordance with sustainability goals.

Well-being

Castellum works to promote health and wellness and to increase productivity, where equality and diversity are important conditions. Castellum is a flexible employer that offers freedom for its employees.

To achieve properly functional sustainability initiatives, Castellum will:

- Offer comfortable, healthy environments for our employees' well-being.
- Create an equitable organisation with a diversity reflecting the composition of society.
- Call attention to and change any discriminatory structures in the organisation.
- Be an attractive employer and attract the best and most professional employees.
- Continue with collective bargaining agreements and maintain all employees' rights to organise and participate in collective bargaining.
- Maintain a zero-tolerance attitude as regards child labour and forced labour in own projects.

Diversity and Equal Opportunity

Castellum has well-developed initiatives in diversity and equality, with the overall goal of promoting equal rights for all. All people are of equal worth and must be treated equally based on their individual conditions and possibilities regardless of gender, gender identity or expression, ethnicity, religion or other expression of faith, disability, sexual orientation and age.

All employees are individually responsible for helping to create a positive workplace. Everyone also has a responsibility to work for integration and to counteract all forms of discrimination. Women and men must be given the same opportunities to have an impact on their work situation.

Well-being, cont.

Working environment

Castellum protects and supports both employees and suppliers, and it is our responsibility that no one becomes ill, either physically or mentally, or is injured owing to their work.

We work routinely on developing and improving working environments within the entire Group. Castellum also has a Code of Conduct for suppliers, in which they are obligated to meet the same requirements we impose on ourselves as regards work environments. During the year, 18 work-related accidents (11) were reported, 7 (5) of which involved Castellum employees. Total sick leave remained low, at 2.9% (2.0).

To reach the Group's tough sustainability goals of net-zero carbon emissions by 2030 and maintain a non-fossil fuel powered vehicle fleet, Castellum's employees must prioritise sustainable travel and meetings. Castellum's guidelines include the following requirements:

- Travel over 450 km should primarily be booked by train.
- Environmental requirements are imposed on all travel (e.g. green taxis should be booked).
- Annual climate compensation for all of the Group's travel.

Occupational health and safety

(GRI 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7)

Castellum's procedures for occupational health and safety cover all its employees. Systematic occupational health and safety work is based on a work environment handbook with policies, guidelines and procedures that is available to all employees on the intranet. All employees are covered by Castellum's systematic health and safety work, and training is continual both in accordance with plans and as needed. Castellum assumes its statutory work environment responsibility for all of its employees and agency staff, and assumes coordinating responsibility for contractors in our operations.

Occupational Health and Safety by property type (H&S-Asset)

	Like-for-like (Lfl) comparison																	
	Offices			Logistics			Retail			Public sector properties			Light industry			Castellum total		
	2021	2020	2019	2021	2020	2019	2021	2020	2019	2021	2020	2019	2021	2020	2019	2021	2020	2019
Health and safety evaluations (H&S-Asset)	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Work-related injuries and ill health (GRI 403-9, 403-10, H&S-Emp, H&S-Comp)

	2021		2020		2019	
	Employees	Suppliers	Employees	Suppliers	Employees	Suppliers
Number of work-related fatalities (H&S-Emp)	0	0	0	0	0	0
Number of workplace injuries leading to absence (LTI)	2	5	2	4	— ⁴⁾	— ⁴⁾
<i>Injury frequency rate per 200,000 hours (LTIFR)</i>	0.5	0.2	0.5	0.2	— ⁴⁾	— ⁴⁾
Number of workplace injuries with serious consequences ¹⁾	0	0	0	0	— ⁴⁾	— ⁴⁾
<i>Injury frequency rate per 200,000 hours</i>	0	0	0	0	— ⁴⁾	— ⁴⁾
Total number of recorded workplace injuries	7	11	5	6	7	11
<i>Injury frequency rate per 200,000 hours (TRIFR, H&S-Emp)</i>	1.7	0.3	1.2	0.3	1.7	— ⁴⁾
Number of recorded workplace injuries ²⁾ (H&S-Comp)	13	not measured	5	not measured	6	not measured
Short-term sick leave as % of total hours worked (H&S-Emp)	1.1%	not measured	0.9%	not measured	1.0%	not measured
Long-term sick leave as % of total hours worked (work days lost, employees; H&S-Emp)	1.8%	not measured	1.1%	not measured	1.9%	not measured
Total sick leave as % of total hours worked (absence, employees; H&S-Emp)	2.9%	not measured	2.0%	not measured	2.9%	not measured
Total number of hours worked	840,212	6,712,089³⁾	828,613	4,194,183³⁾	846,905	—⁴⁾

Terms: LTI = Lost Time Injury, LTIFR = Lost Time Injury Frequency Rate, TRIFR = Total Recordable Injury Frequency Rate.

1. Serious injuries with more than 6 months of recovery, excl. fatalities.

2. Castellum's interpretation of GRI's "Work-related ill health".

3. The number of hours worked for suppliers is based on an assumption that 60% comprises labour costs at an hourly price of SEK 500.

4. The key metrics were first measured in 2020.

Well-being, cont.

The work environment handbook indicates how the responsibility and work environment tasks are allocated. The regional managing directors of the various parts of the operation bear primary responsibility. The regional managing directors delegate work environment tasks to the operations so that one or more managers, supervisors or other employees are tasked with working to prevent risks in the work and to achieve a satisfactory work environment. Employees or employers who are or have been assigned responsibility for work environment tasks must ensure that the knowledge concerning the work is sufficient, which is also defined in Castellum's work environment handbook. The company's local safety officers have an important function in occupational health and safety work, and in cooperating to develop Castellum's work environment. Courses in occupational health and safety are continually held in the operation.

Risk identification and management

Identifying and preventing risks to health and safety are the foundation of Castellum's occupational health and safety work. Risks are assessed at different levels and in specific situations. For example, risks are reviewed and a renewed risk assessment is conducted for every part of operations on an annual basis. Risk assessments are also conducted in conjunction with changes (e.g. moving premises, new tools, changes to working methods or prior to hiring a contractor).

Castellum's workplace-related incidents and accidents are handled according to established procedures. If an employee suffers an occupational injury or gets into an accident at work, or if some near-accident occurs at work, the managing director of the operation concerned, the manager concerned and the HR director – as well as the employee – will investigate the causes so that the risk of ill health and accidents can be prevented in the future and, if needed, routines and approaches for minimising risks can be changed.

The regional managing directors of the operation concerned, or alternately the manager concerned, must report the occurrence to the Swedish Work Environment Authority without delay. The regional managing directors of the operation concerned are also responsible

for reporting work-related injuries to Castellum's legal department. The documentation will be used in the systematic health and safety work so as to prevent future accidents.

At Castellum, the safety officers have the right to intervene and stop work that is deemed to be dangerous or could entail a risk of injury or ill-health. In Castellum's projects, near-accidents and accidents must also be reported for the purpose of learning from the experience. Our hired contractors are formally responsible, in their capacity as employers, to investigate and implement measures in conjunction with workplace injuries. It is the task of Castellum as property developer, however, to draw lessons from what took place in order to apply actions in conjunction with planning and designing projects as well as regards overall conditions for the project. Castellum's employees have a great deal of influence over the company's work environment and health initiatives. The safety officers have an important role in this. Influence is exercised through measures such as participation in risk assessments, safety committees, physical fitness groups and more. At Castellum, there are local safety committees that both employer and employee representatives take part in.

Health Care

For Castellum, healthy employees who feel good and live healthy lifestyles are important. Lifestyle, and the physical and social environment, are crucial for people's health and wellness both in leisure time and work life.

Castellum makes use of external resources for occupational health services, starting from the fact that expert knowledge is necessary to study and assess the potential physical and mental risks. Occupational health care proposes measures and takes part in implementing them. It is also an important resource when rehabilitation studies are to be conducted and in conjunction with work adaptation measures for individual employees and groups of employees. It may be a question of employees who face challenges in the physical work environment, for example, with unbalanced work. Health checks are conducted throughout the company once per year, and more time is scheduled when needed. The purpose of

occupational health care is to work in a manner that promotes health and is preventive, in accordance with the intent of the Swedish Work Environment Act.

Through their healthcare insurance, all employees have access to several preventive health service such as telephone support and e-health services, which are free of charge to use and are available round the clock. In order to provide every employee with the proper conditions to care for their health, all employees are offered work environment and health check-ups at certain intervals.

To inspire our employees, Castellum has a physical fitness group that continually develops activities that our employees are invited to. Every year, our physical fitness group develops a plan with various physical fitness activities that are carried out around the company. Every employee also has access to a physical fitness subsidy of SEK 5,000 per year.

Preventive work with suppliers

Castellum's operations encompass many buildings and large areas of land around the Nordic region. To achieve effective administration and construction, Castellum needs to partner with many different suppliers. Partnership with suppliers is built on such factors as clear requirements and expectations, as well as dialogue and monitoring. By imposing clear requirements in areas such as work environment, we can enable and promote sustainable development for the entire construction and property industry. The Code of Conduct for suppliers, clear requirements in procurement documents, and instructions for suppliers are a few examples of how Castellum takes on these issues.

Work-related injuries and ill health (GRI 403-9, 403-10)

During the year, a total of 7 workplace accidents (5) were reported for Castellum's own employees. The most common accidents were crushing injuries, falls and injuries owing to sub-operations. The number of injuries resulting in sick leave (LTI) yields an accident rate of 0.5 (0.5) per 200,000 hours worked, which is considered low. The accident rate is defined as the number of workplace accidents that lead to absence on one or more contractual workdays per 200,000 hours worked.

Sick leave in the company remains low and continues to hold steady at 2.9% (2.0). Our time-reporting system for registering sick leave provides us with the opportunity for early identification of employees who are experiencing work-related ill health. During the year, 13 employees (7) indicated that their absences were a consequence of conditions at work. Those who suffered workplace injuries with absence as a result are here. In addition, there is ill health as consequence of stress. We work continually with health-promoting and preventive activities for the purpose of preventing employees from suffering work-related injuries and ill health. We work in accordance with a structure similar to a “hierarchy of controls” in order to prevent and reduce the risk of injury.

Castellum has established targets for forward-looking occupational health and safety work:

- Short-term sick leave must be under 2%.
- Long-term sick leave must be under 3%.
- Zero workplace injuries and work-related illness among employees and suppliers.
- All managers must have undergone systematic occupational health and safety training for the purpose of possessing the knowledge required for the responsibility they have been delegated.
- Safety committee meetings must be held every three months.
- Psychosocial work environment issues must be followed up annually via questions in temperature measurements, which were introduced during the year. Targets for psychosocial issues will be followed up on in 2021.

Castellum has procedures for recording and investigating work-related illnesses in order to establish the underlying causes and to develop preventive strategies. Among our suppliers, 5 workplace injuries (4) resulting in absence were reported during the year. This yields an accident rate of 0.15 per 200,000 hours worked, which from an industry perspective can be considered low. The accident rate is defined as the number of workplace accidents that lead to absence on one or more workdays per 200,000 hours worked. No fatalities have occurred, which is why we did not divide fatalities according to workplace illness or workplace accidents, nor is any fatality rate reported.

Performance and career development review (GRI 404-3, Emp-Dev)

Performance and career development reviews are conducted on a regular basis to set individual goals and identify any needs for competence development. All employees are offered performance and career development reviews. In the course of 2021, 91% (93) of all employees took part in performance and career development reviews, of which 93% (89) were women and 89% (95) were men. Castellum does not break down performance and career development reviews by occupational category, as the company does not have access to this information at the individual level. The information may be developed in the next few years with a Group-wide HR system.

Sick leave, employees (GRI 403-10)

	2021			2020		
	Women	Men	Total	Women	Men	Total
Absenteeism, Castellum	3.3%	2.6%	2.9%	2.1%	2.0%	2.0%
Of which short-term sick leave	1.1%	1.1%	1.1%	0.8%	1.0%	0.9%
Of which long-term sick leave (counted after day 15)	2.2%	1.5%	1.8%	1.3%	1.0%	1.1%

Performance and career development review (GRI 404-3, Emp-Dev)

	2021			2020		
	Women	Men	Total	Women	Men	Total
Performance and career development reviews conducted (Emp-Dev)	93%	89%	91%	89%	95%	93%

Castellum does not break down performance and career development reviews by occupational category, as the company does not have access to this information. The information may be developed in the next few years with a Group-wide HR system.