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Second Party Opinion

Castellum's Green Financing Framework

Aug. 22, 2025

Location: Sweden

Sector: Real estate

Alignment Summary

Aligned = ✓ Conceptually aligned = ○ Not aligned = ✕

- ✓ Green Bond Principles, ICMA, 2025 (with June 2022 Appendix 1)
- ✓ Green Loan Principles, LMA/LSTA/APLMA, 2025

See [Alignment Assessment](#) for more detail.

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Medium green

Activities that represent significant steps towards a low-carbon climate resilient future but will require further improvements to be long-term low-carbon climate resilient solutions.

Our [Shades of Green Analytical Approach](#) >

Strengths

A well formulated sustainability strategy with a clear action plan to reduce greenhouse gas emissions across the value chain. Castellum targets net zero emissions across its value chain by 2040 and has identified key actions focused on its existing portfolio, project development, and tenants to help it achieve its targets. Castellum has also conducted a physical climate risk scenario analysis across its portfolio at the asset level, which S&P Global Ratings views as a strength.

Castellum is working to incorporate reused and circular materials into its projects. Increasing the use of these materials will help Castellum manage its embodied emissions associated with new construction and renovation. We view it as especially positive that the company has incorporated clear circular economy criteria into its framework.

Weaknesses

No weaknesses to report.





Areas to watch

New construction that can be financed is associated with high emissions. Existing buildings will primarily be financed under the framework, and Castellum is introducing a cap on embodied emissions from 2026 as part of its eligibility criteria. However, the methodologies and knowledge needed to reduce such emissions are still evolving.

Shades of Green Projects Assessment Summary

Over the three years following issuance of the financing, Castellum expects the vast majority of proceeds to be allocated to existing buildings. Furthermore, most proceeds will be allocated to refinancing projects.

Based on the project categories' Shades of Green detailed below, the expected allocation of proceeds, and the consideration of environmental ambitions reflected in Castellum’s green financing framework, S&P Global Ratings assesses the framework as Medium green.

Green buildings	 Medium green
New buildings	
Renovation of existing buildings	
Existing buildings	
Energy efficiency	 Dark green
Investments in the existing portfolio of buildings that target lower overall energy use and an improved environmental footprint	
Renewable energy	 Dark green
Financing installations of renewable energy including wind, solar and geothermal, either standalone or in the property portfolio	
Clean transportation	 Dark green
Financing infrastructure and solutions for clean transportation including charging stations for electric vehicles (EVs), bicycle garages and lanes, and pedestrian walkways	

See [Analysis Of Eligible Projects](#) for more detail.

Issuer Sustainability Context

This section provides an analysis of the issuer's sustainability management and the embeddedness of the financing framework within its overall strategy.

Company Description

Castellum is one of the Nordic region's largest commercial property companies, headquartered in Sweden. Its business operations include property development, management, and acquisition, as well as the sale of commercial premises. At the end of 2024, the value of its property portfolio was approximately Swedish krona (SEK) 155 billion and the total leasable area was about 5.3 million square meters. Approximately 80% of the company's property holdings are in Sweden, while Finland and Denmark each account for 4%. 13% of the property holdings are held through its associated company Entra in Norway. Castellum's asset portfolio has tenants in various industries, with the office segment accounting for 60% of total portfolio value at the end of 2024, while public sector properties accounted for 17%, warehouse/light industry 14%, and retail 5%. About 4% of the portfolio value was attributable to land.

Castellum is listed on the Nasdaq Stockholm Large Cap and it has a diversified investor base. At the end of 2024, investors with the largest shareholding in the company were Akelius--through both Akelius Residential Property and Akelius Apartments--(13.5%), BlackRock (5.1%), and Gösta Welandson (4.0%). Akelius has since increased its stake in the company to over 25%.

Material Sustainability Factors

Climate transition risk

Increased energy use in buildings has been a major contributor to climate change, representing about one-third of global greenhouse gas emissions on a final-energy-use basis, according to the International Energy Agency (IEA). Building occupiers and operators could face higher energy bills as power prices rise and higher capital expenditure because upgrades are required to accommodate the energy transition and meet more stringent efficiency standards. In addition, low-carbon properties can achieve higher cost efficiencies or attract premium rents, enhancing their value. Embodied emissions from building materials are a major source of emissions when looking at the carbon footprint of a building over its life cycle. We consider that Sweden has more advanced regulations on embodied emissions than most of its European peers.

Physical climate risk

The geographically fixed nature of real estate assets exposes them to physical climate risks. While varying by location, these could include acute risks--such as wildfires, floods, and storms--which are becoming more frequent and severe, as well as chronic risks such as long-term changes in temperature and precipitation patterns and sea level rise. Acute and chronic risks could damage properties or place the health and safety of tenants at risk, as well as require investments to manage potential effects or, in severe cases, the relocation of tenants. While the aggregate impact is moderate--since the type, number, and magnitude of these risks vary by region--highly exposed regions may face material physical climate risks. Most owners have some insurance coverage, but it could become more difficult to secure insurance for the most exposed assets in the future without adaptation measures. For the Nordic building sector, the most severe physical impacts will likely come from increased flooding, snow loads, and urban overflow, as well as a higher incidence of storms and extreme weather.

Customer health and safety

Properties can adversely affect tenant health and safety, especially office and residential properties since people spend most of their time indoors. Although the probability of major risks, such as a fire or the failure of a property's structural integrity, is low,

the impact could be significant, resulting in serious injury or death, and tends to be more severe in older properties and regions with less stringent safety codes. The long-term nature of leases, as well as the diversity of tenants and assets, can largely mitigate temporary disruptions in performance, in our view.

Issuer And Context Analysis

The eligible project categories address climate transition risk and physical climate risk, which we consider to be the most material sustainability factors for Castellum. Investments in green buildings, energy efficiency, renewable energy, and clean transportation are important steps toward mitigating climate transition risk. In addition, physical climate risk is relevant in the context of the framework since the building sector is generally highly exposed to the impacts of climate change.

Castellum has a target of net zero emissions across its value chain by 2040. The target is more ambitious than Sweden's target of net zero greenhouse gas emissions by 2045, and it incorporates emissions across the value chain, including from tenant electricity use and embodied emissions. Although the company recently extended its timeline to achieve net zero from 2030 to 2040, we believe this new target is at least equally ambitious. The adjustment was made in response to an update of its Science Based Targets initiative (SBTi) targets, which recently strengthened its methodology for real estate companies to make new SBTi targets more robust. Castellum will reduce its emissions by 90% from a new baseline year of 2023, updated from 2017. Since Castellum has already made significant reductions since 2017, the overall reduction in emissions needed by 2030 remains similar.

To achieve its 2040 objective, Castellum has transition plans designed to achieve real reductions in emissions, approved by the board and executive management. These plans cover property management (focused on scope 1 and 2 emissions), project development (focused on scope 3 emissions), and the customer journey (which addresses scope 3 emissions). Furthermore, 27% of rental revenue in 2024 was covered by green leases and, from 2023, all new leases have been green leases, which enables Castellum to gain better access to environmental data and work more closely with its tenants to help them reduce their emissions.

Castellum has strict requirements for buildings' environmental performance. New office buildings in Sweden must receive at least Miljöbyggnad level gold, and new logistics properties are required to achieve Miljöbyggnad level silver or above. Outside Sweden, new projects must receive BREEAM excellent or LEED gold as a minimum. Castellum targets 75% of its total portfolio to be certified by 2030, up from 54% at the end of 2024. The company is committed to circular economy principles--its sustainability policy and code of conduct require the company to manage emissions from a life-cycle perspective and promote circular models. The company has a long-term objective for reused and renewable materials to be a significant element of all projects, although the definition of 'significant' is yet to be determined. We view it as positive that all of Castellum's new developments and renovations and refurbishments are already using some reused or circular materials, and when new materials are used, there are requirements that they will be reused when demolished. However, the development of low-carbon materials in the market is still in a nascent phase and the overall proportion of reused materials in Castellum's portfolio remains low.

The company has a clear process to identify physical climate risks and has identified low exposure across its portfolio. Castellum hired independent experts to conduct a climate risk assessment for its entire portfolio of properties. This assessment considered multiple forward-looking climate scenarios, including RCP 4.5 and RCP 8.5. Results showed that climate risks are likely to have a relatively low impact on Castellum's portfolio, with potential risks mainly relating to flooding. The assessment also showed that no properties are likely to be at risk of permanent flooding by 2100 and the main risks relate to temporary climate-related damage that could lead to a temporary loss of rental revenue, in addition to damage repairs. The company expects investments to support the resilience of its buildings to be in collaboration with local stakeholders.

Alignment Assessment

This section provides an analysis of the framework's alignment to the Green Bond/Loan principles.

Alignment Summary

Aligned = ✓ Conceptually aligned = ○ Not aligned = ✗

- ✓ Green Bond Principles, ICMA, 2025 (with June 2022 Appendix 1)
- ✓ Green Loan Principles, LMA/LSTA/APLMA, 2025

✓ Use of proceeds

We assess all of the framework's green project categories as having a green shade, and the company commits to allocating an amount equivalent to the net proceeds issued under the framework exclusively to eligible green projects. Please refer to the Analysis Of Eligible Projects section for more information on our analysis of the environmental benefits of the expected use of proceeds. Castellum may carry out both financing and refinancing under the framework. Although the framework specifies a look-back period of three years for operating expenses, there will be no specific look-back period for assets and capital expenditure, which could limit the impact of projects financed. Instruments in scope include bonds and loans. Although the framework leaves the option to issue commercial papers (CPs) open for flexibility, Castellum does not expect to issue such instruments under the framework in practice.

✓ Process for project evaluation and selection

Castellum clearly identifies that the objective of each project category is climate change mitigation. Potential eligible green projects will be identified by the sustainability department, and the Green Business Council (GBC) will make decisions on which projects to finance. The GBC consists of members from the group finance department and sustainability department, and decisions are made in consensus. The projects are assessed for their environmental impact, including an analysis from a life-cycle perspective, analysis of resilience factors, and screening of environmental and social risks. All projects will need to comply with applicable national laws and regulations as well as Castellum's policies to be approved. To support the mitigation of environmental and social risks, the framework clearly outlines exclusionary criteria including fossil energy generation, nuclear energy, gambling, tobacco, and other activities.

✓ Management of proceeds

An amount equal to the net proceeds of any instrument will be tracked through a green register, kept by Castellum's finance department and managed through a portfolio approach. We understand that Castellum will not use the facility that includes non-green tranches. In case a project no longer meets the green criteria, it will be divested and an amount equal to the funds allocated towards will be re-credited to the green register. Unallocated funds will be managed by the finance department, and we view it as positive that funds will need to be invested or utilized according to Castellum's sustainability policy and the framework's exclusion criteria.

✓ Reporting

Castellum commits to reporting on the allocation of proceeds and the impact of the green financing instruments in an annual report on its website, for as long as green financing instruments are outstanding. For instruments other than bonds and commercial papers, Castellum may only report directly or non-directly to the relevant lenders. The report will, among other aspects, provide a brief description of projects, the amount allocated to each project category, and environmental and social impact indicators. We view as positive that the company aims to align its impact reporting with the International Capital Markets Association's (ICMA's) Harmonized Framework for Impact Reporting. Furthermore, an external party will check that an amount equal to the net proceeds has been allocated to eligible projects in line with Castellum's reporting. If Castellum issues CPs under the framework, it will report quarterly on the value of the green asset pool and the total amount of green finance instruments

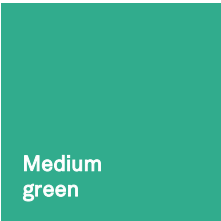
outstanding, allowing investors to gauge the remaining headroom of green projects identified compared to the green proceeds raised.

Analysis Of Eligible Projects

This section provides details of our analysis of eligible projects, based on their environmental benefits and risks, using the "[Analytical Approach: Shades Of Green Assessments](#)".

Overall Shades of Green assessment

Based on the project category shades of green detailed below, the expected allocation of proceeds, and consideration of environmental ambitions reflected in Castellum’s Green Financing Framework, we assess the framework Medium green.



Activities that represent significant steps towards a low-carbon climate resilient future but will require further improvements to be long-term low-carbon climate resilient solutions.
Our [Shades of Green Analytical Approach](#) >

Green project categories

Green buildings	
Assessment	Description
<div><div></div>Medium green</div>	<p><u>New buildings (built after Dec. 31, 2020)</u></p> <p>The building fulfils, or will after completion fulfil, the following criteria to be eligible:</p> <p>Energy use</p> <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 measures.<ul style="list-style-type: none">◦ Since NZEB is not yet defined in Norway, this does not apply to Castellum’s operations in the country. Instead, the PED for new buildings in Norway will be at least 30% lower than required by regional building regulations. <p>Environmental certification</p> <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,◦ NollCO2

- NollCO₂ (NollCO₂ is used in conjunction with a broad base certification for sustainable buildings. Castellum will use NollCO₂ conjunction with Miljöbyggnad, BREEAM, or LEED), 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:
 - Miljöbyggnad Silver,
 - BREEAM Very Good,
 - LEED Gold,
 - NollCO₂, or
 - DGNB Silver.

Physical climate risk

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

Additional criteria for buildings completed after Jan.1, 2026

Embodied carbon

- The life-cycle global warming potential (GWP) of the building has been calculated and assessed in accordance with the NollCO₂ certification and allows for a maximum amount of embodied carbon of 300 kg of CO₂ per square meter of gross floor area.
 - The NollCO₂ methodology includes the climate impact of additional building parts and provides a more complete climate impact calculation than the Swedish national regulations on climate declarations for buildings.

Renovation of an existing building

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.

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 GWP of the renovation has been calculated.

Circularity

- The building has undergone Castellum's reuse hierarchy process:
 - The process is designed to minimize waste through a structured approach to material preservation and reuse. It involves five steps: preserving materials on site; reusing them within the project; reusing them within the organization; reusing them through external entities; and managing any remaining waste. This methodology ensures that materials are used 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 buildings (built before Dec. 31, 2020)

The buildings must fulfil or will fulfil the following criteria to be eligible:

Energy use

- The building has an energy performance certificate demonstrating class A or is within the top 15 % of national or regional building stock, expressed as PED.
 - 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 for example guidance by national governments or a specialist study.

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.

Analytical considerations

- The IEA emphasizes that reaching net zero emissions in buildings demands major strides in energy efficiency and the fossil fuel phase-out. All properties must achieve high energy performance. New properties should also cut emissions from building materials and construction. Addressing physical climate risks is also key to strengthening climate resilience across all buildings.
- We assign a Medium green shade to all sub-categories included in this project category because we believe that Castellum's framework effectively addresses all environmental factors we consider material for existing buildings, renovation projects, and new developments. These factors are energy use, heating sources, embodied emissions, and physical climate risks. The company has also confirmed that buildings with direct fossil fuel heating will not be eligible for financing under this framework, except where renovations will result in a transition away from such energy sources.

- Castellum expects to allocate the majority of proceeds to existing buildings. We view the ambition for existing buildings to be in the top 15% of the national or regional building stock in terms of energy performance as a strong commitment to the transition to a low-carbon society.
- Similarly, we consider the requirement for renovation projects to result in a 30% lower PED to be ambitious. We view positively that Castellum will implement its reuse hierarchy process in renovations, since this will reduce demand for virgin materials and consequently its exposure to life cycle and embodied emissions.
- The largest source of climate impacts for new construction projects is embodied emissions from materials used such as cement and steel. We view the threshold set forward in the framework as sufficiently ambitious to help reduce embodied emissions, therefore supporting the Medium green shade. The threshold in our view is more ambitious than what we have observed in the local market because it includes a larger share of building emissions than what is typically included, as indicated by the company’s adoption of the NollCO₂ methodology. Although this maximum will be a requirement for buildings developed from 2026, Castellum has applied annual incremental reduction targets to its previous projects, which we see as having a similar level of ambition as the threshold in the framework. However, the knowledge and technologies required for zero-emission buildings are still evolving. The framework criteria also have ambitious requirements for the energy performance of new construction projects, which will need to have 30% lower PED than what is mandated by building regulations.
- We view positively that that Castellum will target Miljöbyggnad new construction gold for all new office projects (and silver for logistics). The latest version of the certification comprehensively addresses all key shade drivers for real estate, setting robust minimum requirements on energy, embodied emissions, and physical climate risks. The full list of eligible green building certifications in the framework may partly mitigate the climate and environmental impacts of buildings, namely energy efficiency, biodiversity, and waste and water management. The robustness and ambition of the certifications depend on the version used and the points obtained during the process. For example, a high share of its existing buildings are certified with in-use certifications from BREEAM and LEED, which do not always set ambitious energy efficiency criteria. Therefore, we view as positive that framework criteria for renovated and existing buildings have quantified thresholds.
- Given the fixed nature of buildings, improving their resilience to physical climate risk is crucial in the transition to a low-carbon real estate sector. All eligible projects and buildings have been screened for physical climate risks using relevant scenarios.
- Buildings may be constructed on both brownfield and greenfield land, although Castellum gives priority to the former. Beyond complying with regulatory requirements, the company has invested in a tool that it uses during the planning stage to record and improve the ecosystem services of the land on which it develops its properties. Examples of such measures include planting native species of trees as well as meadows and hedges. Nonetheless, any new construction activities on greenfield land constitute substantial biodiversity and land use change risks.

Energy efficiency	
Assessment	Description
<div><div></div>Dark green</div>	<p>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. materials, installation, and labor) is eligible for financing. Castellum will ascertain the following:</p> <ul style="list-style-type: none">• High estimated energy savings in the targeted area (minimum 20%),• Minimal long-term negative climate impact and potential rebound effects, and• Minimal negative climate impact from the technology used.
Analytical considerations	
<ul style="list-style-type: none">• Improving the energy performance of buildings is important in the transition to a low-carbon future. According to the IEA's net zero pathway, energy efficiency and electrification are the main decarbonization levers for the building sector. All	

- potential actions included in the description represent key actions and combined with the minimum 20% energy saving threshold, we assigned a Dark green shade.
- Projects eligible under this category will contribute to Castellum’s ambitions to improve the energy performance of its properties by 2.5% annually, reduce energy consumption by 11% in 2025 compared to 2021, and progress on its long-term aim for every building to have annual energy performance lower than 50 kilowatt-hour per square meter.
 - Technological equipment and energy-related infrastructure may be exposed to environmental risks in their supply chains. Castellum seeks to address this exposure through its supplier code of conduct and by its long-term ambition to screen major and critical suppliers for material business and sustainability risks. In addition, for issues such as circularity and waste management, the company sets specific requirements for its suppliers that align with the objectives in its sustainability policy.

Renewable energy

Assessment

 Dark green

Description

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.

Analytical considerations

- Renewable energy sources such as solar, wind, and geothermal, when local environmental impacts are adequately addressed, are key elements in limiting global warming to below 2 degrees Celsius.
- Investments in renewable energy support a reduction in greenhouse gas emissions from Castellum’s properties and are shaded Dark green. At the same time, most of the renewable projects Castellum finances are linked to individual buildings or assets, and the proceeds allocation to renewable energy projects under the framework is expected to be minor.
- Although Castellum does not currently have plans to increase investments in energy storage, these could be financed under the framework in the future. Investments in storage help to bolster efficiency by storing renewable energy surplus. Investments could be in local energy storage units for individual properties or to support grids. However, batteries are subject to supply chain risks, namely from the extraction of minerals such as lithium and cobalt. If the company invests in major battery installations, they will consider options for screening for risks in the supply chain.
- We view as positive that Castellum has a screening process for its solar investments that includes screening of suppliers and a life cycle analysis that covers production, transportation, and the length of time solar panels have to be in use before they become climate positive.
- Renewable energy projects, such as wind and solar, can have a negative impact on local biodiversity. However, given the relatively small-scale nature of projects financed under this category, the biodiversity impact is expected to be limited.

Clean transportation

Assessment

 Dark green













Description

- Financing of supportive infrastructure and solutions for clean transportation such as:
- Charging stations for EVs
 - Bicycle garages
 - Pedestrian walkways
 - Bicycle lanes.

Analytical considerations

- Mitigating greenhouse gas emissions from transportation will be crucial to meet global decarbonization goals, as the transport sector accounts for 23% of global energy-related greenhouse gas emissions, according to the Intergovernmental Panel on Climate Change. Fossil fuel-powered vehicles and vessels also create air pollution, such as nitrogen oxides and sulfur oxides.
- Although there are currently no planned investments in this category, potential future investments will support the decarbonization of road transportation and are shaded Dark green. Fully EVs are essential for the transport industry's shift toward a low-carbon future in line with Paris Agreement goals. Charging stations in workplaces promote an uptake in EVs by providing efficient and timely charging opportunities. As such, increasing the amount of EV charging stations enhances accessibility and encourages more people to consider switching to EVs. Meanwhile, pedestrian walkways, bicycle storage, and bicycle lanes promote an alternative form of transport that avoids personal car use entirely.
- Life-cycle savings from EVs depend on the energy mix of the grid that powers them. Sweden is well positioned in this regard, as its electricity production is predominantly from renewable sources, resulting in a low grid emission factor. Furthermore, Castellum has agreements with selected suppliers that meet their sustainability requirements for charging stations. This supports the company's ambition to reduce its greenhouse gas emissions across the value chain.

S&P Global Ratings' Shades of Green

Assessments											
	Dark green		Medium green		Light green		Yellow		Orange		Red
Description											
Activities that correspond to the long-term vision of an LCCR future.		Activities that represent significant steps toward an LCCR future but will require further improvements to be long-term LCCR solutions.		Activities representing transition steps in the near-term that avoid emissions lock-in but do not represent long-term LCCR solutions.		Activities that do not have a material impact on the transition to an LCCR future, or, Activities that have some potential inconsistency with the transition to an LCCR future, albeit tempered by existing transition measures.		Activities that are not currently consistent with the transition to an LCCR future. These include activities with moderate potential for emissions lock-in and risk of stranded assets.		Activities that are inconsistent with, and likely to impede, the transition required to achieve the long-term LCCR future. These activities have the highest emissions intensity, with the most potential for emissions lock-in and risk of stranded assets.	
Example projects											
 Solar power plants		 Energy efficient buildings		 Hybrid road vehicles		 Health care services		 Conventional steel production		 New oil exploration	

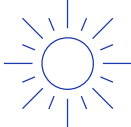



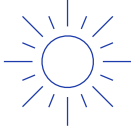


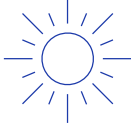

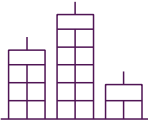

Note: For us to consider use of proceeds aligned with ICMA Principles for a green project, we require project categories directly funded by the financing to be assigned one of the three green Shades.

LCCR--Low-carbon climate resilient. An LCCR future is a future aligned with the Paris Agreement; where the global average temperature increase is held below 2 degrees Celsius, with efforts to limit it to 1.5 C degrees Celsius above pre-industrial levels, while building resilience to the adverse impact of climate change and achieving sustainable outcomes across both climate and non-climate environmental objectives. Long term and near term--For the purpose of this analysis, we consider the long term to be beyond the middle of the 21st century and the near term to be within the next decade. Emissions lock-in--Where an activity delays or prevents the transition to low-carbon alternatives by perpetuating assets or processes (often fossil fuel use and its corresponding greenhouse gas emissions) that are not aligned with, or cannot adapt to, an LCCR future. Stranded assets--Assets that have suffered from unanticipated or premature write-downs, devaluations, or conversion to liabilities (as defined by the University of Oxford).

Mapping To The U.N.'s Sustainable Development Goals

Where the financing documentation references the Sustainable Development Goals (SDGs), we consider which SDGs it contributes to. We compare the activities funded by the financing to the ICMA SDG mapping and outline the intended linkages within our SPO analysis. Our assessment of SDG mapping does not affect our alignment opinion.

This framework intends to contribute to the following SDGs:

Use of proceeds	SDGs			
Green buildings				
	7. Affordable and clean energy	11. Sustainable cities and communities*	12. Responsible consumption and production	13. Climate action
Energy efficiency				
	7. Affordable and clean energy*	11. Sustainable cities and communities	13. Climate action	
Renewable energy				
	7. Affordable and clean energy*	13. Climate action		
Clean transportation				
	11. Sustainable cities and communities*	13. Climate action		

*The eligible project categories link to these SDGs in the ICMA mapping.

Related Research

- [Analytical Approach: Second Party Opinions](#), March 6, 2025
- [FAQ: Applying Our Integrated Analytical Approach For Second Party Opinions](#), March 6, 2025
- [Analytical Approach: Shades Of Green Assessments](#), July 27, 2023
- [S&P Global Ratings ESG Materiality Maps: Real Estate](#), July 20, 2022

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Second Party Opinion: Castellum's Green Financing Framework

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