S&P Global
Ratings

Green Equity Designation External Review

Castellum

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Location: Sweden **Sector:** Real estate

Alignment Summary

Aligned = ✓ Not aligned = ✕

✓ Nasdaq Green Equity Designation

Designation Summary

In 2025, 81% of Castellum's revenue came from energy-efficient buildings, exceeding the 50% minimum threshold for revenue required by the Nasdaq Green Equity Principles. We also view 78% of investments in 2025 as green, including nine construction projects and nine renovation projects. This exceeds the 50% minimum threshold for investments, defined as the sum of capital expenditure (capex) and operating expenditure (opex). Castellum sets ambitious sustainability requirements for new construction projects, evident in the performance of its development portfolio, where all ongoing projects were viewed as green. Similarly, we view all renovation projects as green, because they will lead to high energy savings, with some projects also leading to reductions in embodied emissions.

Castellum is well ahead of the median of its peers in its share of certified buildings and EU Taxonomy-aligned revenue, which we view as key indicators of the Shade of Green for real estate firms. The company reports its EU Taxonomy-aligned revenue and environmental targets data publicly in its annual report and through the Nasdaq ESG Portal, which meets the Nasdaq transparency requirements for environmental targets and key performance indicators (KPIs).

We think Castellum is well positioned to increase its share of green revenue by addressing what we view as key levers for the sector: energy efficiency, embodied emissions, and physical climate risks. The company has a robust climate transition plan that will enable it to address its most material emissions sources. It will do so through energy efficiency investments and renovations to improve the performance of the portfolio of buildings it manages.

Strengths	Areas to watch
Energy efficiency measures, energy-efficient new construction, renovations, and portfolio shifts together led to a 25% increase in green revenue between 2024 and 2025. Castellum is committed to reducing the energy intensity of its portfolio and making progress to manage embodied emissions, including by increasing the use of reused materials. It is engaging with stakeholders such as district heating suppliers and its tenants.	**New construction is associated with high emissions and biodiversity risks.** Castellum's climate transition plan includes a clear commitment to reduce embodied emissions; however they still represent a significant portion of total emissions in the near term. It also has strategies to address biodiversity impacts that exceed regulatory requirements, where current national practices may not fully account for the complexities of biodiversity.

Company Description

Castellum is one of the Nordic region's largest commercial property companies, headquartered in Sweden. Its business operations include the development, management, acquisition, and sale of commercial premises. As of year-end 2025, the value of its property portfolio was about Swedish krona (SEK) 137 billion and the total leasable area was about 5,300 square meters. About 92% of the property holdings by value are in Sweden, while Finland and Denmark account for about 4% each. Tenants are in various industries, with the office segment accounting for 61% of the total portfolio value, public sector properties 16%, warehouse and light industry 14%, and retail 5%. About 4% is attributable to land. Castellum is listed on the Nasdaq Stockholm Large Cap.

Nasdaq Green Equity Principles Assessment

Castellum meets all criteria set out in the Nasdaq Green Equity Principles.

Alignment summary

Criteria	Alignment
Revenue More than 50% of turnover from activities are considered green. The minimum threshold requirement for turnover considered green does not apply for companies in pre-turnover phase. As soon as a pre-turnover company starts generating any turnover it must fulfill the requirement.	✓
Investment* More than 50% of the company's investments must be allocated to activities considered green.	✓
Fossil fuel limitation Revenue from fossil fuel activities must be less than 5%. Fossil fuel activities include the extraction, production, processing, transportation, sale, or use of coal or hydrocarbon, as well as related supporting services.	✓
Disclosure The company must provide information on its relevant environmental targets and KPIs.	✓
Taxonomy alignment If applicable, the company must state its alignment with the EU Taxonomy for sustainable activities, including Do No Significant Harm and Minimum Safeguards.	✓

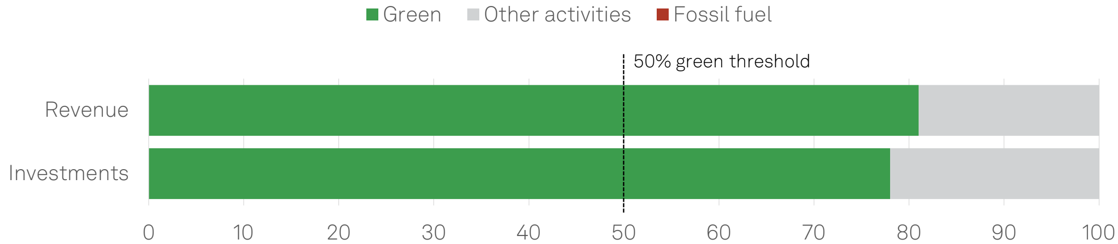
Aligned = ✓ Not aligned = ✕ Not applicable = **N.A.**

*Investments are the sum of operational expenditure and capital expenditure. Source: S&P Global Ratings.

Assessment of revenue and investments

Castellum generates the majority (81%) of its revenue from energy-efficient buildings that have been screened for physical climate risks. In 2025, key investments included construction and renovation projects, which we viewed as green, and improvements in the energy efficiency of its existing portfolio. These investments enabled a 25% increase in green revenue from 2024.

Distribution (%)



Source: S&P Global Ratings.

Activities summary

Description	Revenue share (%)	Investments share (%)*	Analytical considerations
Green			
Revenue, opex, and capex relating to existing buildings All buildings have been screened for physical risks Older buildings within the top 15% of similar stock in Sweden and Denmark Newer buildings that are 10% better than nearly-zero energy buildings in Sweden and are not heated by fossil fuels Existing buildings in the top 30% of a similar stock In Sweden, Denmark, and Finland that also have green building certifications with high certification levels	81	53	We view the ambition for existing buildings to be in the top 15% of the national building stock in terms of energy performance as strong, and consider it positive that most of Castellum's properties are connected to district heating or low-carbon heating. Three out of 619 properties have direct fossil fuel heating. The company expects that phasing out fossil fuels will reduce its scope 1, 2, and 3.13 emissions by 2% by 2030
Capex relating to new construction projects Nine energy efficient new construction projects that will not be directly heated by fossil fuels in Sweden The majority of these projects will have embodied emissions thresholds that exceed the values in green building certifications	-	17	Castellum sets ambitious sustainability requirements for new construction, which are reflected in the performance of its development portfolio. It requires new construction projects to have an energy performance that is at least 30% better than regulatory requirements; the average of the nine projects invested in 2025 was 36%. Furthermore, all projects are expected to achieve green building certifications that we see as having strong considerations on energy performance, including Miljöbyggnad, LEED, and BREEAM For any new construction projects, the largest sources of emissions are the materials and equipment used. As such, we view it as a strength that the company has calculated and reduced the embodied emissions for most of the new construction projects Any new construction activity can result in negative impacts on biodiversity and climate, especially on greenfield land. We view it as positive that none of Castellum's new construction activities took place on arable and crop land, nor on land with high biodiversity value. The building codes in Sweden mitigate biodiversity risks to an extent by requiring environmental impact assessments and restricting construction in areas of high biodiversity value. However, current practices at both the company and national levels may not fully account for the complexities of biodiversity. Castellum works to go beyond legal requirements by setting internal criteria and using tools

			to strengthen biodiversity, with the aim of a net positive increase in ecosystem services in its major projects
Capex related to renovation projects Nine renovation projects of existing buildings in Sweden with high energy savings Some of these projects will seek to reduce embodied emissions	-	8	In the transition to a low-carbon society, it is essential to renovate and improve existing properties. According to the International Energy Agency, reducing energy use in buildings could cut global emissions in the real estate sector by up to 50%. Additionally, renovations typically represent only a third of embodied emissions compared to new construction projects. Castellum is also seeking to reduce these emissions, with some of the renovations projects targeting 50% emissions savings
Other activities			
Revenue, opex, and capex related to existing buildings that do not meet green criteria in Sweden and Finland	19	22	Energy use in buildings is one of the main contributors of greenhouse gas emissions from the real estate sectors. In Europe, energy demand stems largely from heating, but as temperatures increase and heat waves become more frequent, cooling may result in additional consumption

*Investments are the sum of operational expenditure and capital expenditure. Opex--Operational expenditure. Capex--Capital expenditure. Source: S&P Global Ratings.

Climate Transition Plan

We think Castellum is well positioned to increase its share of green revenue by addressing what we view as key levers for the sector: energy efficiency, embodied emissions, and physical climate risks. It has a robust a climate transition plan that addresses material emissions sources, with specific actions and investments to support its implementation.

Transition Plan Details

Summary

Key levers →	Targets →	Actions and investments →	Expected impact
Energy efficiency	Reduce scope 1, 2, and 3.1 (associated to property energy, tenant electricity, and refrigerants) greenhouse gas emissions per square meter of total asset portfolio by 46% by 2030 from a 2023 baseline Castellum estimates that energy optimization in properties will account for 32% of the emissions reduction in property management by 2030 Energy-efficient new construction, renovation, and portfolio shifts will account for 35% of the emissions reduction in property management by 2030	Between 2021 and 2025, Castellum invested SEK965 million, or SEK193 million per year on average--representing about 3% of its 2025 capex, in energy optimization projects Over the past three years, Castellum invested an average of SEK 1.264 billion per year in EU Taxonomy-aligned economic activities. This corresponds to approximately 32% of the company's investments during the period Castellum takes a systematic approach to energy efficiency by monitoring and analyzing the energy consumption of its properties. On the basis of these analyses, it prioritizes measures to optimize operations and reduce energy consumption Castellum requires its new offices to have at least 40% less (or 30% for logistics properties) energy consumption than required by building regulations. Where relevant, major renovations should achieve at least a 30% reduction in primary energy demand (energy class A) or be among the 15% most energy-efficient buildings nationally	Castellum has historically made signficant investments in energy efficiency, renovations, and has set strict requirements when building new, which led to a 25% increase of green revenue between 2024 and 2025. Continuing these investments will help maintain, and somewhat increase, the share of green revenues generated from an energy efficient building portfolio
Embodied emissions	Reduce new production (scope 3.2) per square meter	Castellum has developed a framework for projects with	These actions will significantly reduce overall

	of built area by 46% (234 kg CO_2/sqm) by 2030 with a 2023 baseline (428 kg CO_2/sqm)	integrated sustainability requirements. These requirements include investigations prior to every new project as to whether existing buildings can be fully or partially re-used, to avoid new construction where possible Use the NollCO2 system to implement stricter requirements of embodied emissions for all new projects completed from 2026 Integrate climate requirements in procurement measures	emissions for Castellum by 2030 and also lead to new buildings that generate green revenue
Physical climate risks	NA	Castellum has assessed its property portfolio for physical climate risk and includes these considerations in its yearly survey of overall risks and its investment decision process The company assessed physical climate risks at property level using climate scenarios, including worst-case scenarios, which we consider best practice It conducted an in-depth assessment of properties with higher risk and concluded that its portfolio has low risk of permanent floods	Castellum has an overview of its physical risks, which should reduce its exposure to physical climate risks

Kg--Kilogram. Sqm--Square meter. Source: S&P Global Ratings.

Metrics and targets

Castellum has made progress on its long- and short-term climate targets that it updated in 2024, to ultimately achieve net zero value chain emissions by 2040. The company used the most recent iteration of the Science Based Targets initiative (SBTi) methodology for the building sector that covers property management, new construction, and purchased goods and services. As part of this, it updated its baseline year from 2017 to 2023. It already made significant progress in reducing its emissions under its previous targets. This means that the overall reductions expected for 2030 remain similar, despite the new targets. In addition, Castellum progressed in reducing its emissions from capital goods, although emissions stemming from purchased goods and services have remained unchanged.

Target time frames

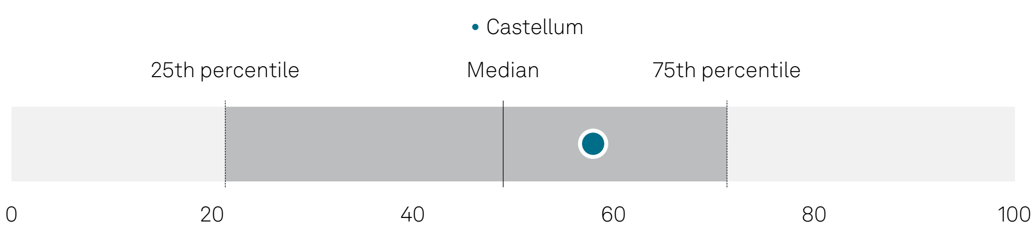
Transition metrics	Baseline metric (2023)	2024	2025	2030	2040
Scope 1, 2 and 3.13 (includes property energy, tenant electricity and refrigerant leakage) intensity	4.56 kg CO_2e/sqm total asset area	4.37 kg CO_2e/ sqm total asset area	3.79 kg CO_2e/ sqm total asset area	2.46 kg CO_2e/ sqm total asset area (-46%)	1.01 kg CO_2e/ sqm total asset area (-78%)
Scope 3.2 (capital goods) intensity	428 kg CO_2e/ sqm built area	346 kg CO_2e/ sqm built area	260 kg CO_2e/ sqm built area	234 kg CO_2e/ sqm built area (-46%)	14 kg CO_2e/ sqm built area (-87%)
Scope 3.1 (purchased goods and services) intensity	7.3 kg CO_2e/ sqm total asset area	6.1 kg CO_2e/ sqm total asset area	6.8 kg CO_2e/ sqm total asset area		
All scope 3 emissions				5.0 kg CO_2e/ sqm total asset area (-52%)	0.3 kg CO_2/ sqm total asset area (-97%)

Kg--Kilogram. CO_2e--carbon dioxide equivalent. Sqm--Square meter. Source: Company Reporting and S&P Global Sustainable1.

Peer comparison

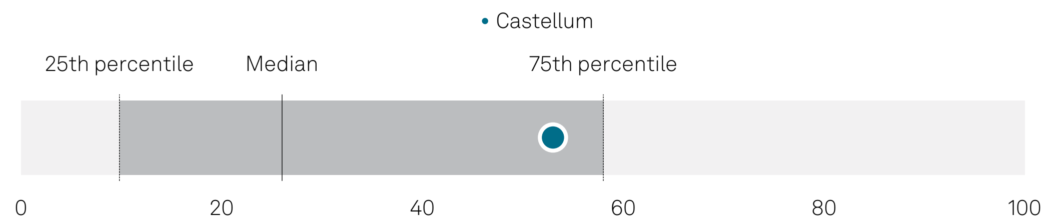
Castellum is ahead of the median of its peers in terms of its share of certified buildings and EU Taxonomy-aligned revenue, which we view as key indicators of the Shade of Green for real estate companies. Green building certifications cover a broad set of environmental issues and can be a good indicator of the overall environmental performance of a building, despite their limitations. Castellum's relatively high share of floor area covered by certifications (58%) reflects a strong focus on improving the sustainability and climate performance of its portfolio, including work to increase energy efficiency and requirements for new buildings to have an energy efficiency better than local regulation. Furthermore, Castellum's investments in increasing the energy efficiency of its existing portfolio and screening of physical climate risk have resulted in a relatively high share (53%) of EU Taxonomy-aligned revenue. Castellum is planning to continue to certify its portfolio, with a target to reach 75% by 2030, so we expect its performance on this KPI to improve. Furthermore, based on continued investments in the energy efficiency of its portfolio, we expect Castellum to increase the share of its revenue aligned with the EU Taxonomy.

Floor area covered by sustainability certifications, % (2025)



Notes: Sustainability certifications are those accepted by GRESB Reference Guide Appendix, including LEED, BREEAM, and a range of other schemes. Data was collected for the latest year of either 2023 or 2024. Based on a sample of 47 European real estate companies representing at least 50% of sector revenue in 2023. Data in the chart represents 23 companies for which there were public disclosures. Source: S&P Global Sustainable1, S&P Globa Ratings.

EU Taxonomy-aligned revenue, % (2025)



Notes: Based on public disclosures of EU Taxonomy-aligned revenue. Data was collected for the latest year of either 2023 or 2024. Based on a sample of 32 European real estate companies representing at least 50% of sector revenue in 2023. Data in the chart represents 26 companies for which there were public disclosures. Source: S&P Global Ratings.

Related Research

- Analytical Approach: Green and Transition Equity External Reviews, June 23, 2026
- Analytical Approach: Taxonomy Assessments, Oct. 15, 2025

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