

Sustainability policy



Agenda for the sustainable city

This Sustainability Policy was adopted by the Board of Directors of Castellum AB (publ) on 5 May 2025.

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1. Introduction

Castellum is, and will continue to be, one of the Nordic's most sustainable property companies. This applies to ownership, property management and asset portfolio development as well as to financing and relationships with customers, employees, suppliers and society as a whole. Sustainability should permeate the actions and daily work of the company and all its employees.

Castellum believes in the idea of responsible entrepreneurship. As a long-term player and urban developer, it is self-evident that we should promote the development of a sustainable society by creating economically, ecologically and socially sustainable solutions.

Castellum's sustainability efforts are a natural part of its operations and a requirement for achieving the company's goals. Castellum is one of the largest players in the Nordic property sector, and the capacity for continued growth is predicated on the continual development of operations. Conducting long-term sustainable operations entails creating long-term solutions that are financially, ecologically and socially responsible and innovative. In addition to our responsibility for 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 satisfied customers, committed employees and increased profitability.

Committed employees who want to improve themselves are a prerequisite for success in this area. Castellum intends to create a stimulating work situation and development opportunities for every employee. Short decision-making processes with substantial business responsibility create an effective organisation with local presence and a strong commitment to the development of local communities. Castellum is to apply the Group's collective expertise in sustainable cities and communities and in collaboration with customers, municipalities, other companies, associations, suppliers and educational institutions, will support and be a driver of sustainable development.

Castellum will promote the creation of healthy, inclusive and vibrant cities, and its operations will play an active role in the city's development into becoming more sustainable from a broader perspective – in other words, when Castellum creates growth, we are not the only ones who grow.

2. Purpose

The primary purpose of this policy is to set guidelines for how sustainability initiatives in the Group are to be pursued. These efforts must promote sustainable development and be an integral, natural part of operations that are built on participation and commitment.

3. Scope and target groups

This Sustainability Policy encompasses all employees of companies in the Castellum Group and the Board of Directors, as well as all Castellum activities: acquisitions, property management, sales, new production and demolition of buildings, the development of existing properties, co-working and suppliers and partners.

4. Definition of sustainability

Castellum divides sustainability into three dimensions: ecological, social and economic sustainability.

Ecological sustainability – concerns building and developing communities within Planetary limits and, consequently, not jeopardising the possibility for future generations to meet their needs. For Castellum, this means using natural resources as rationally and efficiently as possible, building in accordance with high environmental standards, and counteracting climate changes.

Social sustainability – concerns the long-term development of a society that stands up for human rights and the equal worth of all, is inclusive, and puts human health, safety and wellness in focus. Protecting the social sustainability of our own employees is important for Castellum. We intend to be a committed party in the cities where we operate and collaborate with customers, suppliers and other partners.

Economic stability – concerns securing long-term economic growth for the Group without any negative consequences for ecological or social sustainability. Our long-term sustainability goals and strategies provide a natural foundation for economically sustainable growth.

5. Vision

Castellum will be the most sustainable property company in the Nordic 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 causing climate change. Overstepping the Planet's limits involves great risk for our future. To promote a global agenda, Castellum must therefore govern its operations and set goals in line with the UN's Sustainable Development Goals¹ and the Paris Agreement². Ten of the Sustainable Development Goals (SDGs) that have the strongest links with Castellum's operation have been integrated into our sustainability strategy. These were selected through a special analysis at the company in which we reviewed all of the global SDGs and their associated targets and chose to prioritise the goals to which we have the strongest links.

¹ The UN SDGs encompass 17 goals with 169 targets, which the world's leaders have pledged to achieve by 2030 with the aim of eradicating extreme poverty, reducing inequality and injustice, and resolving the climate crisis.

² In 2015, the countries of the world unanimously approved a climate agreement whose purpose was to limit the global temperature increase that is causing climate change.



Figure 1 The ten Sustainable Development Goals (SDGs) that have the strongest links with Castellum's operations.

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, limited climate impact, 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, as well as to research and development. Castellum will display leadership and to the greatest extent possible will influence the industry toward becoming more sustainable.

7. General international conventions and initiatives that Castellum supports

- The UN Global Compact
- UN Guiding Principles on Business and Human Rights
- UN Convention on the Rights of the Child
- UN Sustainable Development Goals
- Paris Agreement
- OECD Guidelines for Multinational Enterprises
- The ILO Fundamental Conventions
- Sweden's road map to Fossil-Free Sweden

8. Commitment

As a responsible community developer, 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 do the following:

Overall

- Govern its operations in line with the UN SDGs and the Paris Agreement, to the extent Castellum can exert its influence. This is achieved by prioritising the goals that are relevant to Castellum's operations, and systematic efforts through challenging objectives, monitoring and reporting.
- Comply with Castellum's Code of Conduct, which is based on the UN Global Compact. All Castellum's employees and partners must understand and comply with their respective Codes of Conduct.
- Castellum applies the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises.
- Continually increase competence in sustainability through education and communication of sustainability issues.
- Routinely monitor, report on and improve our efforts.

Ecological sustainability

- Our climate targets have been approved by the Science Based Target initiative (SBTi) and Castellum commits to reach net-zero greenhouse gas emissions across the value chain by 2040 (Scopes³ 1, 2 and 3).
- 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. This entails, among other measures, reducing the consumption of purchased energy and water in our buildings.
- Maintain and develop existing buildings and structures to minimise the use of new materials and products.
- In conjunction with acquisitions and company transactions, due diligence is performed on the environment to identify ecological risks and opportunities.
- Climate risks and opportunities are taken into account in conjunction with all investments and for the entire asset portfolio.
- When choosing an energy supply for our properties, the most cost-efficient solution with the least climate impact will be selected.
- The green appendix shall always be used for all new tenancy agreements unless special circumstances apply.
- Sustainability certify all new productions and increase the proportion of sustainability certified existing buildings, select and promote materials with low climate impact from a life-cycle perspective, and minimise hazardous toxins.
- Build and manage from a life-cycle perspective, and promote circular models⁴. Re-use must be employed in all projects, and over time, re-use and renewable materials will become a significant part of all projects.

³ Scope 1 pertains to direct combustion (e.g. oil and gas, as well as service, company and carpool vehicles). Scope 2 pertains to emissions from used energy (e.g. district heating and electricity). Scope 3 pertains to all indirect emissions such as, for example, emissions from our projects, business travel, commuting and our tenants' waste and electricity.

⁴ The purpose of a circular model is to rebuild and re-use without utilising new resources, whether they are economic, manufactured, human, social or physical.

- Promote increased biodiversity⁵.
- Limit the use and spread of environmentally hazardous products. Conduct environmental inventories for all properties that have been held for more than one year and update environmental inventories every ten years at minimum. In conjunction with new production, identified environmental and health risks must be addressed during the construction process.
- Create conditions for responsible waste management through minimising waste, guarding against pollutants and regarding waste as a resource for reuse and recycling.
- Choose non-fossil fuel powered vehicles, to procure only non-fossil energy where available. Castellum AB commits to install no new fossil fuel equipment that are owned or financially controlled by the company in its property portfolio.

Social sustainability

- Offer safe, healthy environments for people in and around our properties and for our employees' well-being.
- At Castellum, we will endeavour to create a positive, safe and comfortable environment where short-term sick leave will not exceed 2% and long-term sick leave will not exceed 3%.
- Create an equitable and inclusive organisation with a diversity that reflects the composition of society.
- Recruitment must be steered toward selecting the most suitable candidates based on competence, and not on prejudices or an individual's origins. Accordingly, the proportion of anonymised recruitments must increase, with the goal of increasing diversity among the final candidates.
- Contribute to employment and young people's opportunities to enter the labour market.
- Engage in issues that are significant for societal development.
- Implement zero tolerance toward harassment, victimisation and sexual harassment, and call attention to and change discriminatory structures in the organisation.
- Be an attractive and inclusive employer, and attract and retain the best and most professional employees.
- Be a positive force in society by being an employer that offers a safe and comfortable work environment.

Financial sustainability

- Maintain long-term, sustainable financial growth in cash flows.
- Create business models for collaboration regarding sustainable investments.
- Maintain low financial and operational risks for a robust increase in value in the company while offering shareholders a competitive dividend.
- Use financial and human capital efficiently.
- The operations must be characterised by a high level of business morals, sound business practices, accountability, impartiality and systematic anti-corruption initiatives.

9. Document owner

Castellum's CEO is responsible for Castellum's Sustainability Policy.

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

10. Allocation of responsibility

Responsibility of the Board

Requirements and guidelines regarding the Group's sustainability efforts are constantly changing. Castellum's Sustainability Policy with the associated appendix for sustainability goals for all operations, will accordingly be revised on a regular basis and be adopted by the Board at least once a year following preparation by the Chief Sustainability Officer.

Strategic responsibility

Directly after the CEO, Castellum's Chief Sustainability Officer bears responsibility for and manages the Group's sustainability initiatives 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 quarterly and annual reports, as well as on its web site.

Operational responsibility

As support, the Chief Sustainability Officer has a team that works on Group-wide sustainability projects. For operational activities, Castellum's Chief Sustainability Officer leads a Sustainability Group composed of sustainability managers who represent and support the regions, and sustainability managers who are responsible for central sustainability and reporting.

Regional responsibility

The Regional Managing Directors of each region are responsible for implementing this Sustainability Policy, ensuring that all employees are informed and trained in this Sustainability Policy, and ensuring compliance with it. The Regional Managing Directors are responsible for fulfilling the regions' sustainability goals.

Each Regional Managing Director is supported by a regional sustainability coordinator. The regional sustainability coordinators are part of the central staff and coordinate the regions' sustainability initiative, and are also part of the Group-wide operational sustainability group.

Employee responsibility

All employees in the Group are to understand, through continual training, how they influence Castellum's sustainability initiatives in their roles and how each employee is key to achieving the Sustainability Policy and goals of the operations. Each employee is expected to comply with this Sustainability Policy and promote the achievement of the policy and the Group's sustainability goals in their daily work.

11. Collaboration with stakeholders, training and transparency

Castellum will be transparent, providing information about the impact of its operations and the sustainability initiatives being conducted, as well as being responsive to changes and reactions in all

stakeholder groups.

By influencing, setting requirements and actively collaborating with other companies, authorities and organisations, Castellum can contribute to sustainable development. In its collaboration with consultants, contractors and suppliers, Castellum will set the same requirements on them as for its own operations. Parties that Castellum collaborates with must share the same views and act in the same spirit of sustainable development that Castellum stands for.

The regions in Castellum must meet and exceed customer expectations. The regions will promote and encourage sustainability initiatives, and create conditions for customers to conduct active sustainability initiatives on their own.

Employees will be continually trained in these areas, which will result in increased sustainability for the Group. The training that is conducted will increase both awareness and commitment among employees.

To ensure the quality of these efforts, Castellum's environmental management system is to be certified under ISO 14001.

12. Distribution and implementation of the Sustainability Policy

All members of Executive Management and administrative management are responsible for implementing this Sustainability Policy in their organisations and for monitoring to ensure that business activities are conducted accordingly. Each employee is also expected to actively seek out and assimilate information.

13. Supporting documentation

As an appendix to this Sustainability Policy:

- Sustainability goals for Castellum

As supporting documents to this Sustainability Policy:

- Code of Conduct
- Code of Conduct for suppliers
- Work Environment Policy
- Guidelines for sustainable travel
- Guidelines for service vehicles
- Energy strategy
- Crisis management policy
- Tax policy