

Green Financing Framework 2025



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This is Castellum

Castellum is one of the Nordic region's largest commercial property companies, with a focus on office and logistics properties in Nordic growth cities. As of December 31 2024, the property value, including the holdings in the Norwegian company Entra ASA, totalled approximately SEK 155 Bn. The company is listed on Nasdaq Stockholm Large Cap and is classified as green under the Green Equity Designation. Castellum is the only Nordic property company included in the Dow Jones Sustainability Indices (DJSI).

Sustainability at Castellum

Sustainability is at the core of everything Castellum does, from property ownership to innovative methods that create lasting solutions with positive economic, ecological, and social impacts. This commitment not only helps protect the planet for future generations but also leads to better property management, increased stakeholder appeal, and stronger oversight of properties. Castellum's long-term focus on sustainability enables the implementation of responsible, innovative solutions across economic, ecological, and social dimensions.

Achievements

Castellum is an industry leader within sustainability. This is demonstrated through numerous of achievements and awards, some of them are highlighted below.

- During 2025 Castellum was awarded the highest score (A) in the CDP climate ranking, a global system for reporting environmental impact. This makes Castellum one of only a few property companies in Europe to have achieved this.
- During 2024 Castellum achieved a top-tier AAA rating in the MSCI ESG Ratings, indicating excellent performance in environmental, social, and governance practices. This rating places it at the highest level on the MSCI scale, which ranges from AAA to CCC.
- During 2024 Castellum achieved top ranking in the S&P Corporate Sustainability Assessment for the ninth consecutive year and remains the only Nordic real estate company listed on the Dow Jones Sustainability Index.
- Castellum is ranked as a leading company in sustainability reporting by the ESG Transparency Award 2024, conducted by EUPD Research.

Sustainability strategy

Sustainability is deeply integrated into Castellum's operations and is essential for achieving the company's goals. Castellum is committed to achieving net-zero carbon emissions across the value chain by 2040 and has set clear targets to significantly cut emissions from operations, construction, and procurement by 2030. The company aspires to be the most sustainable property company in Europe, integrating sustainability into every aspect of its business operations.

Castellum's sustainability strategy, "The Sustainable City" consists of three areas of focus and 17 measurable targets where the climate-related goals are scientifically based and approved by the SBTi. This strategy will ensure that the sustainability goals are achieved and that the company is both successful and relevant – not just today, but for a long time to come.

- **Future-proofed assets:** Castellum is committed to responsibly reducing the environmental impact on the climate and biodiversity, while enhancing resource efficiency,

promoting the circular economy, and building a sustainable, future-ready property portfolio in a rapidly changing world.

- **Sustainable workplaces:** Castellum will create sustainable, attractive, and inclusive workplaces that promote the health and well-being of employees and customers.
- **Sound business:** Castellum conducts business in a socially responsible manner by setting clear expectations for our supply chain and engaging with our community and stakeholders.

Agenda for the sustainable city			
Ongoing goals	Goal 2025	Goal 2030	Goal 2040
<ul style="list-style-type: none"> ■ 2.5 per cent energy efficiency enhancements per year* ■ Initiatives for increased biodiversity in the property portfolio must be promoted and net positive increase of ecosystem services in larger projects ■ No employment injuries and work-related injuries among employees and suppliers ■ On an annual basis, Castellum shall offer internship placements equivalent to 10% of the number of employees ■ Customer satisfaction (CSI) index higher than the external benchmark in the long term ■ Engagement index (EEI) higher than the external benchmark in the long term ■ Major and critical suppliers undergo screening of material business and sustainability risks 	<ul style="list-style-type: none"> ■ 11 decrease in energy consumption compared with 2021* ■ 70 per cent of Castellum's properties must have an energy performance lower than 100 kWh/sq. m. per year ■ 40 to 60 per cent equality among all occupational categories ■ 20 per cent of Castellum's employees will have international backgrounds 	<ul style="list-style-type: none"> ■ Castellum commits to reduce greenhouse gas emissions by 2030 (validated by SBTi, from a 2023 base year): <ul style="list-style-type: none"> ■ Scope 1, 2 and 3 in-use operational emissions of owned and leased buildings, covering downstream leased assets, 46 per cent per sq. m. of total portfolio area. ■ Upfront embodied scope 3 emissions of new buildings, covering capital goods, 45.4 percent per sq. m. built area. ■ Scope 3 emissions from purchased goods and services 51.6 per cent per sq. m. of total portfolio area. ■ Castellum commits to install no new fossil fuel equipment that are owned or financially controlled by the company in its property portfolio from May 1, 2025. ■ 200 solar PV systems in "100 on Solar" ■ 75 per cent of the portfolio is to be sustainability certified 	<ul style="list-style-type: none"> ■ Castellum commits to reach net-zero greenhouse gas emissions across the value chain by 2040 (validated by SBTi, from a 2023 base year): <ul style="list-style-type: none"> ■ Scope 1, 2 and 3 in-use operational emissions of owned and leased buildings, covering downstream leased assets, 77.9 per cent per sq. m. of total portfolio area. ■ Upfront embodied scope 3 emissions of new buildings 96.6 per cent, covering capital goods, per sq. m. built area. ■ All other scope 3 emissions 97 per cent per sq. m. of total portfolio area. ■ 100 per cent of Castellum's properties must have an energy performance lower than 50 kWh/sq. m. per year ■ No properties are to be subject to serious climate risks

* In the like-for-like portfolio

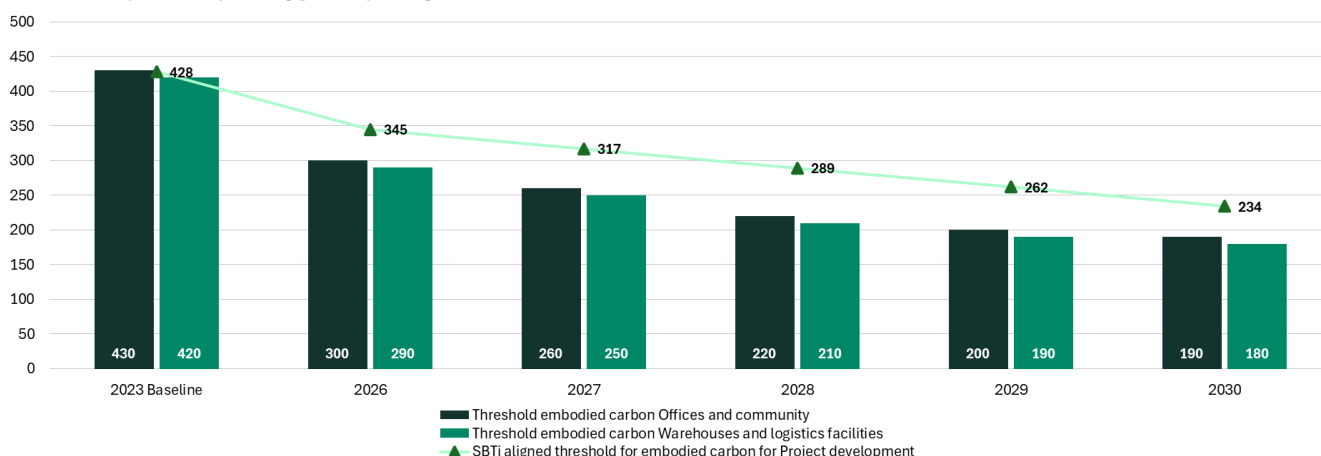
Castellum's transition plans for net-zero carbon emissions

During 2025 Castellum has developed a new climate target validated by the Science Based Targets initiative (SBTi) which is based on the new standard for the construction and building industry. This target means that Castellum commits to reach net-zero greenhouse gas emissions across the value chain by 2040. To reach its net-zero emissions goal Castellum reviews and updates its strategy annually, monitoring and reporting on progress quarterly.

To reach the net-zero emission goal it is fundamental to decrease the climate impact from project development. Castellum is committed to designing all projects with the goal of minimizing their climate impact to the extent possible by setting project-specific climate requirements for each project. These requirements are more ambitious than the net-zero road map aligned with SBTi. For new office and logistics buildings, the company will aim to meet the following maximum climate thresholds for embodied carbon by 2030, where conditions allow:

- Offices and community facilities: 190 kg CO₂e per sq. m. of gross floor area
- Warehouses and logistics facilities: 180 kg CO₂e per sq. m. of gross floor area

Net-zero road map, validated by the SBTi [kg CO₂e/sq. m. GFA]



Re-Use Hierarchy

The construction and property industry generates around 30 per cent of all waste in Sweden, making it a significant contributor to waste. In 2023, Castellum implemented new re-use procedures across all projects, formalized through a five-step procedure that ensures materials are preserved and reused as much as possible. The system prioritizes material preservation on-site, with disposal as a last resort, in order to minimize resource consumption and waste – helping to mitigate the carbon emissions associated with new construction. Castellum’s commitment to these practices is guided by its Sustainability Policy and Code of Conduct.

Castellum aims to remain a leader in sustainable construction and property management, fully integrating circular economy principles. The goal is for at least 75 per cent of the property portfolio to be sustainability-certified, with all new developments and major reconstructions using re-used and renewable materials. This supports Castellum’s broader commitment to achieving net-zero emissions across the value chain by 2040, promoting a more sustainable future for the company and the industry.

Re-Use Hierarchy

1	Preserved on site
2	Re-used in the project
3	Re-used within the organisation
4	Re-used by another player
5	Waste managed

Climate Risk Management

Castellum takes a proactive and comprehensive approach to managing climate risks, recognizing the growing global challenges posed by climate change, such as rising sea levels, higher temperatures, and increased risks of flooding, erosion, and landslides. The company has conducted independent, external climate risk assessments to evaluate the physical risks faced by its properties, providing an objective and thorough understanding of potential vulnerabilities.

A detailed climate risk analysis has been conducted across Castellum's entire property portfolio, assessing the risks for each building. This analysis, which considered both current and future climate scenarios, identified flooding from heavy rainfall and rising water levels as the primary risks to Castellum's assets. By taking this evidence-based approach, Castellum ensures that it is not only aware of its climate vulnerabilities but is also prepared to implement the necessary adaptation measures. The climate risk assessment concludes that resilience levels are relatively high across all climate scenarios and that the risks are anticipated to have a relatively low financial impact on Castellum's asset portfolio.

Castellum is committed to eliminating all climate risks by planning measures to be integrated into long-term maintenance and future investments for existing properties. Risk analyses are also conducted prior to new construction projects to ensure the properties are future-proofed against potential climate change impacts.

Rationale for Green Financing

As demonstrated above, sustainability initiatives are deeply embedded in Castellum's business model. Green financing plays a crucial role in advancing these initiatives.

Since establishing its first Green Bond Framework in 2016, Castellum has continuously evolved its approach to green financing. This updated Green Financing Framework reflects Castellum's net zero roadmap and recent market developments. The Framework has been developed together with Handelsbanken.

Green Financing Framework

Green Terms

This Framework has been developed to align with the International Capital Market Association's ("ICMA") Green Bond Principles published in June 2025 and the Green Loan Principles administered by the Loan Market Association (LMA), the Asia Pacific Loan Market Association (APLMA) and the Loan Syndications and Trading Association (LSTA) Principles published in March 2025. The Framework has been designed to more broadly adhere to the Technical Screening Criteria assuring substantial contribution to at least one of the environmental objectives under the EU Taxonomy (the Climate Delegated Act, December 2021). The Framework enables Castellum to issue a range of green financing instruments, including bonds, loans, and commercial papers ("Green Debt Instruments").

This Green Financing Framework is structured according to ICMA's four core principles:

1. Use of Proceeds
2. Process for Project Evaluation and Selection
3. Management of Proceeds
4. Reporting

For heightened transparency Castellum also follows the key recommendation by ICMA to have the Framework reviewed by an independent external reviewer. S&P Global has provided a second party opinion on this Framework.

Use of Proceeds

Castellum will allocate an amount equivalent to the net proceeds from its Green Debt Instruments to finance or refinance, in whole or in part, Green Projects that contribute to the transition toward a low-carbon, climate-resilient, and sustainable economy. Eligible Green Projects may encompass fixed assets (Assets), capital expenditures (CapEx), and/or operational expenditures (OpEx), and must meet the defined categories and criteria set out below. "New financing" applies to eligible Green Projects that are ongoing or completed within the reporting year, while "refinancing" applies to Green Projects completed prior to the reporting year. Both Assets and CapEx are eligible for refinancing without a specific look-back period, whereas OpEx may be refinanced with a maximum look-back period of three years from the date of issuance.

Castellum operates in the Nordic market, the net proceeds will therefore be used exclusively to finance or refinance Green Projects in the Nordic region.

Green Projects	Eligibility Criteria	Contribution to EU Objective and SDG
Green buildings Applicable EU Taxonomy activities: 7.1, 7.2, 7.7	New buildings¹ The building fulfils, or will after completion fulfil, the following criteria to be eligible: Energy use <ul style="list-style-type: none"> ■ The Primary Energy Demand (PED) of the building is at least 30% lower than the threshold set for nearly zero-energy building (NZEB) requirements in national measures² Environmental certification <ul style="list-style-type: none"> ■ The building has (i) a design stage certification, (ii) a post-construction certification or (iii) an in-use certification of: <ul style="list-style-type: none"> - Miljöbyggnad “Gold” - BREEAM “Excellent” - LEED “Gold” - NollCO₂³ or - DGNB “Silver” ■ If the building is a logistics building it has (i) a design stage certification, (ii) a post-construction certification or (iii) an in-use certification of: <ul style="list-style-type: none"> - Miljöbyggnad “Silver” - BREEAM “Very Good” - LEED “Gold” - NollCO₂ or - DGNB “Silver” Physical climate risk <ul style="list-style-type: none"> ■ The building has undergone a screening of material climate risks in accordance with the EU Taxonomy 	Climate Change mitigation SDGs: 7, 11, 12, 13

¹ Buildings built after the 31st of December 2020.

² Since NZEB is not yet defined in Norway this does not apply to Castellum’s operations in Norway. Instead, the PED for new buildings in Norway will be at least 30% lower than required by regional building regulations.

³ NollCO₂ is used in conjunction with a broad base certification for sustainable buildings. Castellum will use NollCO₂ conjunction with Miljöbyggnad, BREEAM-SE, or LEED.

Additional criteria for new buildings completed after January 1st 2026

Embodied carbon

- The life-cycle Global Warming Potential (GWP) of the building has been calculated and assessed in accordance with the NollCO₂ certification⁴ and allows for a maximum amount of embodied carbon of 300 kg CO₂e/.sq.m. GFA

Renovation of an existing building⁵

The renovation fulfils the following criteria to be eligible:

Energy use

- An overall reduction in PED of at least 30% or the renovation meets the applicable requirements for major renovations

Environmental certification

- The building has, or will after completion of the renovation receive (i) a design stage certification, (ii) a post-construction certification or (iii) an in-use certification of:
 - Miljöbyggnad “Silver”,
 - BREEAM “Very Good”,
 - LEED “Gold”
 - NollCO₂ or
 - DGNB “Silver”

Embodied carbon

- The life-cycle Global Warming Potential (GWP) of the renovation has been calculated

Circularity

- The building has undergone Castellum's Re-Use Hierarchy process⁶

⁴ Compared with the Swedish national regulations on climate declarations for buildings, the NollCO₂ methodology includes the climate impact of additional building parts, providing a more complete climate impact calculation.

⁵ A renovated building that fulfils the criteria for Existing buildings in this Framework can be classified as an eligible Green Project as a whole. If the building, after a renovation, does not fulfil the criteria for an Existing building in this Framework only the cost of the renovation measures can be financed.

⁶ Castellum's Re-Use Hierarchy process is designed to minimize waste through a structured approach to material preservation and reuse. The process involves five distinct steps: preserving materials on site, reusing them within the project, reusing them within the organization, reusing them by external entities, and managing any remaining waste. This methodology ensures that materials are utilized as efficiently as possible, with waste disposal being considered only as a last resort.

Physical climate risk

- The building has undergone a screening of material climate risks in accordance with the EU Taxonomy

Existing buildings⁷

The building have to fulfill or will fulfill the following criteria to be eligible:

Energy use

- The building has an Energy Performance Certificate (EPC) demonstrating class A or is within the top 15 % of the national or regional building stock, expressed as Primary Energy Demand (PED)⁸

Environmental certification

- The building has (i) a design stage certification, (ii) a post-construction certification or (iii) an in-use certification of:
 - Miljöbyggnad “Silver”
 - BREEAM “Very Good”
 - LEED “Silver”
 - NollCO₂ or
 - DGNB “Silver”

Physical climate risk

- The building has undergone a screening of material climate risks in accordance with the EU Taxonomy

Energy efficiency	Upgrades to the existing portfolio of buildings that target a lower overall energy use and an improved environmental footprint. This could include, for instance, the installation of geothermal heating/cooling, energy-efficient lighting, IT-technology (monitoring, efficiency management and remote operation), energy efficient windows or an upgraded ventilation system. Only directly associated expenditure (e.g. material, installation and labour) is eligible for financing. Castellum will ascertain the following:	Climate change mitigation
Applicable EU Taxonomy activity: 7.3	<ul style="list-style-type: none">■ High estimated energy savings in the targeted area (minimum 20%)	SDGs: 7, 11, 13

⁷ Buildings built before the 31st of December 2020.

⁸ The top 15% PED applicable under this Framework will be updated continuously. Castellum will reference an external benchmark when determining the top 15%. Such a benchmark could be e.g. guidance by national governments or a specialist study.

- Minimize long term negative climate impact and potential rebound effects
- Minimal negative climate impact from the technology used

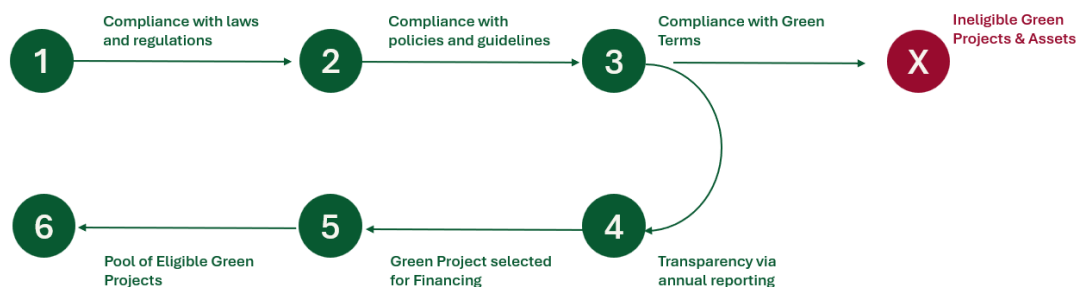
Renewable energy	Installation of renewable sources of energy including wind power, solar power, or geothermal energy (ground and surface systems connected to buildings), either as standalone installations or in the property portfolio.	Climate change mitigation
Applicable EU Taxonomy activity: 7.6		SDGs: 7, 13
Clean transportation	Financing of supportive infrastructure and solutions for clean transportation such as: <ul style="list-style-type: none"> ▪ Charging stations for electric vehicles ▪ Bicycle garages ▪ Pedestrian walkways ▪ Bicycle lanes 	Climate change mitigation
Applicable EU Taxonomy activity: 7.4		SDGs: 11, 13

Process for Project Evaluation and Selection

Green Projects will be identified by Castellum's Sustainability Department as part of the ongoing operations. When identifying eligible green projects the overall environmental impact of the Green Project will be taken into consideration. This includes an analysis of life cycle perspectives, potential rebound effects, resilience factors, and a screening of environmental and social risks.

A decision to finance Green Projects with net proceeds will be made by the Green Business Council ("GBC") consisting of members from the Group Finance Department and the Sustainability Department. The GBC will review information about the projects and evaluate their alignment with the Green Terms in this Framework. The Green Projects must also be compliant with applicable national laws and regulations, as well as policies and guidelines at Castellum. A decision to allocate net proceeds will require a consensus decision by the GBC. Decisions made by the GBC will be documented. Furthermore, the GBC is also responsible for signing off on the forthcoming reporting under the Framework. An updated list of all Green Projects will be kept by Castellum's Finance Department "the Green Register". If a Green Project ceases to meet the Green Terms, it will be removed from the list. The list will be used as a tool to determine if there is a current or expected capacity for additional Green Debt Instruments.

Process for project evaluation and selection



Management of Proceeds

An amount equal to the net proceeds of any Green Debt Instruments will be managed according to a portfolio approach and tracked and monitored through a Green Register. The Green Register will ensure that an amount equivalent to the net proceeds from issued Green Debt Instruments only support eligible Green Projects. The net proceeds designated for an eligible Green Project will equal the investment made by Castellum, apart from projects categorised under new buildings and existing buildings. The allocation to these projects can correspond to the market value of the building, less debts from other sources.

If an eligible Green Project no longer qualifies or if the underlying project is divested an amount equal to the funds allocated towards it will be re-credited to the Green Register. Funds may be reallocated to other Green Projects during the term of any Green Debt Instrument, unless otherwise restricted in the loan documentation.

The finance department will keep a record of the purpose of any change in the Green Register and ensure that the combined funds directed towards a specific Green Project, by one or several sources of Green Debt Instruments or other financing with specific use of proceeds, does not exceed its value.

In the event that the total outstanding Green Debt Instruments exceeds the value of the Green Projects in the Green Register the unallocated proceeds will be invested or utilized by the finance department without breaching Castellum's sustainability policy, and the exclusion criteria listed below.

Exclusion criteria

For the avoidance of doubt, proceeds from Green Debt Instruments will not be allocated or linked to fossil energy generation, nuclear energy generation, research and/or development within weapons and defence, potentially environmentally negative resource extraction (such as rare-earth elements or fossil fuels), gambling or tobacco.

Reporting

As long as any Green Debt Instruments issued under this Framework remains outstanding Castellum will publish an annual report (“the Reporting”), outlining the allocation and environmental impact of the net proceeds as well as the compliance with the Green Terms. The Reporting will be prepared by Castellum’s Finance Department and will be made available on the company’s website. In the event that Castellum has other Green Debt Instruments outstanding than bonds and commercial papers, Castellum may choose to report, in relation to these other Green Debt instruments, directly and non-publicly, to the relevant lenders.

Allocation report

The allocation report will include the following information based on data from the last of December in the previous year:

- The sum of outstanding Green Debt Instruments
- A list and a brief description of Green Projects financed with net proceeds from Green Debt Instruments
- The total amount of proceeds allocated within each Green Project category and the geographical distribution of projects
- If applicable, the amount of unallocated proceeds
- The proportion of net proceeds allocated to new financing and refinancing of projects

Impact report

The Reporting will include project-level impact indicators and aim to disclose the impact based on the Green Debt Instruments share of the total investment. For financed Green Projects that are not yet operational, Castellum will provide estimates of future performance levels. Energy savings and greenhouse gas reductions will be emphasized as the most relevant impact indicators for most projects. The Impact Report will take guidance from the most recent version of the ICMA’s Harmonised Framework for Impact Reporting Handbook and provide details of the methodology used to calculate the impact indicators.

The metrics below are examples of indicators that are likely to be used in the forthcoming Reporting.

Green Projects	Examples of Indicators
Green Buildings	<ul style="list-style-type: none"> ▪ Environmental Certification level and grade ▪ The annual energy use per sqm ▪ Energy use reduced or avoided ▪ Carbon intensity and annual emissions ▪ CO₂e emissions reduced or avoided ▪ The share of renewable energy used relative to total energy consumption
Energy Efficiency	<ul style="list-style-type: none"> ▪ Examples of energy efficiency projects financed with proceeds from Green Debt Instruments. Castellum will emphasize energy and carbon savings, where applicable, as relevant performance metrics.
Renewable energy	<ul style="list-style-type: none"> ▪ Yearly production (GWh) ▪ Avoided CO₂e emissions from production (tonnes)

	<ul style="list-style-type: none"> ▪ For an installation of renewable energy in a real estate asset - the per cent of the assets total energy use supplied by the installation
Clean Transportation	<ul style="list-style-type: none"> ▪ Annual absolute (gross) greenhouse gas emissions in CO2e ▪ Annual absolute (gross) greenhouse gas savings in percentage ▪ Number of charging stations for electric vehicles installed

External Review

Second party Opinion (pre-issuance)

S&P Global Ratings, an independent second party opinion provider, has reviewed this Framework's credibility, and alignment with the Green Bond Principles and Green Loan Principles. The second party opinion can be found on Castellum's website.

External Verification (annual post issuance)

The external auditor of Castellum, or a similar party appointed by Castellum with the relevant expertise and experience, will investigate and report whether an amount equal to the net proceeds have been allocated to Eligible Green Projects in line with what Castellum has communicated in the Reporting. The conclusions will be provided in a signed statement, which will be published on Castellum's website (Castellum.com).

Dedicated website

Castellum has a dedicated webpage for Green Financing at its website (Castellum.com) where investors, lenders and other interested parties can find information regarding Castellum's Green Financing, including:

- The Green Financing Framework
- The Second Opinion by S&P Global Ratings
- The Reporting
- The Annual Review
- Investor Presentations

Disclaimer

This document (the “Green Financing Framework” or “Framework”) contains information on Castellum (“Castellum”) and its potential use of financing with added environmental criteria the (“Green Terms”). Any financing that includes the Green Terms in its associated financing documentations, by reference or inclusion, as detailed in this document or in future versions of this document, will be designated as Green Financing (“Green Financing”). Other labels may apply to the specific type of financing, for instance Green Bond (“Green Bond”), Green Commercial Paper (“Green Commercial Paper”) or Green Loan (“Green Loan”). Depending on the language of the financing documentation the Green Terms in this Framework may be translated into other languages, as required or preferred in the local jurisdiction. Furthermore, all parties are advised to review the applicable risk factors for the specific type of Green Financing in the financing documentation.

Investors and third parties are advised to conduct an independent evaluation of the relevance and adequacy of the information in this Framework, and for making such other investigations considered necessary prior to entering into any of the types of transactions or arrangements where the Green terms would be applicable, for instance regarding the adherence to current and future regulations, standards or market practices such as the Green Bond Principles the EU Green Bond Standard and the EU Taxonomy.

Any Green Financing will be subject to the version of the Green Terms specified in the associated financing documentation. New Green Financing will include a reference to, or inclusion of, the most recently published Green Terms, which shall be publicly available in the Framework on Castellum’s website.