



Sustainability Policy

- *Agenda for the sustainable business 2030*

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Table of contents

- 1. *Introduction*..... 2
- 2. *Scope*..... 2
- 3. *Objective* 2
- 4. *Definition of sustainability*..... 2
- 5. *Vision* 3
- 6. *Position on climate change and the planet’s limits* 3
- 7. *Commitment*..... 4
- 8. *Document owner* 5
- 9. *Allocation of responsibility*..... 5
- 10. *Collaborating with stakeholders, educating and informing* 6
- 11. *Distribution and implementation of the Sustainability Policy*..... 6

1. Introduction

Castellum is a long-term property owner, which characterizes all actions from ownership, property management and development to customer relations, collaboration and financing. Castellum's work with sustainability issues is an integral part of business operations as well as a prerequisite for reaching the company's goals. Castellum is one of the property sector's largest players, and growth is based on the continuous development of operations. Conducting long-term sustainable operations entails responsible and innovative methods for creating long-term solutions from economic, ecological and social perspectives. In addition to our responsibility of safeguarding our planet and future generations, our efforts lead to better property management, increased attractiveness for stakeholders and closer property supervision. This approach, in turn, leads to more satisfied customers, more committed employees and increased profitability.

To succeed in this area, it is important that employees are committed and willing to develop. Therefore, Castellum creates a stimulating work situation and development opportunities for each employee. Short decision-making processes with substantial business responsibility create an effective organization with local presence and a strong commitment to the development of local communities. To contribute to and drive sustainable development, Castellum will apply the Group's collective expertise in sustainable cities and communities as well as collaborate with customers, municipalities, other companies, associations, suppliers and educational institutions.

Castellum will contribute to creating healthy, inclusive and lively cities and play an active role in contributing to cities' sustainable development in a broader perspective. Or in other words: When Castellum creates growth, we're not the only ones who grow.

2. Scope

The sustainability policy encompasses all Group employees, the Board of Directors and all Castellum activities including acquisitions, property management, sales, new construction and demolition of buildings, the development of existing properties and suppliers and partners.

3. Objective

The main objective of the policy is to establish guidelines for how sustainability activities in the Group are to be pursued. The work must promote sustainable development and be an integral and natural part of operations, which are built on participation and commitment.

4. Definition of sustainability

The following is Castellum's definition of sustainability:

Ecological sustainability – is about building and developing societies within the limitations set by the planet and consequently; without jeopardizing the requirements of future generations.

Social sustainability – is about developing a society that values the equality of all people and places human needs and wellbeing in central focus.

Economic sustainability – is about securing long-term economic business growth while minimizing any negative consequences for ecological and social sustainability.

5. Vision

Castellum will be the most sustainable property company in Europe and will actively promote sustainable development.

6. Position on climate change and the planet's limits

Castellum acknowledges the scientific evidence that human activity is accelerating climate change. Overstepping the planet's limits involves great risks for our future. To contribute to the global agenda, Castellum must therefore govern its operations and set goals in line with the UN's Sustainable Development Goals¹ and the Paris Agreement².



Figure 1 The United Nations' Sustainable Development Goals.

To future-proof Castellum's portfolio, buildings will be made more energy-efficient, life cycle perspectives will be taken into account in investments, responsibility for natural resources and biodiversity will be assumed, the share of renewable energy will be increased and operations will be adapted to climate change. Castellum will be committed to the climate plans and policies of its customers and of government agencies, it will display leadership and to the greatest extent possible will influence the industry toward a greener approach.

¹ The UN's Sustainable Development Goals include 17 goals with 169 targets, to which the world's leaders have committed to achieve by 2030, with the aim of eliminating extreme poverty, reducing inequalities and injustices, and resolving the climate crisis.

² In 2015, the countries of the world agreed on a climate agreement that will come into action no later than 2020; its purpose is to limit the global temperature increase that causes climate change.

7. Commitment

As a responsible agent of societal progress, Castellum will be part of driving this development towards a sustainable society. Castellum regards the precautionary principle and society's requirements under laws and regulations as minimum requirements, and the company strives for continual improvements for the purpose of promoting sustainable development.

To achieve properly functional sustainability initiatives, Castellum will:

Overall

- Govern its operations in line with the UN's Sustainable Development Goals and the Paris Agreement, to the fullest extent that Castellum can insert its influence. This is achieved by prioritizing relevant goals for Castellum's operations and by systematically working with challenging objectives, as well as by monitoring and reporting.
- Adhere to Castellum's Code of Conduct, which is built on the UN Global Compact. 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 our sustainability efforts.

Ecological sustainability

- By 2030, be climate neutral regarding Scopes³ 1, 2 and 3 emissions of carbon dioxide equivalents which contribute to global warming.
- Use natural resources responsibly and efficiently so as not to jeopardize the planet's limits, and thus our climate and the opportunities for future generations in a finite world.
- Build and manage with a life-cycle perspective, and promote circular⁴ models.
- Contribute to increased biodiversity⁵ and limit the use and spread of environmentally hazardous products.
- Environmentally certify all properties which have been owned for more than one year, and update certification at least every ten years. In new production, these environmental and health risks must be managed in the construction process.
- Create conditions for responsible waste management through minimizing waste, preventing pollution and regarding waste as a resource for reuse and recycling.

Social sustainability

- Offer safe and healthy environments for people in and around our properties and for the well-being of our employees.
- Create an equitable organization with a diversity reflecting the composition of society.
- Contribute to employment and young people's opportunities to enter the labor market.
- Engage in issues that are significant for societal development.
- Call attention to and change discriminatory structures in the organization.

³ Scope 1 refers to direct combustion, e.g. oil, gas and service, fringe benefit and pool cars. Scope 2 refers to emissions from spent energy such as district heating and electricity. Scope 3 refers to all indirect emissions.

⁴ A circular model aims to rebuild and reuse without utilizing new resources – whether they be economic, manufactured, human, social or physical.

⁵ Biodiversity refers to the variation of living organisms in our environment, such as green spaces and species.

- Be an attractive employer and attract the best and most professional employees.

Financial sustainability

- Maintain a long-term sustainable cash-flow growth.
- Create business models for collaboration regarding sustainable investments.
- Maintain low financial and operational risks, for a strong increase in value in the company while offering shareholders a competitive dividend.
- Use financial and human capital efficiently.
- Operations must be characterized by high business ethics, sound business practice, accountability, impartiality and systematic efforts regarding anti-corruption.

8. Document owner

Castellum's CEO is responsible for Castellum's sustainability policy

9. Allocation of responsibility

Responsibility of the Board

Requirements and guidelines regarding the Group's sustainability efforts are constantly changing. Castellum's sustainability policy, including associated sustainability goals for all operations, will therefore be revised on a regular basis and be adopted by the Board at least once a year.

Strategic responsibility

Directly after the CEO, Castellum's Head of Sustainability is responsible for the Group's sustainability activities and development. All sustainability goals are followed up at least quarterly and are reported to Executive Management and the Board. The sustainability goals are also reported externally in the company's annual report and on its website.

Operational responsibility

The Head of Sustainability is supported by coordinators working with sustainability projects on behalf of the entire Group. For the operational work, Castellum's Head of Sustainability runs an operative sustainability group consisting of sustainability coordinators from each region.

Regional responsibility

The Regional Managing Director in each region is responsible for implementing the sustainability policy, for ensuring that all employees have information about and education about the sustainability policy, and for ensuring that the policy is adhered to. Furthermore, the Regional Managing Director is responsible for fulfilling the region's sustainability goals.

To their aid, each regional managing director has a regional sustainability coordinator. The regional sustainability coordinator belongs to the central staff function and coordinates the region's sustainability work and forms part of the Group's joint operational sustainability group.

In each business area, there is also an employee who is responsible for bringing sustainability issues to the agenda.

Each respective employee's responsibility

Through continuous training, all Group employees should thoroughly understand how they affect Castellum's sustainability activities in their respective business roles, as well as how each employee is key to achieving the Group's sustainability policy and goals. Each employee is also expected to actively seek and assimilate information.

10. Collaborating with stakeholders, educating and informing

Castellum will be transparent and provide information about the environmental impact of its activities and the sustainability activities being conducted. The company will also be responsive to changes and reactions in all stakeholder groups.

Castellum can contribute to sustainable development by influencing, placing requirements and actively collaborating with other companies, authorities and organizations. When collaborating with consultants, contractors and suppliers, etc., Castellum sets the same requirements for them as for its own business activities. The parties Castellum collaborates with share the same views and act in accordance with Castellum's sustainable business principles.

Castellum's local regions will meet – and exceed – customers' expectations. The regions will promote and encourage awareness of sustainability efforts and create conditions for customers to take an active part in the work.

To improve the Group's sustainability efforts, employees will continuously receive further training. The implemented training programs will increase expertise and commitment among employees.

To assure quality, Castellum's environmental management system is to be certified according to ISO 14001.

11. Distribution and implementation of the Sustainability Policy

All members of the Executive Management are responsible for implementing the sustainability policy in their respective organizations. This includes monitoring to ensure that business activities are conducted accordingly. Each employee is also expected to actively seek and assimilate information.