

New technology

The “100 on Solar” project means that Castellum will build 100 solar cells on existing buildings up through 2025. In 2020, the construction of northern Europe’s largest solar cells began at Hisingen Logistics Park outside Gothenburg. The investment of MSEK 27 covers 30,000 square metres of solar cells with an annual production of 3.3 GWh. In total, 55 solar cell facilities have been constructed as part of “100 on Solar”. This figure is higher than the number of solar cells owned due to sales. In 2021, investments in “100 on Solar” totalled approximately MSEK 21.

There are 674 charging stations for electric vehicles currently in operation on Castellum’s properties. The company also imposes requirements in all major office projects that at least 25% of all parking spaces must be charging stations for electric vehicles, and there must be preparations for quickly scaling up to 50–75% of all parking spaces. For new logistics properties, the requirement is for at least one station for charging electric vehicles and preparations for 25% of all parking spaces.

EU Taxonomy Regulation

All of Castellum’s operations are taxonomy-eligible. As regards existing buildings, they must be able to demonstrate an energy performance certificate with a rating of A or be among the top 15% of the most energy-efficient buildings in the country in order to be in line with the requirements for classification as an environmentally sustainable economic activity in the taxonomy in accordance with the first environmental objective: climate change mitigation. This is provided that they fulfil measures for minimum protection and do no significant harm (DSNH) to the other environmental objectives. As regards new production pertaining to the first environmental objective, Castellum is of the opinion that the absolute majority of its new production will meet the threshold value of the EU Taxonomy Regulation for being environmentally sustainable economic activities. It has not yet been possible to conduct a complete analysis, but a preliminary analysis of Castellum’s asset portfolio can be found on page 185.

No opinions can be formed as regards the other environmental objectives in the EU Taxonomy Regulation, but efforts are under way to investigate them both internally and together with the industry. Castellum is actively partnering with the Fastighetsägarna industry association and EPRA, and also takes part in leading the efforts in Fastighetsägarna’s Task Force on the EU Taxonomy Regulation. Its purpose is to study and produce guidance and national threshold values for measuring green activities under the taxonomy.

100% of Castellum’s properties are EU taxonomy-eligible.

Castellum assumes that all rental income, as well as investment and operating costs excluding property tax and energy costs, that are associated with certain economic activities are classified the same as the economic activity. If, for example, a property is classified as environmentally sustainable under the EU Taxonomy Regulation, all rental income, investment and operating costs excluding property tax and energy costs will also be classified as green. At present, all of Castellum’s economic activity is deemed to be taxonomy-eligible. Refer further to the information on the EU Taxonomy Regulation on pages 184–185.

Clear requirements for suppliers

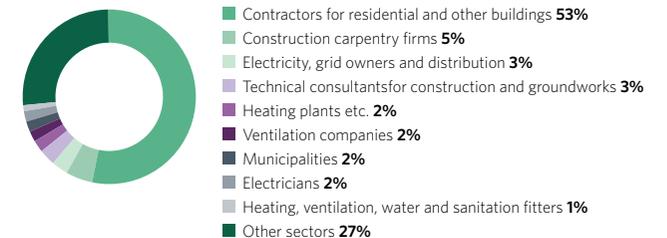
The construction and property industry involves major purchases, and there is therefore always a risk of corruption. The risk of corruption in Castellum’s operations has been identified as greatest primarily in conjunction with major procurements. As part of the evaluation in selecting a supplier, sustainability is always an assessment criteria and is weighted into the choice of supplier. The company also has a Code of Conduct for Suppliers that applies to all procurements and all partnerships with suppliers. The requirements on our suppliers concern the environment,

Guidelines for human rights

Castellum exercises zero tolerance as regards violations of human rights and children’s rights. Through its efforts at evaluations that contain risk analyses, reviews and a well-developed Code of Conduct for suppliers, Castellum ensures that there are checks in place to prevent violations of human rights and children’s rights. The company does not allow child labour and forced labour, either in its own operations or in the operations that suppliers conduct on behalf of Castellum. Castellum complies with existing international standards such as the UN Global Compact, the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises.

The risk for violations of human rights is a component of the company’s annual risk analysis. Over the coming years, Castellum will develop the way in which the company reviews its operations in order to ensure that no violations of human rights occur in its own value chain.

SUPPLIERS IN 2021 (SHARE OF TOTAL PURCHASE VOLUME)



work environments and safety, working conditions and human rights as well as business ethics and anti-corruption. As a result, all projects are covered by stringent requirements concerning issues such as human rights, climate initiatives and sustainability performance.

Castellum conducts systematic risk analyses of all its suppliers. The purpose is to identify suppliers with a high risk of departures from the Code of Conduct and to implement measures as needed in the form of necessary checks. To date, no high-risk suppliers have been identified. This is likely due to the fact that the company has a close and well-developed partnership with its suppliers, and that Castellum nearly always uses local Swedish, Finnish or Danish suppliers with well-developed sustainability initiatives. Over the coming years, this systematic risk analysis of suppliers will continue to be developed.

For major purchases and procurements, Castellum's ambition is to monitor suppliers and contractors in accordance with Group-wide requirements. Depending on how the supplier is classified from a risk perspective, monitoring takes place in various ways – for example, through audits, inspections, questionnaires and site visits. No major departures were identified during the year.

Castellum is unable to report quantitative data for the number of supplier audits with specific sustainability criteria, but reports only qualitatively on how the efforts to influence the sustainability initiatives of our suppliers.

In 2021, Castellum purchased services or products totalling MSEK 5,593 (3,495) from a total of 5,396 (4,105) suppliers, of which the largest suppliers with a purchase volume over MSEK 10 accounted for 62% of the purchase volume. Furthermore, no significant changes occurred in Castellum's work with its chain of suppliers during the year. As a part of enhancing efficiency and imposing clear requirements in the supplier chain, Castellum signs framework agreements with suppliers. In every procurement, the supplier must also affirm that they work systematically on sustainability and health and safety management. If a supplier



violates the Code of Conduct or sustainability and health and safety requirements, the agreement can be cancelled.

In 2021, no supplier agreements were cancelled as a result of derogations (related to the environment, or social or human rights) that can be associated with the Code of Conduct for suppliers, or sustainability and health and safety requirements. During the year, Castellum signed 1 (7) new framework agreements; in total, there are 30 (29) framework agreements in the Group for goods and services in property management. The majority of Castellum's suppliers are located in Sweden, Denmark and Finland.

GOVERNANCE OF MATERIAL SUSTAINABILITY ISSUES

	The Planet	Future-proofing	Well-being	Social responsibility
Sustainability issues	<ul style="list-style-type: none"> Environmental and climate risks Renewable energy Minimise climate impact Efficient use of resources 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 Increased circularity Biodiversity and ecosystem services 	<ul style="list-style-type: none"> Offer smart, flexible workplaces Sustainability certification of buildings 	<ul style="list-style-type: none"> Attractive workplace Diversity and equal opportunity Occupational health and safety 	<ul style="list-style-type: none"> Healthy premises Sustainable financing Good business ethics and anti-corruption Ensure sustainable supply chains Develop local communities (e.g. through apprenticeships)
GRI Standards	GRI 302: Energy GRI 303: Water and Effluents GRI 304: Biodiversity GRI 305: Emissions GRI 306: Waste GRI 307: Environmental Compliance	C1 Product responsibility	GRI 401: Employment GRI 403: Occupational Health and Safety GRI 404: Training and Education GRI 405: Diversity and Equal Opportunity GRI 416: Customer Health and Safety	GRI 201: Economic Performance GRI 205: Anti-corruption GRI 207: Tax GRI 308: Supplier Environmental Assessment GRI 414: Supplier Social Assessment GRI 413: Local communities
Why is this topic important for us?	By making efficient use of resources and applying the precautionary principle, we can reduce our negative impact on the planet, the environment and the climate. This also means that we can ensure a positive impact by developing our properties so that they comply with future environmental and climate requirements.	It is important that the operation is conducted responsibly with a high degree of ethics and a strong moral compass in relation to our stakeholders. We can promote a positive impact on our business environment by imposing environmental, social and human rights requirements in our supplier chain. If we do not, there is a risk that we will have a negative impact on our supplier chain. A clear focus on healthy premises and certified properties means we have a positive impact on our customers' environment.	The wellness and development of our employees, and offering them a safe work environment is key to the company continuing to develop in a positive direction.	We can make a positive contribution by acting in accordance with laws and regulations, delivering long-term sustainable financial results and paying tax. This is a condition for the continued performance of the operation.
Responsibility and actual/potential impact along the value chain	Making efficient use of resources in our operation while putting demands on suppliers and collaborating with customers is our responsibility. In the respective areas, we contribute together with our suppliers and customers to the positive and negative impact on the business environment that occurs in conjunction with construction, purchasing, property management and development.	We are responsible for placing clear requirements (environmental, social and with a strong link to human rights) on suppliers, and they have a great responsibility for complying with these. We are also responsible for our properties being safe for their users and the local community. Our role in the property industry means we have a direct positive impact on our business environment through offering healthy premises, promoting the development of local communities and by pursuing efforts on properties that are certified for sustainability.	<ul style="list-style-type: none"> We have a formal responsibility towards our employees, and endeavour to have a goal-oriented organisation where everyone feels involved We have a direct impact on our employees' workday in conjunction with construction, property management and purchasing By working on diversity and equality, we have a positive impact on our employees' work lives 	Meeting customer needs is our responsibility. We primarily develop properties together with our customers, but other stakeholder groups are also included in these procedures. Together with our customers, we contribute to the impact on the business environment that occurs in conjunction with construction, purchasing, property management and development.
Limitations in reporting	The sustainability data that is reported applies to Castellum as a Group. We focus on our own operation, from planning to implementation and administration. We also report carbon emissions from both upstream and downstream in the value chain. Any limitations are indicated in the respective tables.	Reporting occurs primarily for employees with supplementary disclosures from suppliers where available. We do not report information about customers and users. Any limitations are indicated in the respective tables.	Reporting occurs primarily for employees with supplementary disclosures from suppliers where available. We do not report information about customers and users. Any limitations are indicated in the respective tables.	The sustainability data that is reported applies to Castellum as a Group. There are no limitations in the reporting.
How we work	By ensuring efficient use of materials and natural resources, as well as efficient use of premises. Read more in the chapters "The Planet" and "Future-proofing".	By clearly structuring requirements and expectations of our suppliers.	By clearly structuring requirements and expectations of our employees.	We develop our properties, taking into account current and future needs in dialogue with customers and other stakeholders.
We aim to achieve the following:	The goal is to reduce our climate impact, achieving climate neutrality by 2030.	We aim to create long-term sustainability in our property portfolio.	We aim to create a healthy, risk-free and inspiring workplace where people feel committed and motivated, with a high degree of business ethics and a sense of responsibility.	The goal is to achieve workplaces that create value for us and for our customers.
Policies	<ul style="list-style-type: none"> Sustainability policy Guidelines for sustainability goals Code of Conduct Code of Conduct for suppliers Guidelines for sustainable vehicles and travel Other procedures 	<ul style="list-style-type: none"> Sustainability policy Guidelines for sustainability goals Code of Conduct for suppliers Other procedures 	<ul style="list-style-type: none"> Sustainability policy Guidelines for sustainability goals Health and safety manual, and work environment policy Code of Conduct HR manual and Manager manual Internal control procedures Other procedures 	<ul style="list-style-type: none"> Sustainability policy Accounting manual Financial policy Tax policy Other procedures
Commitments beyond Swedish law and guidelines	<ul style="list-style-type: none"> Climate targets approved by the SBTi Reporting in accordance with TCFD and the EU Taxonomy Regulation Fossil Free Sweden Supports the UN Global Compact 	<ul style="list-style-type: none"> Certification of buildings Observes the UN Global Compact 	<ul style="list-style-type: none"> Supports the UN Global Compact 	<ul style="list-style-type: none"> Supports the UN Global Compact Affiliated with WELL Portfolio
Targets	<ul style="list-style-type: none"> Climate neutrality 2030 Energy efficiency Proportion of certified buildings 100% renewable energy Fossil fuel-free vehicles 	<ul style="list-style-type: none"> High employee satisfaction index Proportion of certified buildings 	<ul style="list-style-type: none"> Low sick leave and few workplace injuries Diversity and equal opportunity 	<ul style="list-style-type: none"> Growth in income from property management Net investments Low financial risk Customer satisfaction index (CSI)
Special procedures, projects, programmes and initiatives	<ul style="list-style-type: none"> Environmental management system Method for climate calculations Sustainability training 	<ul style="list-style-type: none"> Whistleblower function 	<ul style="list-style-type: none"> Sustainability training in Code of Conduct and diversity 	<ul style="list-style-type: none"> Training in Code of Conduct
Evaluation of management	<ul style="list-style-type: none"> Monitoring of resource use and greenhouse gas emissions Resource use, environmental management systems and product responsibility are monitored as part of management's annual review Policies are evaluated annually and adopted by the Board 	<ul style="list-style-type: none"> Monitoring of cases in the whistleblower function on the Audit and Finance Committee Monitoring of local communities Annual evaluation of suppliers using social criteria during management review 	<ul style="list-style-type: none"> Monitoring of internal control Monitoring of diversity and equality, health and safety Policies are evaluated annually and adopted by the Board 	<ul style="list-style-type: none"> Analysis of Customer Satisfaction Index (CSI) Policies are evaluated annually and adopted by the Board