

Castellum Green Bond Framework

OVERVIEW AND SECOND OPINION BY SUSTAINALYTICS

September 7, 2016

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EXECUTIVE SUMMARY

Castellum, an industry leader in environmental, social, and governance (ESG) management in the real estate sector as per Sustainalytics' ESG ratings, has elected to develop a Green Bond Framework for the future issuance of interest bearing notes with added environmental criteria. The proceeds will be allocated towards the development and acquisition of new and existing commercial real estate projects with a minimum certification level of BREEAM Excellent (for new assets) or BREEAM Very Good (for existing assets), or Miljöbyggnad Silver. The use of the BREEAM and Miljöbyggnad certification schemes ensures strong sustainability performance, and Castellum has committed to certification levels that represent demonstrable improvements from the baseline of local regulation. In addition, Castellum commits within the Green Bond Framework to high levels of transparency concerning the management of proceeds as well as annual reporting, including key impact metrics such as energy consumption, water usage and water footprint. As a result, investors will easily be able to verify that the proceeds have been allocated only towards projects that meet the eligibility criteria, and track the environmental impact of the use of proceeds. Overall, the Framework exceeds the requirements of the Green Bond Principles with the management of proceeds and reporting, and fully aligns with the principles with regards to the use of proceeds and project selection. Furthermore, according to Sustainalytics research, Castellum ranks in the top 2% on sustainability performance among peers in the real estate industry globally and this framework aligns well with overall sustainability objectives of the company. Based on the above considerations, Sustainalytics is of the view that Castellum's Green Bond Framework is strong and credible.

1. INTRODUCTION

Castellum intends to issue a series of interest bearing notes with added environmental criteria (hereafter, the Green Bonds) via its domestic medium term note program (MTN). Castellum engaged Sustainalytics to provide a second party opinion on its Green Bond Framework. Sustainalytics is the largest independent provider of sustainability research, analysis, and services to investors and other financial institutions globally. Sustainalytics' opinion intends to provide an assessment of the framework's alignment with the Green Bond Principles¹ as well as assess Castellum's overall sustainability performance and its alignment with the framework. To come to its opinion, Sustainalytics held conversations with members of Castellum's Sustainability and Finance departments to understand the sustainability impact of their business processes, and to understand the use and management of proceeds for the company's issuance of Green Bonds. Sustainalytics also reviewed public and internal documents from Castellum. This document contains two sections: Framework Overview – a summary of Castellum's Green Bond Framework; and Sustainalytics' Opinion – an opinion of the framework.

¹ The Green Bond Principles are voluntary process guidelines that recommend transparency and disclosure and promote integrity in the development of the Green Bond market. They provide issuers guidance on the key components involved in launching a credible Green Bond and aid investors by ensuring availability of information necessary to evaluate the environmental impact of their Green bond investments.

2. FRAMEWORK OVERVIEW

2.1 Introduction

Castellum is a major Swedish-based real estate company with its headquarters in Gothenburg, Sweden. Castellum AB, the parent company in the Castellum Group (“Castellum”), has subsidiaries operating in five regions: West, Stockholm, Central, North and Oresund. Castellum was founded in the 1990s and is listed on Nasdaq Stockholm stock exchange. Castellum develops and rents office and retail properties as well as warehouse and industrial properties. As of end of June 2016, Castellum’s real estate portfolio comprised 742 properties with a total lettable area of approximately 4,700,000 square meters and a fair value of approximately SEK 72 billion.

2.2 Castellum’s Sustainability Profile

Castellum has a strong sustainability policy and environmental management system, which align with best practice. The company is a member of the Swedish Green Building Council (SGBC) and has outlined targets for green buildings in its Sustainability Policy. Castellum commits to have all new constructions and reconstructions environmentally certified and 30% of its portfolio to be certified by 2017. The company’s Sustainability Policy includes a focus on reducing its utilization of natural resources, including a target to decrease its energy use by 30% until 2017 compared to a 2007 baseline and source 90% of its energy from renewable sources. Castellum has a group-wide Head of Sustainability and its board has oversight of the company’s Sustainability Policy. In 2015, Castellum was awarded the World Green Building Council’s highest distinction Business Leadership in Sustainability, which awards companies exhibiting best practice in sustainable construction and projects. It has also earned the Green Star 2015, an award issued by the Global Real Estate Sustainability Benchmark, an organization assessing the ESG performance of real estates.

2.3 Castellum’s Green Bond

Castellum intends to issue a series of interest bearing notes with added environmental criteria (hereafter, the Green Bonds) via its domestic medium term note program (MTN). The net proceeds of the issuance of Green Bonds will be used to finance both the development and/or acquisition of new real estate assets and existing real estate assets. All projects financed by Green Bonds proceeds must comply with Castellum’s Process for Project Evaluation and Selection, which outlines the eligibility criteria. The following sections summarize Castellum’s Green Bond Framework with respect to the use of proceeds, project selection, the management of proceeds, and reporting.

2.3.1 Use of Proceeds

The proceeds of the notes issued by Castellum will be used to finance projects that fall under the categories outlined below.

- Development and/or acquisition of new real estate assets
- Existing real estate assets (on-going reconstruction, recently acquired or otherwise completed and existing real estate assets)

For both project categories above, the Green Bonds proceeds must comply with Castellum's Process for Project Evaluation and Selection as well as the eligibility criteria of Castellum's "Green Terms" outlined in the next section.

2.3.2 Process for Project Evaluation and Selection

To be funded through the use of proceeds, the real estate projects must meet the following eligibility criteria:

1. Projects falling under the development and/or acquisition of new real estate assets will require a) a design stage certification or b) an in-use certification of at least (A) Miljöbyggnad Silver or (B) BREEAM Excellent.
2. Projects falling under existing real estate assets will require a) a design stage certification or b) an in-use certification of at least (A) Miljöbyggnad Silver or (B) BREEAM Very Good. The design stage certification will be applicable when reconstructing existing assets.

Miljöbyggnad is a Swedish certification system used for both residential and commercial buildings in Sweden. It has four areas of assessment (energy, indoor environment, chemical substances, specific environmental demands), spanning 15 indicators overall. The Miljöbyggnad Silver standard sets minimum requirements across the four areas of assessment that go above legal compliance in Sweden. In comparison, BREEAM has 10 areas of assessment and buildings are examined on 50 indicators. For a full overview of the two standards, please see Appendix I.

The process for project evaluation and the selection is overseen by both the Sustainability Department and the Finance Department. The Sustainability Department tracks and reviews Castellum's environmentally certified real estate assets and will identify eligible projects and assets meeting the criteria outlined above. The decision to finance eligible projects and assets with net proceeds from the issuance of Green Bonds will be made in cooperation with the Group Finance Department, which is responsible for the allocation of the net proceeds from the issuance of Green Bonds to the relevant eligible projects and assets according to Castellum's "Green Terms".

2.2.3 Management of Proceeds

Green Bond net proceeds will be credited to a separate account, which disallows fungibility with other funds and enables strong monitoring and tracking of the use of proceeds. Castellum will keep a record of the purpose of the transfers on the separate account. Any payment or transfer from the account is only allowed when financing eligible projects and assets that have met the

applicable criteria or to repay a Green Bond. Castellum's Group Finance Department will use intra-group loans, including specifications on the explicit use of proceeds to projects and assets, when allocating the net proceeds from the issuance of Green Bonds to subsidiaries owning the eligible projects and/or assets. In case the account has a positive balance, the unallocated funds may be invested in short-term interest bearing securities pending investment in eligible projects and assets. Allowed investments are Swedish treasury bills and highly rated short-term bank notes (A+ rating from S&P or equivalent rating from Moody's or Fitch).

2.2.4 Impact Reporting

Castellum will report on estimated impact in the following areas:

- environmental certification
- energy consumption (disclosed by absolute consumption in kWh and intensity in kWh per square meter)
- water usage (disclosed by absolute consumption in m³ and intensity in m³ per square meter)
- carbon footprint (disclosed by absolute emissions in tons and intensity in tons per square meter)
- purchased renewable energy (disclosed by absolute consumption in kWh and intensity in kWh per square meter, and % renewable energy of the total purchased energy)
- main method of heating and cooling

The data will be provided in table format, disclosing all eligible projects and assets that have had net proceeds allocated to them. The energy and water consumption is measured in assets where Castellum is responsible for the purchase of energy and/or water. In buildings where the tenant is responsible for the energy and/or water supply, Castellum has no comprehensive picture of the actual energy and water consumption.

Castellum will publish a yearly report describing the use of funds and adherence to all criteria outlined above. The reporting will include a list of all eligible projects and assets that have been financed with Green Bonds, a summary of Castellum's activities in the past year in relation to Green Bonds as well as information regarding each eligible project's adherence to the relevant eligibility criteria. For projects financed by the Green Bonds proceeds the reporting will disclose the aggregate market value and the sum of existing external debt for such assets. It will also disclose the sum of outstanding Green Bonds and the sum of the account balance, including any short-term investments. A third party appointed by Castellum will report whether the Green Bond net proceeds have been allocated to the projects that Castellum outlines in its reporting and comply with the relevant eligibility criteria, and a signed document will be provided on Castellum's website.

3. Sustainalytics' Opinion

Environmental Priorities and ESG Performance: By developing a Green Bond Framework and issuing Green Bonds, Castellum continues to leverage its position as an industry leader among real estate companies on sustainability performance. Castellum ranks in the top 2% among the 301 real estate companies tracked by Sustainalytics' research on the environmental, social, and governance performance of companies. In addition, the company has strong environmental policies and environmental management systems. According to Sustainalytics' research, Castellum ranks in the top 1% on environmental management, indicating very strong environmental performance. Castellum also performs well ahead of its peers in the real estate industry across the most material sustainability issues, including product sustainability, energy use, and human capital. For a full snapshot of Castellum's environmental, social, and governance performance, please see Appendix II.²

The company has set targets to improve its sustainability performance, including a commitment to have all new constructions and reconstructions environmentally certified and 30% of its portfolio classified by 2017.³ This target aligns directly with the use of proceeds under the Green Bond framework.

Taking into consideration its long-standing sustainability focus, commitments and overall ESG rating, Sustainalytics believes that Castellum's green bond is aligned with the overall sustainability objectives of the company.

Adherence to The Green Bond Principles (GBP): Sustainalytics has determined that Castellum's green bond aligns with the four pillars of the Green Bond Principles 2016. Please also see Appendix III.

Principle	In line with the GBP 2016?	Comments
Use of Proceeds	Yes	Castellum's project eligibility criteria are based on third-party certification standards of BREEAM and Miljöbyggnad, both of which are used in Sweden. In using Miljöbyggnad Silver and/or BREEAM Very Good, the eligibility criteria set robust standards on the sustainability performance of the eligible assets.

² Sustainalytics assesses Castellum in a peer group of 297 real estate companies. Peer groups are a Sustainalytics' industry classification scheme that is aligned with GICS industry classification and also takes into account a company's main operating activities and environmental, social, and governance risk exposures.

³ As of 2015, 20% of Castellum's portfolio was certified.

		<p>The majority of BREEAM indicators are tradable and without minimum requirements, meaning that buildings can receive the same certification based on the fulfillment of different indicators. However, this weakness is partly overcome in Castellum’s framework as it will report transparently on each project’s energy consumption, carbon footprint, and water usage and purchased renewable energy, regardless of the certification used. Furthermore, Castellum is already subject to Sweden’s stringent energy efficiency standards (BBR) under its national building regulations.</p> <p>In addition, the framework ensures that the buildings eligible will maintain strong sustainability performance over the term of the Green Bond issuance. Since eligible assets need to have either design stage, operational, or in-use certification⁴, if at any point the applicable certification expires without renewal it will no longer qualify under the eligibility criteria. This is important for investors concerned about the ongoing performance of the assets and building management.</p> <p>Although Castellum does not commit to a ratio or target of new vs. existing real estate projects selected under the use of proceeds, Sustainalytics has reviewed documentation of an existing pool of eligible assets. Coupled with the company’s public target for certification across its entire portfolio, Sustainalytics believes that Castellum has sufficient assets and pipeline to allocate the use of proceeds. Furthermore, Castellum will report on the respective allocation of new vs. existing projects financed, for full transparency to investors.</p> <p>Overall, Sustainalytics is of the opinion that Castellum’s project eligibility criteria are credible and that the company is effectively targeting its green bond proceeds towards environmentally beneficial projects.</p>
<p>Project selection process</p>	<p>Yes</p>	<p>Castellum has outlined a clear decision-making process for the Project Selection Process involving both its Sustainability and Group Finance Departments. Given that eligible projects must adhere to specific eligibility criteria and the selection process is completed in coordination with Castellum’s Sustainability Department, Sustainalytics is of the opinion that the selection process for projects and assets is very strong and ensures that the selected projects will adhere to all mentioned eligibility criteria.</p>

⁴ As Castellum is a property owner it is only responsible for the asset rating and the building management rating stages of the BREEAM in-use certification. It does not seek out the tenancy ratings of the certification.

<p>Management of Proceeds</p>	<p>Yes</p>	<p>The net proceeds of the Green Bond issues will be credited to a separate account and Castellum will keep a record of the purpose of the transfers on the account. If the account has a positive balance and unallocated funds are invested in short-term interest bearing securities, these will be reported and their intended use will be explained. The level of transparency with regards to the management of proceeds is very strong and will allow investors to verify that proceeds have only been allocated towards projects that meet the eligibility criteria, as well as track temporary investments. Furthermore, internal documentation reviewed by Sustainalytics of the tracking process makes it clear that the sale of any asset to which proceeds have been allocated will immediately result in the balance of unallocated funds rising by an equivalent amount as that asset’s book value. As a result, in an event of a sale, proceeds will be recycled and allocated towards new eligible assets. This will also be made visible to investors through the reporting process, as described below.</p>
<p>Reporting</p>	<p>Yes</p>	<p>Castellum will publish a yearly report describing the use of funds and their adherence to the eligibility criteria on its website. The report will contain a list of all eligible projects financed and information regarding each project’s adherence to the eligibility criteria will be provided. For financed projects, the report will disclose the aggregate market value and the sum of existing external debt for such assets. It will also disclose the sum of unallocated proceeds, including any short-term investments. This level of transparency ensures that investors will be made aware if any asset, originally included under the use of proceeds, is sold or otherwise impaired over the term of the bond, and the proceeds will be reallocated towards new eligible assets. In addition, as described under the use of proceeds, the reporting framework ensures that if the design stage certification for new assets expires over the course of the term of the bond and the asset has not in the meantime received operational certification, this will be disclosed to investors and the asset will no longer be included under the use of proceeds. Sustainalytics finds the reporting to be very investor friendly.</p> <p>Where Castellum is responsible for project operation, the reporting will also contain a disclosure of a select set of asset-level indicators and measurements. This includes energy consumption, water consumption, GHG emissions, use of renewable energy, as well as the means of heating and cooling.⁵</p>

⁵ The IEA estimates that space heating and cooling as well as hot water account for roughly half of global energy consumption in buildings.

		<p>Given that it is publicly disclosed, audited by a third party, clearly lays out adherence with the eligibility criteria, and provides key metrics regarding the environmental impact of the eligible assets, Castellum’s Green Bond reporting process is highly transparent and demonstrates market best practice.</p>
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Appendix I: Real Estate Certification Systems - Miljöbyggnad Standards and BREEAM Standards Comparison

	Miljöbyggnad	BREEAM SE
Background	Swedish Certification System Used for residential and commercial buildings Used for new and existing buildings, first buildings certified in 2010	British Certification System Adapted to Swedish regulations (BREEAM SE) used in Sweden since 2013 Used for new, refurbished and extension of existing buildings
Levels/Grades	Gold Silver (required by Castellum) Bronze	Outstanding Excellent (required for all new assets under Castellum's framework) Very Good (required for all existing assets under Castellum's framework) Good Passed
Areas of Assessment	Energy Indoor Environment Chemical Substances Specific Environmental Demands	Management Health and Wellbeing Energy Transport Water Materials Waste Land Use and Ecology Pollution Innovation
Procedure	Buildings are examined on 15 indicators Application sent to Swedish Green Building Council	Buildings are examined on 50 indicators Application sent to Swedish Green Building Council (licensed by BRE Global)
Indicators (see detailed list)	<u>Energy:</u> Bought Energy Heating Power requirement Solar Heat Load Fraction of Energy Carriers <u>Indoor Environment:</u> Noise Protection Radon Content Ventilation Rates	<u>Management:</u> Commissioning Construction Site Impacts Building User Guide Moisture Control <u>Health and Wellbeing:</u> Daylight Occupants thermal comfort Acoustics

	<p>N2O to Indoor Air (from traffic) Moisture Prevention Thermal Climate Winter Thermal Climate Summer Daylight Legionella</p> <p><u>Materials and Chemicals:</u> Documentation of materials Absence of hazardous substances</p>	<p>Indoor Air and Water Quality Lighting</p> <p><u>Energy:</u> CO2 emissions Low or zero carbon technologies Energy sub metering Energy efficient buildings system</p> <p><u>Transport:</u> Public transport network connectivity Pedestrian and cyclist facilities Access to amenities Travel plans and information</p> <p><u>Water:</u> Water consumption Leak detection Water re-usage and recycling</p> <p><u>Waste:</u> Construction waste Recycled aggregates Recycling facilities</p> <p><u>Pollution:</u> Refrigerant use and leakage Flood risk NOX emissions Watercourse pollution External light and noise pollution</p> <p><u>Land Use and Ecology:</u> Site selection Protection of ecological features Mitigation/enhancement of ecological value</p> <p><u>Materials:</u> Embodied life cycle impact of materials Material re-use Responsible sourcing Robustness Avoidance of hazardous substances</p>
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		<p><u>Innovation:</u> Exemplary performance levels Use of BREEAM Accredited Professionals</p>
Use in Sweden		<p>Proportion of certified assessments under BREEAM and the Code for Sustainable Homes in Sweden 2012: 0,09%</p> <p>Proportion of certified assets under BREEAM New construction non-domestic by country 2012: 0,2%</p>
Rating		<p>Majority of BREEAM issues are tradable, meaning that the client can pick and choose which to comply with in order to build their BREEAM performance score. BREEAM issues do have minimum standards, so to achieve a particular BREEAM rating a defined number of credits for that issue must be achieved.</p> <p>BREAAM has two stages, Interim Design Stage and Post Construction Stage, with different assessment criteria.</p> <p>Rating benchmarks, Environmental Weightings and Minimum BREEAM standards determine final BREEAM rating. The areas are weighted with respect to each other. The sum of the points obtained in each area are converted to the % obtained of the total possible within each area, with the share then being weighted according to the total weighting of each area.</p> <p>For BREEAM very good a score of 55% or above must be reached. For Very Good a Minimum Number 1 must be reached for the issues “</p>

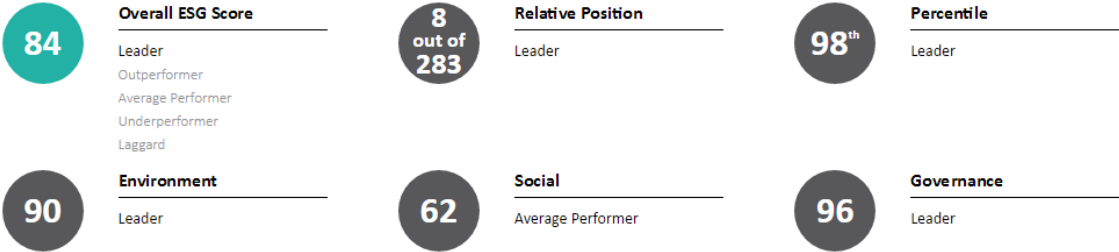
<p>Comparable Issues to reach M. Silver or BREEAM Very Good</p>	<p><u>Daylight:</u> Daylight factor of more than 1,2%</p> <p><u>Thermal Climate Summer and Thermal Climate Winter:</u> PPD smaller or equal to 15%.</p> <p><u>Moisture Prevention:</u> Moisture Proof design according to Bygga F</p> <p><u>Noise Protection:</u> equal to or 50% above the Parameters Class B</p> <p><u>Absence of hazardous substances:</u> Some POS above content limits occur and are listed</p>	<p><u>Daylight:</u> is not a minimum requirement, at least 80% of the floor area is adequately daylight with an average daylight illuminance of 200 lux for 2650 hours per year. (they also have a daylight factor 2,1 and 2,2)</p> <p><u>Occupants Thermal Comfort:</u> is not a minimum requirement, to receive 1 credit PPD has to be assessed and cannot fall within levels defined as local dissatisfaction.</p> <p><u>Moisture Control:</u> is not a minimum requirement, Moisture safety planning according to Bygga F or equivalent.</p> <p><u>Acoustics:</u> no minimum requirement, for one credit all acoustic parameters for sound class C. For 2 credits, all acoustic parameters for Sound Class B.</p> <p><u>Avoidance of hazardous substances:</u> no minimum requirement, Construction Material Assessment System has been used and substances are documented</p>
<p>Validity of Certification</p>	<p>The certification is valid for up to 10 years.</p>	<p>BREEAM for new constructions is a one-time certification valid for the lifetime of a building. BREAAM in-use is for existing buildings and encompasses three different elements within the scheme: operational, intrinsic and management aspects of a building. It must be re-certified annually. Certificates may be renewed subject to confirmation by the client that no significant changes have been made to the asset or the occupying organizations' policies. After two renewals have been completed, a full reassessment is required.</p>

Appendix II: ESG Analysis

Industry Leader in ESG Performance:

According to Sustainalytics’ ESG research, as of August 2016, Castellum is a leader in the real estate industry, and ranks in the top 2% among its peers. With respect to its environmental rating, Castellum ranks in the top 1% among its peers, indicating very strong environmental performance.

Overall performance



Relative performance

8 out of 283	Relative Position Leader	Top 10 Companies	Score
		1 Gecina SA	94
		2 City Developments Limited	90
		3 Unibail-Rodamco SE	89
		4 Icade	88
		5 British Land Co. plc	87
		6 Stockland Corporation	85
		7 Dexus Property Group	84
		8. Castellum AB	84
		9 Atrium Ljungberg AB	82
		10 Fabege AB	80

Environment



Appendix III: Adherence to the Green Bond Principles 2016

Green Bond / Green Bond Programme External Review Form

Section 1. Basic Information

Issuer name: Castellum AB

Review provider's name: Sustainalytics

Section 2. Review overview

SCOPE OF REVIEW

The review assessed the following elements and confirmed their alignment with the GBPs:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Use of Proceeds | <input checked="" type="checkbox"/> Process for Project Evaluation and Selection |
| <input checked="" type="checkbox"/> Management of Proceeds | <input checked="" type="checkbox"/> Reporting |

ROLE(S) OF REVIEW PROVIDER

- | | |
|---|--|
| <input checked="" type="checkbox"/> Consultancy (incl. 2 nd opinion) | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification | <input type="checkbox"/> Rating |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

Note: In case of multiple reviews / different providers, please provide separate forms for each review.

EXECUTIVE SUMMARY OF REVIEW and/or LINK TO FULL REVIEW (*if applicable*)

Please refer to Green Bond Framework and Second Opinion Document above.

Section 3. Detailed review

1. USE OF PROCEEDS

Overall comment on section (if applicable):

The Use of Proceeds of this bond are clearly described in the public offering statement. Castellum is directing the proceeds to the development and/or acquisition of new and existing real estate assets that are certified against Miljöbyggnad or BREEAM standards. These are environmental assessment standards that offer clear environmental benefits, such as reduced energy and water use. The properties that are certified against these standards are of greater eco-efficiency, with better energy efficiency performance, and are a use of proceeds category recognized by the GBP.

Use of proceeds categories as per GBP:

- | | |
|--|---|
| <input type="checkbox"/> Renewable energy | <input type="checkbox"/> Energy efficiency |
| <input type="checkbox"/> Pollution prevention and control | <input type="checkbox"/> Sustainable management of living natural resources |
| <input type="checkbox"/> Terrestrial and aquatic biodiversity conservation | <input type="checkbox"/> Clean transportation |
| <input type="checkbox"/> Sustainable water management | <input type="checkbox"/> Climate change adaptation |
| <input checked="" type="checkbox"/> Eco-efficient products, production technologies and processes | <input type="checkbox"/> Other (<i>please specify</i>): |
| <input type="checkbox"/> Unknown at issuance but currently expected to conform with GBP categories, or other eligible areas not yet stated in GBPs | |

If applicable please specify the environmental taxonomy, if other than GBPs: N/A

2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section (if applicable):

Castellum has outlined a clear decision-making process for the Project Selection Process involving both its Sustainability and Group Finance Departments, to ensure that all projects meet the eligibility criteria.

Evaluation and selection

- | | |
|--|---|
| <input checked="" type="checkbox"/> Defined and transparent criteria for projects eligible for Green Bond proceeds | <input checked="" type="checkbox"/> Documented process to determine that projects fit within defined categories |
| <input checked="" type="checkbox"/> Summary criteria for project evaluation and selection publicly available | <input type="checkbox"/> Other (please specify): |

Information on Responsibilities and Accountability

- | | |
|---|---|
| <input type="checkbox"/> Evaluation / Selection criteria subject to external advice or verification | <input checked="" type="checkbox"/> In-house assessment |
| <input type="checkbox"/> Other (please specify): | |

3. MANAGEMENT OF PROCEEDS

Overall comment on section (if applicable):

The net proceeds of the Green Bond issues will be credited to a separate account and Castellum will keep a record of the purpose of the transfers on the account. If the account has a positive balance and unallocated funds are invested in short-term interest bearing securities, these will be reported and their intended use will be explained.

Tracking of proceeds:

- | | |
|---|--|
| <input checked="" type="checkbox"/> Green Bond proceeds segregated or tracked by the issuer in a systematic manner | |
| <input checked="" type="checkbox"/> Disclosure of intended types of temporary investment instruments for unallocated proceeds | |
| <input type="checkbox"/> Other (please specify): | |

Additional disclosure:

- | | |
|---|---|
| <input type="checkbox"/> Allocations to future investments only | <input checked="" type="checkbox"/> Allocations to both existing and future investments |
| <input type="checkbox"/> Allocation to individual disbursements | <input type="checkbox"/> Allocation to a portfolio of disbursements |

- Disclosure of portfolio balance of unallocated proceeds Other (*please specify*):

4. REPORTING

Overall comment on section (*if applicable*):

Castellum will publish a yearly report describing the use of funds and their adherence to the eligibility criteria on its website. The report will contain a list of all eligible projects financed and information regarding each project's adherence to the eligibility criteria will be provided. For financed projects, the report will disclose the aggregate market value and the sum of existing external debt for such assets. It will also disclose the sum of unallocated proceeds, including any short-term investments.

Where Castellum is responsible for project operation, the reporting will also contain a disclosure of a select set of asset-level indicators and measurements. This includes energy consumption, water consumption, GHG emissions, use of renewable energy, as well as the means of heating and cooling

Use of proceeds reporting:

- Project-by-project On a project portfolio basis
 Linkage to individual bond(s) Other (*please specify*):

Information reported:

- Allocated amounts GB financed share of total investment
 Other (*please specify*):

Frequency:

- Annual Semi-annual
 Other (*please specify*):

Impact reporting:

- Project-by-project On a project portfolio basis
 Linkage to individual bond(s) Other (*please specify*):

Frequency: TBD

- Annual Semi-annual
 Other (*please specify*):

Information reported (expected or ex-post):

- GHG Emissions / Savings Energy Savings
 Other ESG indicators (*please specify*):

- environmental certification
- energy consumption (disclosed by absolute consumption in kWh and intensity in kWh per square meter)
- water usage (disclosed by absolute consumption in m³ and intensity in m³ per square meter)
- carbon footprint (disclosed by absolute emissions in tons and intensity in tons per square meter)
- purchased renewable energy (disclosed by absolute consumption in kWh and intensity in kWh per square meter, and % renewable energy of the total purchased energy)
- main method of heating and cooling

Means of Disclosure

- | | | | |
|-------------------------------------|---|--------------------------|--|
| <input type="checkbox"/> | Information published in financial report | <input type="checkbox"/> | Information published in sustainability report |
| <input checked="" type="checkbox"/> | Information published in ad hoc documents | <input type="checkbox"/> | Other (<i>please specify</i>): |
| <input checked="" type="checkbox"/> | Reporting reviewed (<i>if yes, please specify which parts of the reporting are subject to external review</i>): A third party appointed by Castellum will report whether the Green Bond net proceeds have been allocated to the projects that Castellum outlines in its reporting and comply with the relevant eligibility criteria, and a signed document will be provided on Castellum's website. | | |

Where appropriate, please specify name and date of publication in the useful links section.

USEFUL LINKS (*e.g. to review provider methodology or credentials, to issuer's documentation, etc.*)

www.castellum.se

SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE

Type(s) of Review provided:

- | | | | |
|--------------------------|---|--------------------------|---------------|
| <input type="checkbox"/> | Consultancy (incl. 2 nd opinion) | <input type="checkbox"/> | Certification |
| <input type="checkbox"/> | Verification / Audit | <input type="checkbox"/> | Rating |
| <input type="checkbox"/> | Other (<i>please specify</i>): | | |

Review provider(s): N/A **Date:**

ABOUT SUSTAINALYTICS

Sustainalytics is the largest independent provider of sustainability research, analysis, and services to investors. We serve over 250 institutional investors which include some of the world's largest asset owners and asset managers. Through over 20 years of experience serving the responsible investment (RI) market, we have gained a reputation for providing high-quality ESG research solutions and excellent client service.

Sustainalytics is headed by seasoned professionals in the field of business, finance, and sustainability, with a wealth of experience in the Responsible Investment area. After more than 20 years of local experience and expertise in the Responsible Investment (RI) market Sustainalytics has developed a comprehensive understanding of trends and best practices and a solid process to assist organisations in integrating ESG considerations into their policies and strategies. We have worked with some of the world's financial institutions including pension plans, investment managers and banks providing customised support to help them achieve their RI objectives. Clients include ABN AMRO, APG, BBVA, BNP Paribas, Deutsche Bank, ING Bank, Lombard Odier, Lloyds Bank, Triodos Bank, UBS and over 250 other financial institutions and organisations.

Sustainalytics now has a staff of 250 employees globally, including over 120 analysts, with operations in Amsterdam, Boston, Bucharest, Frankfurt, New York, Paris, London, Singapore, Sydney, Timisoara, and Toronto, and representation in Brussels and Washington DC.



SRI-CONNECT.

In 2015, Sustainalytics was named the Best SRI or Green Bond Research Firm by GlobalCapital. In December 2014, for the third year in a row, Sustainalytics was named best sustainable and responsible investment research firm in the Independent Research in Responsible Investment (IRRI) Survey, conducted by Thomson Reuters and

SUSTAINALYTICS
At a Glance

Our Coverage

- Company ESG Research
4,500 Issuers
- Corporate Governance Research
4,000 Issuers
- Global Compact Research
20,000+ Issuers
- Product Involvement
40,000 Issuers
- Controversial Weapons Radar
40,000 Issuers
- Sector Research
42 Peer Groups

Our Team

Michael Jantzi, CEO

More than 250 staff members, including over 120 analysts with multidisciplinary and industry expertise

Shareholders: ABN AMRO MeesPierson, Michael Jantzi and senior staff, Mooncrest Holdings Limited, PGGM, Renewal Partners, Silver Box Holdings Limited and Triodos

Board Members:
Else Bos, CEO, PGGM

Alan Broadbent, CEO, Avana Capital Corporation

Melissa Brown, Partner, Daobridge Capital

Mike Musuraca, Managing Director, Blue Wolf Capital Partners LLC

Glen Saunders, Former board member and current senior adviser, Principles for Responsible Investment (PRI)

Georg Schürmann, Managing Director of Triodos Bank Germany

Our Offices

Offices in Amsterdam (Headquarters), Boston, Bucharest, Frankfurt, London, New York City, Paris, Singapore, Sydney, Timisoara, and Toronto. Representative offices in Brussels and Washington D.C.

Our Clients

Our 300+ clients worldwide include financial institutions, asset managers, mutual funds, pension funds, banks, insurance companies, international organizations and academic networks

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As the Opinion is based on information made available by the client, Sustainalytics does not warrant that the information presented in this Opinion is complete, accurate or up to date.

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The client is fully responsible for certifying and ensuring its commitments` compliance, implementation and monitoring.