



Sustainability Policy

- *Agenda for sustainable business 2030*

This sustainability policy was approved by the Board of Castellum AB (publ) on April 16, 2018

Contents

- 1. *Introduction*.....2
- 2. *Scope*2
- 3. *Purpose*2
- 4. *Definition of sustainability*.....2
- 5. *Vision*3
- 6. *Position on climate change and the limitations of the planet*.....3
- 7. *Commitment*4
- 8. *Policy owner*5
- 9. *Distribution 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, and the spirit of sustainability permeates all actions from ownership, management and development to customer relations and finance. Castellum's work with sustainability issues is an integral part of all business operations as well as a requirement for reaching company objectives. Castellum is one of the real estate sector's largest players, and growth is based on the continuous development of operations. Conducting long-term sustainable operations means creating long-term solutions from economic, ecological and social perspectives. In addition to our responsibility of safeguarding our planet and future generations, our sustainability efforts lead to better 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 being a responsible business, it is important that all Castellum employees demonstrate commitment and a willingness to develop their professional skills. Castellum therefore offers each employee a stimulating work situation as well as professional and personal development opportunities. Short decision-making processes with great business responsibility create an efficient and 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 co-operate with customers, municipalities, other companies, associations, suppliers and educational institutions.

Castellum will contribute to healthy, inclusive and exuberant cities and be an active partner that contributes to 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 includes all Group employees and all Castellum activities including acquisitions, management, sales, suppliers and partners, new construction and demolition of buildings, the Board of Directors, and the development of existing properties.

3. Purpose

The main purpose of the policy is to establish guidelines for how the Group's sustainability activities are to be conducted. The work should contribute to sustainable development and be an integral and natural part of our entire business operation, which is built on participation and engagement.

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 growth while minimizing any negative consequences for ecological and social sustainability.

5. Vision

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

6. Position on climate change and the limitations of the planet

Castellum acknowledges the scientific evidence that human activity accelerates climate change. Breaching the planet’s environmental limits poses great risks for our future. To contribute to the global agenda, Castellum will therefore guide and target business operations in accordance with the United Nations’ Sustainable Development Goals¹ and the International Climate Change Agreement².



Figure 1 The United Nations’ Sustainable Development Goals

In order to future-proof Castellum’s portfolio, buildings are to be energy efficient; life-cycle perspectives have to be considered when investing; responsibility will be taken for natural resources and biodiversity; the proportion of renewable energy will increase; and operations are to be adapted to mitigate climate change. Castellum will be committed to customer and

¹ The UN’s Sustainable Development Goals include 17 goals with 169 sub-goals, to which the world’s leaders have committed to achieve in year 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 year 2020; its purpose is to limit the global temperature increase that causes climate change.

government climate plans and policies. Castellum will remain at the forefront and, as far as possible, inspire our entire industry to become more climate-friendly.

7. Commitment

As a responsible social developer, Castellum will be involved in pushing development forward toward a sustainable society. Castellum considers the precautionary principle and society's laws and regulations as minimum requirements. We strive for continuous improvements to reach clearly stated objectives, in order to promote sustainable development.

To ensure that Castellum's sustainability activities function optimally, Castellum will:

Overall

- Manage operations in accordance with the UN Sustainable Development Goals and the International Climate Change Agreement, to the fullest extent that Castellum can insert its influence. This is done by prioritizing relevant goals for Castellum's operations and by systematically working with challenging objectives, as well as by monitoring and reporting.
- Follow Castellum's Code of Conduct, which is based on the UN Global Compact. All Castellum employees and partners are to understand and comply with their respective Codes of Conduct.
- Continuously develop the sustainability skills of employees through education and communication about sustainability issues.
- Regularly monitor, evaluate and improve sustainability efforts.

Ecological sustainability

- Minimize scope³ 1, 2 and 3 carbon-dioxide emission sources that contribute to global warming.
- Utilize natural resources efficiently and responsibly, without jeopardizing the planet's limitations and thereby our climate, as well as possibilities for future generations.
- Build and manage with a life-cycle perspective in mind; 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 at least one year, as well as updating certification at least every 10 years.
- Create conditions for responsible waste management by minimizing waste, preventing pollution, and seeing waste as a resource for reuse and recycling.

Social sustainability

- Provide safe and healthy environments for people in and around the properties we manage and for the wellbeing of our employees.

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 emissions from purchases, e.g. travel by air, train, taxi and private vehicles for business trips.

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.

- Create an equitable organization with diversity that reflects the composition of our society.
- Contribute to youth employability and provide opportunities for young people to enter the labour market.
- Engage in matters of importance for social development.
- Address and change discriminatory structures within the organization.
- Be an employer-of-choice, attracting the best and most professional people.

Financial sustainability

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

8. Policy owner

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

9. Distribution of responsibility

The 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 determined 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.

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. As a complement, there is a forum for sustainability issues. The forum consists of responsible representatives from the core business functions: Executive Group Management, project development, management, technology/IT, HR and purchasing. The forum meets regularly to discuss development issues.

Regional responsibility

The Regional Manager in each region is responsible for implementing the sustainability policy, for ensuring that all employees have information about and education in the sustainability policy, and for making sure that the Code is complied with. Furthermore, the Regional Manager is responsible for fulfilling the region's sustainability goals.

To their aid, each Regional Manager has a regional Sustainability Coordinator. The regional Sustainability Coordinator 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 goals. Each employee is also expected to actively search for and absorb 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 demands and actively collaborating with other companies, authorities and organizations. When collaborating with consultants, contractors and suppliers, etc., Castellum will demand the same of them as of its own business activities. The players Castellum collaborates with will share the same views and act in accordance with Castellum's sustainable business principles.

Castellum's local regional companies will meet – and exceed – customer expectations on sustainability. The companies 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 in various related fields. The implemented training programs will increase both 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

Every Regional Manager is responsible for implementing the sustainability policy and its intentions in his or her organization. This includes monitoring to assure that business activities are conducted accordingly. Every employee should also actively seek and acquire updated information.