KESKO ANNUAL REPORT 2025

Kesko's direction

Year 2025
Strategy and operating environment
Business
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Report by the Board of Directors and Financial statements

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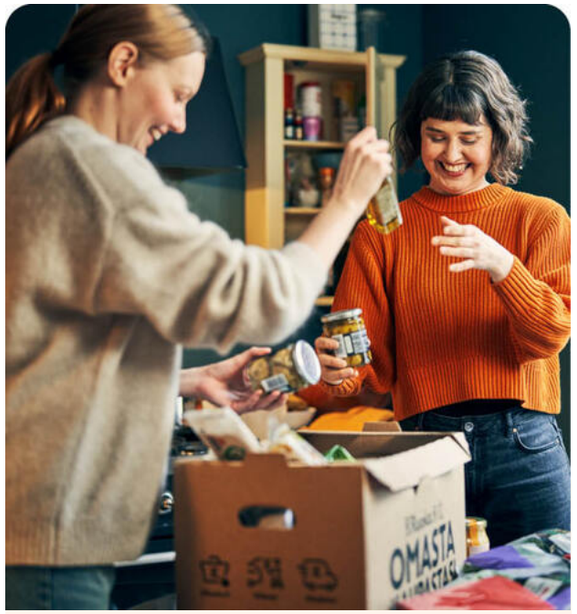
KESKO ANNUAL REPORT 2025

Kesko's Annual Report for 2025 comprises three sections:

KESKO'S DIRECTION



The section describes Kesko and its divisions, key events in 2025 and the progress made during the year in strategy execution, as well as Kesko's operating environment and sustainability work.

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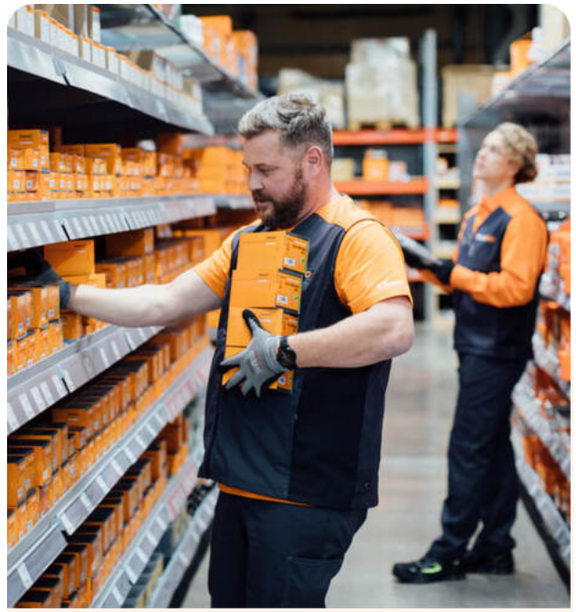
REPORT BY THE BOARD OF DIRECTORS AND FINANCIAL STATEMENTS



The section comprises the Report by the Board of Directors and financial statements for 2025. The sustainability statement is part of the Report by the Board of Directors.

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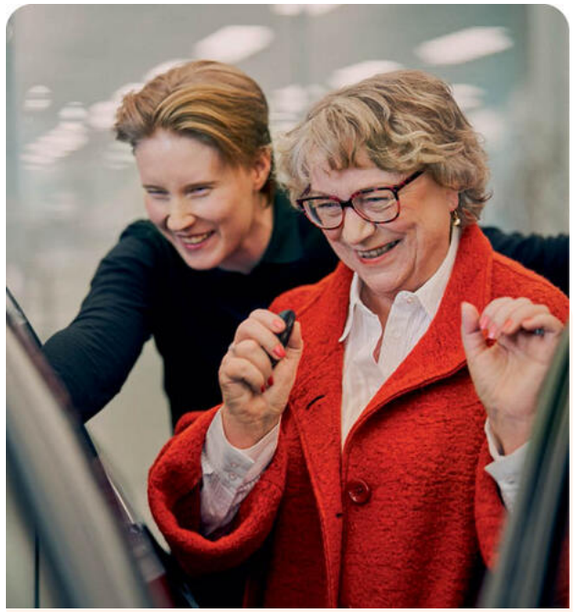
CORPORATE GOVERNANCE



The section comprises Kesko's Corporate Governance Statement, the Remuneration Report for Governing Bodies, and résumés for the members of Kesko's Board of Directors and Group Management Board.

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KESKO IN BRIEF

Kesko is a Finnish trading sector forerunner. We operate in grocery trade, building and technical trade, and car trade. Our business divisions and chains act in close cooperation with retailer entrepreneurs and other partners.

Kesko has around 1,700 stores engaged in business operations in Finland, Sweden, Norway, Denmark, Poland, Estonia, Latvia and Lithuania. By combining online sales and digital services with our extensive store network, we enable a seamless customer experience in all channels.

Kesko's business divisions are grocery trade, building and technical trade, and car trade. These are areas where Kesko has strong expertise and market positions, and they offer good potential for profitable growth in the long term.

Together with K-retailers Kesko forms K Group, which is the biggest trading sector operator in Finland and one of the biggest in Northern Europe. K Group's retail sales in 2025 totalled some €15 billion. In total, Kesko and K-retailers employ around 39,000 people.

Sustainability is a vital part of Kesko's strategy and the business operations of the three divisions. We strive to enable more sustainable choices for our customers and drive change throughout the value chain. The focus areas of our sustainability strategy are climate and nature, value chain, our people, and good governance,

Kesko's shares are listed on Nasdaq Helsinki. The company's domicile and main premises are in Helsinki, Finland.

- Biggest trading sector operator in Finland, one of the biggest in Northern Europe
- Profitable growth strategy, 3 divisions, some 1,700 stores in 8 countries, extensive digital services
- Ranked among world's most sustainable companies since 2005 (Global 100)
- Good financial position and dividend capacity
- Market cap €7.7 billion (31.12.2025), some 124,000 shareholders

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YEAR IN FIGURES

- Group net sales in 2025 totalled €12,474.7 million (€11,920.1 million): reported net sales grew by 4.7%, and comparable net sales by 2.3%
- Comparable operating profit totalled €654.9 million (€650.1 million)
- Cash flow from operating activities totalled €879.7 million (€1,008.2 million)
- Comparable earnings per share totalled €1.07 (€1.11)
- Dividend proposal: €0.90 per share, payout ratio 84%

Division highlights

- Grocery trade: positive turnaround in grocery store market share, profitability strong despite investments
- Building and technical trade: comparable operating profit grew despite a challenging market
- Car trade: market position grew stronger, comparable operating profit increased significantly

Read more in the Business section

Grocery trade €6,447.4 million
Building and technical trade €4,685.8 million
Car trade €1,364.8 million

Grocery trade €418.1 million
Building and technical trade €178.6 million
Car trade €83.1 million

Key figures	1–12/2025	1–12/2024	1–12/2023	1–12/2022	1–12/2021
Net sales, € million	12,474.7	11,920.1	11,783.8	11,809.0	11,300.2
Operating profit, € million*	654.9	650.1	712.0	815.1	775.5
Operating margin, %*	5.3	5.5	6.0	6.9	6.9
Earnings/share, basic, €*	1.07	1.11	1.28	1.54	1.43
Capital expenditure, € million	735.7	675.9	678.9	449.2	276.6
Return on capital employed, %*	10.4	11.3	13.4	16.9	17.2
GHG emissions from own operations, (scope 1 and 2), tCO_2eq**	74,204	91,135	-	-	-
Women in top management, %	27.8	27.7	28.4	23.9	28.1
Women in middle management, %	28.2	32.8	36.1	38.9	34.6

* Comparable figures

**Kesko has set 2024 as the base year for emission calculation, and therefore no comparison data is provided for years prior to that.

Kesko's wholesale to retailers 43%
Kesko's B2B trade 16%
Kesko's B2C trade 41%

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KEY EVENTS IN 2025

Growth in Denmark through acquisitions

During the first year-half, Kesko acquired three building and home improvement trade companies in Denmark, to merge with Davidsen, which was acquired in 2024. The acquisitions are part of Kesko's growth strategy and have made its subsidiary Davidsen a significant operator on the Danish building and home improvement trade market, with a market share of some 20%.

New logistics centre completed

Kesko's biggest ever construction project, the joint Onninen and K-Auto logistics centre Onnela in Hyvinkää, Finland, was completed in August 2025. The centre primarily serves Onninen's technical trade, and also K-Auto's spare parts logistics. It will be fully operational in the first half of 2026. The project timing was excellent, and it came in clearly below the original cost estimate of 300 million euros. The centre will enable further growth once the market recovers, and will boost efficiency as volumes grow. Special attention has been paid to the building's energy consumption and to minimising its carbon footprint.

The Onnela logistics centre has an important role in Kesko's growth strategy

Investments in the store network in grocery trade

Kesko is making significant investments in its three grocery trade store chains in upcoming years, with special focus on strengthening the K-Citymarket hypermarket network in growth centres Helsinki, Espoo and Vantaa. In Helsinki, a new K-Citymarket will open in the Redi shopping centre in Kalasatama, while in Vantaa, plans are underway for a new hypermarket in Tikkurila. In Espoo, construction has begun in the Espoontori shopping centre, where a new hypermarket is set to open in 2028. In 2025, Kesko opened two new K-Citymarket and 13 K-Market or K-Supermarket stores and updated and remodelled 45 stores. Annual investments in the store network are set to total €200–250 million. Hypermarkets in growth centres play a key role in the development of Kesko's store network.

LET´S K! drives team spirit and profitable growth

LET'S K! is a shared mindset within K Group that inspires people and consequently accelerates strategy execution, creates a sense of unity and team spirit, and reinforces a sense of purpose. It puts K Group employees at the centre. The shared operating principles emphasise customers, sales and growth, a positive get-things-done attitude, collaboration, and fair play. LET'S K! expresses how we work across K Group – from the main offices to our stores and logistics operations. In 2025, the LET'S K! mindset was used to guide the development of the overall employee experience through rewards, leadership, career development, and training.

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Kesko stays on the Global 100 list of the most sustainable companies

Kesko ranked the highest among companies in the 'Consumer Staples' segment in the 2025 'Global 100 Most Sustainable Corporations' listing. Kesko is the only company in the world to have made the list every year since it was first launched in 2005. Overall, Kesko ranked 36th on the list (29th in 2024).

Kesko ranked highest in the 'Grocery Stores' peer group on the new 'Europe 50' listing of sustainable companies

Kesko included in the first ever listing of Europe's 50 most sustainable companies

Kesko was ranked the most sustainable company in Europe in the 'Grocery Stores' peer group on the first-ever 'Europe 50 Most Sustainable Companies' listing published by the Canadian Corporate Knights, known for its long-running Global 100 ranking of the world's most sustainable companies. In addition to ranking highest in its peer group, Kesko ranked 19th on the list overall.

Changes in Group management

Minttu Sinisalo, M.Sc. (Econ.) was appointed as Executive Vice President, HR and a member of Kesko's Group Management Board as of 1 March 2026. Sinisalo comes to Kesko from Terveystalo, where she held the position of Senior Vice President, HR. Kesko's current Executive Vice President of HR Matti Mettälä will retire on 1 March 2026.

More than 150,000 young participants at K Group sporting events

The sporting events organised as part of K Group's 'Liike on lääke' campaign were attended by over 150,000 children and teenagers across the country in 2025. The aim is to introduce the participants to a wide variety of sports and encourage them to try out different activities and find one they enjoy. The long-term campaign was first launched in early 2024, and Kesko and the K-retailers work together with the Finnish football, basketball and tennis associations and the popular artists JVG.

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DIVISIONS IN BRIEF

Grocery trade

K Group is the second biggest grocery trade operator in Finland. Some 860 K-retailer entrepreneurs enable good customer experiences for 1.2 million daily customers at K Group's 1,100 grocery stores. Around 790 stores also offer online grocery services, supported by express deliveries with Wolt. The division comprises the grocery store chains K-Citymarket, K-Supermarket and K-Market, and Kespro, which is the leading foodservice wholesale provider in Finland.

	2025	2024
Net sales, € million	6,447.4	6,381.4
Operating profit, comparable, € million	418.1	438.0
Operating margin, comparable, %	6.5	6.9
Return on capital employed, comparable, %	14.1	16.0
Capital expenditure, € million	309.2	276.0
Average number of personnel converted into full-time employees	6,264	6,346

More about the division

Building and technical trade

The division operates in eight countries: Finland, Sweden, Norway, Denmark, Poland, Estonia, Latvia and Lithuania. It has some 500 stores, and the store chains also offer extensive online services. Onninen serves technical trade customers, while K-Rauta, Byggmakker, K-Bygg and Davidsen serve professional builders and consumers. Building and home improvement trade operations in the Baltics are operated by the joint venture Kesko Senukai.

	2025	2024
Net sales, € million	4,685.8	4,351.6
Operating profit, comparable, € million	178.6	169.1
Operating margin, comparable, %	3.8	3.9
Return on capital employed, comparable, %	7.3	7.8
Capital expenditure, € million	279.7	293.7
Average number of personnel converted into full-time employees	6,853	6,538

More about the division

Car trade

K-Auto is a leading operator in Finnish car trade, and its operations comprise the import and sale of new cars, used car sales, extensive servicing and repairs, spare parts, car leasing, and K-Lataus EV charging. K-Auto's over 1.3 million customers are served by some 1,300 professionals. K-Auto brands include Volkswagen, Audi, SEAT, CUPRA, Porsche and Bentley passenger cars and Volkswagen Commercial Vehicles in Finland, and SEAT and CUPRA imports in the Baltics. Kesko's sports trade is also part of the division.

	2025	2024
Net sales, € million	1,364.8	1,209.4
Operating profit, comparable, € million	83.1	69.3
Operating margin, comparable, %	6.1	5.7
Return on capital employed, comparable, %	15.5	13.8
Capital expenditure, € million	125.0	89.0
Average number of personnel converted into full-time employees	1,638	1,556

More about the division

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REVIEW BY THE PRESIDENT AND CEO

A GOOD RESULT FROM ALL THREE DIVISIONS IN 2025

President and CEO Jorma Rauhala, what were the highlights for Kesko and its divisions in 2025?

Our strategy execution proceeded according to plans and yielded results in all three divisions. During the year, our market position improved in various business areas. We seek sales growth, better customer experiences, profitability and efficiency in all businesses.

Despite the challenges in our operating environment, Kesko's performance ability is good. We have a good, clear strategy that focuses on our strengths. We can respond quickly to changes in our operating environment, and have been able to constantly improve efficiency by utilising digital services and AI, for example.

Our operating environment grew gradually stronger over the course of the year. Consumer confidence has been relatively low in the Nordic countries, and people have been accumulating savings. The construction cycle has recovered, but the pace has been slower than we anticipated at the beginning of 2025.

Kesko's result improved in 2025: our net sales totalled €12,474.7 million and comparable operating profit €654.9 million, with a comparable operating margin of 5.3%. Some 22% of our net sales in 2025 came from outside Finland.

The operating environment for Kesko grew gradually stronger in 2025. The main external factors impacting our business were consumer confidence and the construction cycle. We continued the determined execution of our growth strategy, and this yielded results in all three divisions. Kesko's performance ability is strong, especially relative to competitors. In 2026, we estimate that our operating environment will improve in all divisions and operating countries.

Jorma Rauhala

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What were the main themes for Kesko's grocery trade division in 2025?

In grocery trade, our sales grew in 2025. The comparable operating profit decreased, but the operating margin stood strong at 6.5%. Our goal is to strengthen our market share for both the grocery store chains and the foodservice business. Our recipe for improved market share for the grocery stores is to focus on quality, price and the store network, while crucially also maintaining good profitability. The results from our strategy execution efforts are promising: the market share performance of our grocery stores strengthened notably during the year, and in the latter half of the year, the market share took an upturn. In the hypermarket segment, K-Citymarket gained market share throughout the year, and our chains in all segments gained market share in the final quarter.

Market share performance for K Group grocery stores grew stronger during the year

Our key competitive advantages in improving quality are the K-retailers and store-specific business ideas. Many of our grocery stores are excellent even in international comparison, but quality levels vary notably, and many stores still have room for improvement. Key actions in improving quality include sharpening of store-specific business ideas, and revamping certain product categories, such as bread, fruit and vegetables, and K-Citymarket's non-food selections. We utilise technology and digital tools to improve both quality and productivity.

We continued to strengthen our store network, and opened two new K-Citymarket hypermarkets in 2025: one in Ideapark in Lempäälä and one in Paavola, Lahti to replace Finland's oldest hypermarket. In total, we opened 13 new K-Supermarket and K-Market stores and remodelled 45 stores. We also announced plans to open three additional hypermarkets in the growth centres of the Greater Helsinki area in coming years.

At the beginning of 2025, we responded to customer demand by launching an extensive price programme, in which the prices of over 1,000 key products for our customers were reduced permanently. In addition to the price programme, we focused on campaign offers and targeted personal benefits.

Our customer flows increased during the year, and basic daily purchases also grew. Digitally-assisted sales played a significant role: the K-Ruoka app, for example, now serves more than two million Finns and acts as an important driver for sales. Online grocery sales through K-Ruoka grew by 7.9%, with excellent customer satisfaction. Although the grocery market continued to be price-driven, signs of improvement have been visible since the summer of 2025. Our sales data shows that demand has increased for higher-quality, higher-value categories, such as service counter items, fruit and vegetables, and premium ready meals.

Kespro is the clear market leader in its foodservice business, and strengthened its market share further in 2025. The weak consumer confidence impacted the restaurant market.

How would you characterise the year for the building and technical trade division?

Despite market challenges, sales for our building and technical trade division grew and profit improved in 2025. We serve professional builders, technical trade customers, and consumers in Northern Europe. We will continue the execution of our country-specific growth strategies in Finland, Norway, Denmark, Sweden, Poland and the Baltic countries, seeking growth both organically and via acquisitions. The division's focus is on securing profitability and improving cash flow.

Gradual recovery has continued in the construction cycle, but the pace of recovery in all operating countries has been slower than we estimated at the beginning of 2025, especially in new housing construction. Sales in technical trade took an upturn in the latter half of the year for the first time in two years, and net sales for building and home improvement trade grew underpinned by acquisitions. Despite sales growth, the division's sales margin decreased in the challenging market due to continued tight price competition, which affected the comparable operating margin.

The acquisition of Davidsen in 2024 was a significant strategic step that allowed us to enter the sizeable Danish building and home improvement trade market. In the first half of 2025, we completed the acquisitions of Roslev Trælasthandel, CF Petersen & Søn, and Tømmergaarden, and the companies were integrated into Davidsen. As a result, we are now able to serve our customers in Denmark

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nationwide. Thanks to the acquisitions, Kesko's position in the Danish building and home improvement trade market grew significantly stronger, and our market share rose to nearly 20% and sales to almost €800 million. This supports growth for Kesko as a whole.

Kesko's biggest-ever construction project, the joint Onninen and K-Auto logistics centre Onnela in Hyvinkää, Finland, was completed in August. The centre will enable growth as the market grows stronger, and bring efficiency benefits through higher volumes. Meanwhile, K-Rauta's central warehouse, which is currently outsourced, will move to Onninen's previous facilities in Hyvinkää, enabling synergies in, for example, personnel resourcing. The timing of Onnela's construction was excellent, as the project costs came in clearly below the original estimate of €300 million, amounting to less than €250 million.

What were the highlights for Kesko's car trade division?

The operating environment remained challenging, but regardless, Kesko's car trade division managed to increase both its net sales and profit significantly. The market for new cars was impacted by weak consumer confidence and uncertainty regarding the right powertrain choice. Sales grew in all three car trade business areas: new cars, used cars, and services. Kesko clearly outperformed the market in both new and used car sales. In the service business, we seek growth in particular in damage repairs and the servicing of cars older than five years.

The good performance in car trade is founded on constant operational improvement on our part, as well as on attractive new car models. Kesko's car trade was the market number one in new fully electric car sales, and the sales of Volkswagen electric models were particularly strong. We also continued to strengthen our K-Lataus EV charging network. Kesko's sports trade is also part of the division, and we are the market leader in Finnish sports trade. In 2025, we gained further market share in sports trade despite the still relatively weak consumer demand.

We are at the mid-point of Kesko's current strategy period – how would you describe the results so far?

Our strategy was updated in the summer of 2024. The main pillars of strategy remained intact, while each division's competitive advantages and objectives were crystallised further. The execution of our growth strategy has yielded results in all three divisions.

In the grocery trade division, market share development has been positive, and the comparable operating margin has stayed clearly above 6%. In the building and technical trade division, we have executed country-specific growth strategies. The profit and sales in Finland have been excellent considering the market conditions. In Norway and Sweden, our focus has been on improving profitability. Our profit in Norway strengthened considerably in 2025. In Sweden, the discontinuation of the K-Rauta chain and the conversion of the stores into K-Bygg stores had a negative impact on profit. In Denmark, we have grown significantly through acquisitions. In the Baltic countries and Poland, we have strengthened our position through sales growth. In the car trade division, we have outperformed the market in both new and used cars.

> We execute country-specific growth strategies in building and technical trade

The continuous improvement of personalised, multichannel customer experiences and the further development of our digital services across all divisions are at the heart of our growth strategy. By utilising data and artificial intelligence, we aim to create competitive advantage and enhance the efficiency of both our own operations as well as those of K-retailers and stores.

We fell slightly short of our financial targets for comparable operating profit and return on capital employed, but came in clearly below the maximum level set for the balance sheet indicator, interest-bearing net debt/EBITDA. Our cost control efforts were also very effective. Our cash flow from operating activities totalled €879.7 million, and during the year, we continued to make investments in line with our growth strategy, such as acquisitions and logistics investments.

How would you describe Kesko's operating environment in 2025, and how do you expect it to change in 2026?

The operating environment for Kesko grew gradually stronger in 2025. Key external factors for our businesses were consumer confidence and the construction cycle. In all our operating countries, consumer confidence was weak compared with the long-term average. However, business confidence was higher than consumer confidence. It is likely that confidence has been impacted by geopolitical and economic tensions. Nonetheless, purchasing power has improved thanks to wage increases, lower interest rate levels, and the deceleration of inflation.

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The construction cycle recovered gradually in all Nordic countries, but new housing starts in particular still remained low. The recovery was reflected in sales growth especially in Denmark, Poland, and the Baltic countries. Renovation building increased in Sweden thanks to a related tax benefit for households. In Finland, earthworks and hydraulic engineering have fared better than construction overall. In Norway, interest rate levels were clearly higher than in the other Nordic countries, and this had an impact on construction activity.

We estimate that our operating environment will improve in 2026 in all our divisions and operating countries.

What does LET'S K! mean and how is it reflected in what we do?

We introduced our shared LET'S K! attitude towards the end of 2024 in an effort to accelerate our strategy execution. LET'S K! is our shared way of doing things in K Group, and captures how we want to operate in our day-to-day work – from our main offices to the stores and logistics operations. LET'S K! emphasises working together, teamwork, and collaboration across divisions and roles. In our daily work, we always put the customer first: every decision is made and action taken with the customer in mind. LET'S K! is about having a hands-on mindset, the courage to take initiative and make things happen. Entrepreneurship and an entrepreneur's mindset, agility, and a solution-oriented approach are all at K Group's core. LET'S K! is reflected in our shared drive to move forward, our perseverance, and our courage. For me, it is essential to motivate our people by communicating our goals openly and honestly. Every day, we work together towards better trade with a LET'S K! attitude.

> The success of the trading sector is important for Finnish society, as on a larger scale, we create wellbeing and prosperity in Finland

How is Kesko utilising data, AI and robotics?

Continuous improvement of multichannel customer experiences and the further development of digital services are at the core of Kesko's growth strategy. We use data, data analytics, and AI to create a sustainable, growing competitive advantage based on a combination of good customer experiences, operational efficiency and reliability, and profitability. There is a digital element to almost everything Kesko does.

Customers of all divisions interact with our excellent digital services. For example, the K-Ruoka app already serves more than two million Finns, while Kespro's digital services support foodservice professionals in running their business. Onninen's customers order most of the building supplies they need digitally, delivered directly to their worksites, and K-Auto's revamped digital services make buying, owning, and servicing a car more effortless. We have invested in artificial intelligence, and actively encourage Kesko employees to use it to make their work more efficient.

Kesko has a long history – what is your vision for its future in the long term?

Kesko celebrated its 85th anniversary in 2025. One of the strengths of Kesko and K Group has been the ability to adapt and change with the times. We develop our company with a long-term focus, so that we can continue to meet the evolving needs of our customers and serve them better in decades to come and be an active member of society in all our operating countries.

I see plenty of potential for growth and further business improvement in all our divisions, especially if we are ready to listen to our customers and respond to their wishes. We seek stronger market positions in all our divisions. Growth in Finland is moderate, partly due to weak population growth. Meanwhile, the building and technical trade market in Northern Europe continues to be fairly fragmented, which offers us opportunities for growth both organically and through acquisitions. It is possible that in the medium term, building and technical trade will become Kesko's biggest division.

Sustainability is a central part of Kesko's strategy. We have engaged in dedicated long-term sustainability work for decades, and will continue to do so. As a trading sector company, we are in a unique position to enable more sustainable choices for our customers by driving change throughout the value chain. Sustainability also offers commercial opportunities for all our divisions.

The reduction of greenhouse gas emissions has long been one of the main targets of our sustainability strategy. The majority of emissions in Kesko's value chain derive from the production, use and disposal of products purchased and sold during their lifecycle. In 2025, we set new near-term and long-term climate targets for both our own operations and value chain. Our targets were validated by the Science Based Targets initiative (SBTi) in January 2026. To achieve our net-zero targets for 2050, we will be

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raising our climate efforts to a new level in all divisions and operating countries in the coming years.

How would you characterise the significance of the trading sector for the Finnish society?

The success of the Finnish trading sector is essential for the Finnish economy. It is the biggest industry in Finland measured in terms of contribution to GDP, accounting for around 10%. It is also a significant employer, as approximately 280,000 people across the country work in the trading sector. Kesko and K-retailers combined employ around 34,000 people in Finland. Trading sector companies are also significant taxpayers: in 2024, Kesko and independent K-retailer entrepreneurs paid a total of €147.3 million in corporate tax, which was the third-highest amount in the country. Trading sector companies also make substantial investments in Finland. Kesko's total investments in Finland amounted to some €523 million in 2025.

The Finnish trading sector operates in a global competitive environment where clear and predictable regulation is a key prerequisite for profitable business operations, their development, and investments. It is important that regulation in Finland does not jeopardise the ability of Finnish trading sector companies to compete domestically or internationally. In particular, national regulation must take into account measures needed to support economic growth and strengthen the labour market. EU regulation, in turn, should be developed as a coherent whole, and it must be consistent and reflect an understanding of companies' day-to-day realities. We must also have the courage to make national decisions when needed.

The success of the trading sector is important for Finnish society, as on a larger scale, we create wellbeing and prosperity. From the trading sector perspective, it is crucial that every effort is made to restore consumer confidence and purchasing power – that is the only way to get the Finnish economy and trade on a growth track.

Finally, what is your message as we head into 2026?

Kesko is an exceptional trading sector operator which, thanks to the right strategic choices, can navigate through changing operating conditions. There is no company quite like it on the market. We focus on three strong divisions, which each have a strong position in their respective markets in both traditional stores and digital channels, as well as good growth potential. Our efficiency, underpinned by new technologies, new income sources, and sales growth enable good profitability performance. Our good ability to generate profits and financial position enable both investments and good dividend capacity. Kesko's Board of Directors proposes to the 2026 Annual General Meeting a dividend of €0.90 per share.

We estimate that our operating environment will improve in 2026 in all divisions and operating countries. Kesko's comparable operating profit is also estimated to improve in 2026 in all divisions and operating countries.

I want to thank all our customers, shareholders, the people working at K Group, and our partners for their trust and collaboration in 2025. We will continue to execute and see results from our growth strategy, and I foresee a strong future for Kesko in upcoming years.

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STRATEGY AND OPERATING ENVIRONMENT 2025

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STRATEGY AND OBJECTIVES

Kesko updated its growth strategy for 2024–2026 in the summer of 2024. The updated strategy aligns with and expands on the previous strategy, and the main strategic pillars remain intact despite some minor adjustments. Profitable growth in three selected divisions – grocery trade, building and technical trade, and car trade – continues to be at the core of Kesko's growth strategy, while competitive advantages and objectives have been crystallised for each division, with special focus on the customers.

The growth strategy has proven effective. Grocery trade, building and technical trade, and car trade are all areas where Kesko holds good market positions and also has the strongest capabilities and the best long-term development potential as well as good growth prospects. Kesko's good financial performance in 2025 and its ability to further strengthen market positions in various business areas are proof that Kesko has made the right strategic choices, and that its strategy works also in a rapidly changing operating environment.

Kesko's vision is to be the leading, most attractive trading sector growth company in Northern Europe. Delivering profitable growth, strengthening market positions, further developing focused B2C and B2B business portfolios, and increasing customer value are shared strategic objectives for all three Kesko divisions. Their achievement is supported by division-specific strategies and detailed operating plans derived from these.

Kesko's growth strategy

VISION	The leading and most attractive trading sector growth company in Northern Europe				
STRATEGIC TARGETS	Delivering profitable growth	Strengthening market position	Building a focused B2C and B2B business portfolio	Increasing customer value	
COMPETITIVE ADVANTAGES	Operational excellence	Omnichannel customer experience	K-retailers and commercial spirit	Forerunner in sustainability	Trusted K brand
BUSINESSES	Grocery trade	Building and technical trade	Car trade		
PURPOSE	Towards better trade every day – LET'S K!				

In all business operations, we seek sales growth, better customer experiences, profitability and efficiency with the help of, for example, digital services and AI. Kesko's strategy defines its competitive advantages. One key advantage is operational excellence. This comprises, for example, daily processes such as selections, product availability, store concepts, pricing management, and reliability in deliveries. These are important, even critical, factors for our customers. We must ensure a good, high-quality customer experience in both our stores and digital channels.

In utilising digitalisation, our main objectives are to ensure the best possible multichannel customer experience and to

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increase our operational efficiency. Data is central to everything we do, and we seek to create value in various ways for our customers with business processes that utilise data, analytics, AI and automation.

The focus areas for Kesko's sustainability strategy are climate and nature, value chain, our people, and good governance. Our sustainability work focuses increasingly on the entire value chain. In 2025, we set new near-term and long-term emission targets for our own operations and the value chain – these targets were validated by the Science Based Targets initiative (SBTi) in January 2026. Achieving our long-term net-zero target will require more extensive collaboration with our suppliers. We have already been challenging suppliers for several years to set science-based emission targets. Together with suppliers, we can impact emissions in the value chain also by developing our selections and by encouraging our customers to make more sustainable choices. As for people, our focus is on promoting personnel safety and wellbeing as well as diversity, equity and inclusion in the workplace. To measure our progress in sustainability, we refer to sustainability indices and assessments such as the Dow Jones sustainability indices, MSCI ESG, Sustainalytics and CDP.

At K Group's core are Kesko and the retailer entrepreneurs operating in Finland in B2C grocery trade, K-Rauta building and home improvement stores, and Intersport stores. The retailers differentiate K Group from its competitors and lend a significant competitive advantage, with a unique commercial approach that extends to all stores and operations, supported by the established strong and trusted Kesko and K brands. Kesko's K-Plussa is the most extensive customer loyalty programme in Finland. The number of Finnish households belonging to the K-Plussa loyalty programme and using the K-Plussa network totalled 2.7 million in 2025, with 3.4 million active customers. Our K-Ruoka is the most popular mobile app in Finland, with some 800,000 weekly users.

In the grocery trade division, Kesko's aim is to strengthen its market position while maintaining good profitability. To boost the market share of its grocery store chains, Kesko focuses on quality, price, and the development of its store network, opening new stores especially in growth centres. Kesko has the most extensive network of grocery stores in Finland. Quality is a key competitive factor for K Group grocery stores, and K-retailers uphold it through their store-specific business ideas tailored to local needs and customer base. To improve price competitiveness, in early 2025 we reduced prices on over 1,000 grocery staples in an effort to remove obstacles for purchasing and increase the average purchase. Results from these strategy execution measures are promising, as the K-Citymarket chain gained market share in the hypermarket segment throughout the year, and all K Group grocery chains won over market share in the

final quarter. In the foodservice business, our focus is on continued good development for Kespro.

While investments in price and store sites will impact profitability in Kesko's grocery trade in upcoming years, profitability is still expected to stay clearly above 6% in the 2024–2026 strategy period. Trends impacting Kesko's operating environment, such as urbanisation, the rise of senior citizen consumers, smaller household sizes, increasingly individual consumer behaviour, and the growing popularity of eating out, support high-quality grocery trade.

Kesko's building and technical trade division serves professional builders, technical trade customers, and consumers in Northern Europe. The division continues to execute country-specific growth strategies, seeking growth both organically and through acquisitions. Nearly 60% of the division's net sales now come from outside Finland. Focus areas for the building and technical trade division include securing profitability and improving cash flow. In 2025, Kesko acquired three building and home improvement trade companies in Denmark, and integrated them into the Danish subsidiary Davidsen, which was acquired in 2024. The acquisitions raised our market share in Denmark to nearly 20% and notably strengthened our position in the country, underpinning growth for the whole of Kesko.

Acquisitions as part of Kesko's growth strategy

2016
- Suomen Lähikauppa €936m
- Onninen €1,465m
- AutoCarrera €49m

2018
- Reinin Liha and Kalatukku E. Eriksson €31m
- Skattum & Gipling €245m
- 1A Group €41m

2019
- Sørbø Trelast and Tau & Jørpeland Bygg €24m
- VW, Audi and SEAT businesses from Huittisten Laatuauto and LänsiAuto €96m
- Fresks Group €205m
- VW, Audi and SEAT businesses from Laakkonen €259m

2020
- MIAB €18m
- Bygg&Interiör €14m
- Carlsen Fritzøe €201m

2021
- Byggarnas Partner €18m
- Kungälvs Trävaru-aktiebolag €33m

2022
- Djurbergs Järnhandel €11m
- Föllinge såg €6m
- XL-BYGG Bergslagen €10m

2023
- Elektroskandia Norge AS €250m
- Zenitec Sweden AB €13m
- Davidsen Koncernen AS €560m
- Geitanger Bygg AS €15m

2024
- Autotalo Lohja Oy €43m

2025
- Roslev Trælast-handel A/S €104m
- CF Petersen & Søn A/S €113m
- Tømmer-gaarden A/S €185m

At the same time, the Group has divested non-core businesses and sold properties for a total sum of approximately €1 billion.

Figures either net sales or sales figures published in connection with the acquisition.

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In Finland, the goal is to continue growth and further strengthen the market position for both Onninen and K-Rauta. The joint Onninen and K-Auto logistics centre Onnela in Hyvinkää, Finland was the biggest construction project in Kesko's history. The €250 million project was completed in August 2025, and costs came in clearly below the original €300 million estimate. Onnela is set to enable Onninen's future growth in Finland. In Sweden and Norway, the goal is to improve profitability and grow sales in all businesses. In the long-term, the division targets an operating margin of 6–8%. Building and renovation are becoming more and more technical, and consumers are increasingly outsourcing the work to professionals. The green transition, the need to improve energy efficiency, and urbanisation support the division's growth. The need for renovation building in Northern Europe is also growing. All these factors support demand for building and technical trade.

In the car trade division, Kesko's objective is to outperform the market in all car trade business areas: new cars, used cars, and services, while improving customer satisfaction and maintaining good profitability and market position in all businesses. Demand for electric cars and rechargeable hybrids has increased in recent years, and we have responded with our extensive range of cars and by growing our K-Lataus EV charging network. In new cars, our strategy centres on strong collaboration with the Volkswagen Group. Kesko's objectives for the division are solid operating profit development and strong brand awareness in car trade, while in sports trade, the goal is to maintain our market leading position.

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FINANCIAL TARGETS AND OUTLOOK

Kesko's growth strategy has proven effective and our strong profitability shows that the strategy and its successful execution in all three divisions yield results also in a more challenging operating environment.

Our strategic objectives are to ensure profitable growth, crystallise our competitive advantages, and strengthen our market position in the three selected divisions, namely grocery trade, building and technical trade, and car trade.

Financial indicators

Kesko's medium-term financial targets were last updated in spring 2021. In 2025, we fell slightly short of the targets for operating profit and return on capital employed as our market continued to be challenging. As for balance sheet, we were clearly below the maximum target level set for interest-bearing net debt / EBITDA. Our cost control has been successful. During 2025, we continued investments in line with our growth strategy in logistics and acquisitions, for example. The weak market in building and technical trade had an impact on the operating profit level achieved.

Profit guidance for 2026

Kesko Group's profit guidance is given for the year 2026, in comparison with the year 2025. Kesko's operating environment is estimated to improve in 2026, but to still remain somewhat challenging. Kesko's comparable operating profit is estimated to improve in 2026. Kesko estimates that its 2026 comparable operating profit will amount to €650–750 million. Key uncertainties impacting Kesko's outlook are developments in consumer confidence and investment appetites, as well as geopolitical crises and tensions.

+ Read more about our outlook

Comparable earnings per share (EPS)

€1.07

Dividend*

€0.90

/share

*Proposal to the Annual General Meeting

Indicator	Target	Level achieved in 2025	Level achieved in 2024	Level achieved in 2023	Level achieved in 2022
Comparable operating margin, %	Over 6.0	5.3	5.5	6.0	6.9
Comparable return on capital employed, %	Over 14.5	10.4	11.3	13.4	16.9
Interest-bearing net debt / EBITDA, excluding IFRS 16 impact	At maximum 2.5	1.6	1.1	0.7	0.2

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TRENDS IMPACTING OUR OPERATING ENVIRONMENT

The operating environment for trading sector companies is impacted by various megatrends. We seek to anticipate future challenges and opportunities by identifying the trends that affect K Group's operations.

Global political and economic uncertainty

- Heightened geopolitical circumstances and consequent tensions and crises
- Consumer confidence still weak, business confidence has grown stronger
- Uncertainty impacts investment appetites
- Construction activity remains low
- Consumer behaviour driven by price

Urbanisation

- Migration to growth centres continues
- Impacts on housing, consumption habits, and mobility
- Regional differentiation changing the demand for services
- Drives the development of K Group's store network

Demographic changes

- Ageing population, growing importance of senior citizens as customers
- Smaller household sizes
- Immigration and workforce availability

Convenience

- Consumer behaviour emphasises convenience – ready meals, eating out, online sales, express deliveries
- Growing importance of individuality
- Purchase behaviour and consumer habits and needs changing fast – adapting selections

Climate change and the green transition

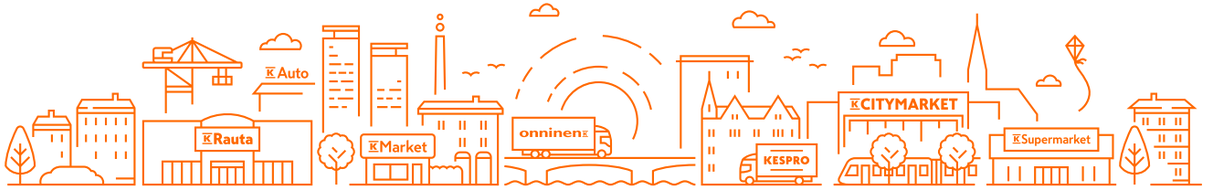
- Energy efficiency and investments in energy infrastructure
- Emission reductions throughout the value chain, increased use of zero-emissions energy
- Increasing sustainability regulation impacting operations

Digitalisation and AI

- Growing need for high-quality digital services
- Bigger utilisation of AI's potential – improved process efficiency, more personalised customer experience based on high-quality data

Impact of globalisation on supply chains and growing importance of risk management

- Growing importance of supply chains, reliable partners and transparency
- Stronger emphasis on good governance and anti-corruption
- Market consolidation



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CHANGES IN OUR OPERATING ENVIRONMENT IN 2025

GROCERY TRADE

Impacts on business

- Economic uncertainty and weak consumer confidence continued to impact consumer purchase decisions
- Quality and convenience important to some of the consumers
- Consumers still price conscious despite moderate food price inflation
- People think more carefully about eating out
- Market share increased despite tight competition

Strategic actions

- Strengthening store-specific business ideas and crystallising competitive advantages
- Investments in the store network, with focus on growth centres
- Strengthening price competitiveness and image
- Utilising high-quality customer data and further strengthening digital services
- Strengthening Kespro's market-leading position

Outlook for 2026

- B2C trade is estimated to pick up and the foodservice business to remain stable in grocery trade. In 2026, the comparable operating margin is estimated to stay clearly above 6% despite the investments in price and the store site network. The comparable operating profit for the division is estimated to improve in 2026 compared to 2025.

BUILDING AND TECHNICAL TRADE

Impacts on business

- Gradual recovery seen in the construction cycle, but pace slower than anticipated, especially in new housing construction
- Corporate investment appetites and consumer confidence still low
- Sales margins weakened by tight price competition despite growth in sales
- Profit ability remained stronger than that of competitors

Strategic actions

- Securing profitability and generating cash flow
- Strong focus on B2B trade
- Strengthening geographical operating areas and completing the integration of acquired businesses
- Utilising opportunities in the M&A markets

Outlook for 2026

- The cycle in building and technical trade is expected to improve moderately in 2026 from an exceptionally low level. The comparable operating result for the building and technical trade division is estimated to improve in 2026 compared to 2025 in all Kesko operating countries.

CAR TRADE

Impacts on business

- General economic uncertainty reflected in consumer confidence
- Uncertainty regarding powertrain choices
- Demand for new cars below the long-term average
- Despite the challenging operating environment, Kesko's car trade outperformed the market in both new and used car sales

Strategic actions

- A balanced business portfolio: new cars, used cars, and services
- Continuous business development, strengthening the dealership network and digital services
- Continuous development of both the customer and employee experience
- Strong brands, developing a product portfolio that serves the Finnish market

Outlook for 2026

- In the car trade market, new car sales are expected to remain muted compared to long-term levels, but to nonetheless grow compared to 2025. The net sales and comparable operating profit for Kesko's car trade division are estimated to improve in 2026 compared to 2025.

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RISKS AND UNCERTAINTIES IN OUR OPERATING ENVIRONMENT

Kesko identifies and assesses strategic risks and opportunities as part of its strategy process. An overview of potential risks and risk management responses is provided here. Impacts, risks and opportunities identified as material and management responses to those are described in more detail in the sustainability statement.

RISK	IMPACT	RESPONSE
Economic operating environment		
Consumer confidence and corporate investments	Weak consumer confidence and corporate investment appetites could impact demand in all operating countries. Low demand, a decrease in sales, and price competition could increase margin and cost pressures in all divisions.	Active sales, new customer acquisition, and the maintenance of existing customer relationships. Cost efficiency monitoring and necessary actions carried out on an ongoing basis.
Implementation of strategic projects and changes	Challenges in implementing growth strategies, acquisitions, or changes in business models could impact the company's ability to achieve its objectives.	Risk management for strategic projects is strengthened through proactive planning, clear division of responsibilities, and rapid responses to deviations.
Strengthening of market shares	Tightening price competition and a decrease in market shares in different businesses and operating countries could weaken net sales and profit.	Strengthening competitive advantage by ensuring competitive prices, quality and customer orientation, implementing store-specific business ideas, and investing in the store site network.
Store sites and properties	Risks related to the upkeep, development and occupancy rates of store sites and properties could impact business profitability.	Risk management is focused on proactive maintenance and optimising occupancy rates to improve profits and manage costs.
Financing and cash flow	Growing financing costs combined with potentially weakening cash flow from operating activities could impact business profitability and the company's ability to invest.	Further developing forecasting and monitoring of cash flow and working capital. Strengthening inventory management and the management of deviations the from procurement budget through clear division of responsibilities.
Business disruptions	Events such as a major disturbance in a logistics centre could result in extensive interruptions in deliveries and financial loss.	Strengthening business disruption risk management through proactive continuity plans, safeguarding of critical processes, and rapid recovery measures during disruptions.
Regulations and legislation	Changes in national and international regulations, for example restrictions related to private label products or new sustainability requirements, could impact the operating conditions for business and profitability.	Closely monitoring developments in legislation and regulation and their impact on Kesko.
Product and food safety	Serious deviations in product or food safety could result in the recall of products, financial loss, and reputational damage.	Using sustainability guidelines to direct the procurement of products containing raw materials critical from a social or environmental responsibility perspective. Ensuring product safety and systematically supervising its realisation.

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RISK	IMPACT	RESPONSE
Global operating environment		
Geopolitical and supply chain risks	Instability in the international operating environment, changes in trade and economic policy, and potential disruptions in supply chains could impact product availability and business continuity.	Preparing for a potential escalation of global tensions and supply chain disruptions by ensuring that continuity plans and the crisis management system are up to date.
Cybersecurity and data protection risks	Cyber-attacks and data leaks could result in business disruptions, loss of data, and reputational damage.	Continuously monitoring information security threats and proactively developing information security. Providing comprehensive training for personnel and requiring a high level of information security from critical service providers.
Sustainability in the operating environment		
Sustainability and climate risks	Risks related to climate change, and environmental and social responsibility and the fulfilment of requirements related to these could impact business continuity and reputation.	Preparing for global changes in prices, suppliers, availability and quality in Kesko's value chain. The diversification of Kesko's business in multiple divisions protects it from impacts affecting one of them.
Reporting to the capital markets	Tightening of requirements for financial reporting and sustainability reporting will increase requirements for data collection and reporting accuracy.	Enhancing data collection and ensuring the accuracy of reporting to meet tightening sustainability and financial reporting requirements.
Emerging risks		
Human rights risks in the supply chain Human rights violations, such as forced labour, child labour or discrimination, could occur in the value chain.	Human rights violations in the value chain could result in significant reputational damage and sanctions. Moreover, risks related to human rights violations in the supply chain are growing due to international regulation and stakeholder expectations.	The risk is managed through supplier selection based on sustainability criteria, certificates, continuous training, and the development of contracts. Risk developments are systematically monitored and assessed through sustainability criteria, audits, and supplier cooperation.
Emerging sustainability legislation and regulation Responding to the requirements of rapidly evolving international legislation and regulation, as well as national legislation and regulations in Kesko's operating countries.	Changes in sustainability legislation and regulation and compliance with them may increase operational costs. In addition, the changes may increase uncertainty in Kesko's value chain, potentially resulting in negative impacts.	Kesko's sustainability strategy and the Sustainability Compliance programme provide a framework for managing risks related to sustainability legislation and regulation. Developments in legislation and regulation and their impact on Kesko's sustainability targets are continuously monitored.

+ Read more in the sustainability statement

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KESKO'S BUSINESS MODEL

Kesko's business model comprises Kesko's own retailing and B2B trade, and the chain business model.

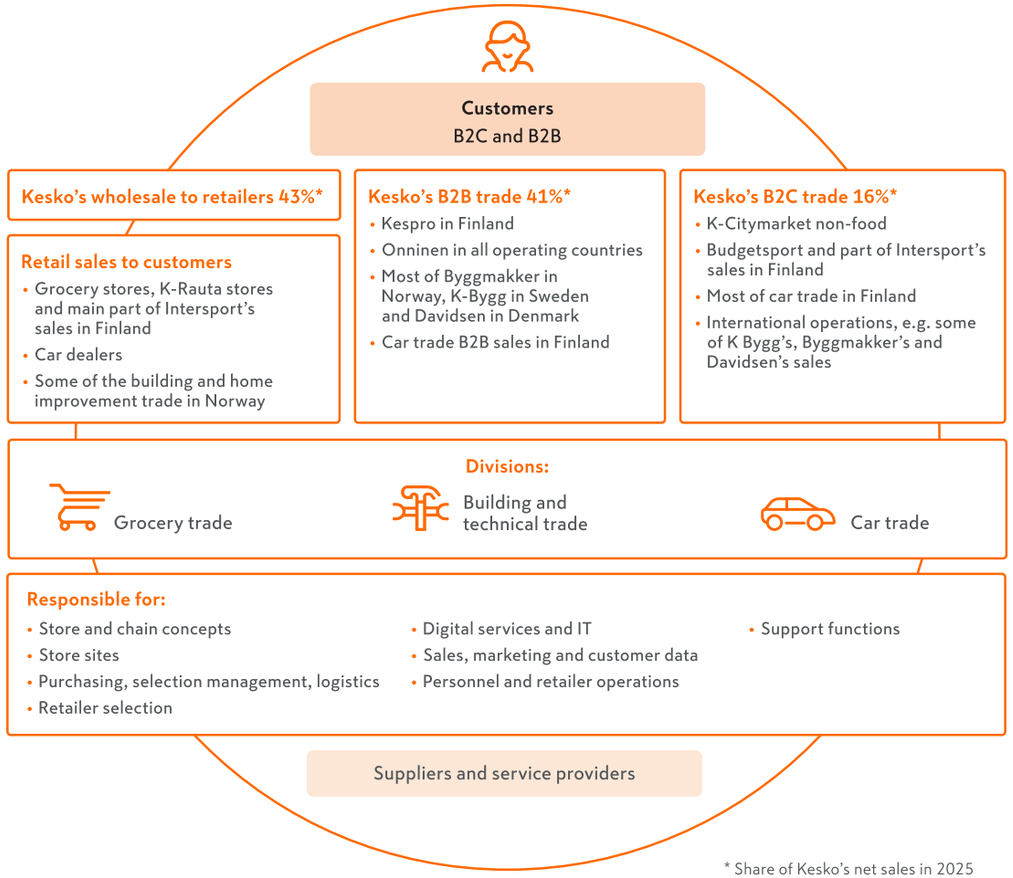
In Finland, the biggest business model is the chain business model, in which K-retailers run retail stores in Kesko's chains, namely the grocery store chains, and the K-Rauta and Intersport chains. Some 43% of Kesko's net sales come from sales to retailers.

Kesko's own retailing and B2B trade account for some 57% of net sales. In Finland, Kesko's own retailing and B2B trade comprise e.g. car trade, Kespro, Onninen, non-food sales at K-Citymarket hypermarkets, and part of the Intersport sales and Budget Sport. B2B trade in particular is a strongly growing part of Kesko's business. Outside Finland, Kesko mainly engages in own retailing and B2B trade.

Net sales from international operations totalled some €2.7 billion, or 22%, of Kesko's net sales in 2025. Kesko operates in eight countries: Finland, Sweden, Norway, Denmark, Poland, Estonia, Latvia and Lithuania.

The constant improvement of customer experiences and further development of digital services are at the heart of our growth strategy. We use quality and customer experience to differentiate ourselves from the competition in both our stores and digital services.

Kesko's business model



* Share of Kesko's net sales in 2025

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K-RETAILER OPERATIONS IN FINLAND

K Group in Finland operates primarily under the chain business model, in which K-retailers engage in retail trade in Kesko's store chains, which include the three grocery store chains and the K-Rauta and Intersport chains. In total, there are 1,015 K Group retailers in Finland (as of 1 Jan. 2026): 858 grocery retailers, 104 building and home improvement retailers, and 53 sports retailers. Outside Finland, Kesko mainly engages in its own retailing and B2B trade.

The cooperation between Kesko and the K-retailers, i.e. the chain business model, is based on equality and a desire to develop operations together, with the aim of improving competitiveness and customer satisfaction while ensuring high quality and lower costs. The respective rights and duties of Kesko and the K-retailers are determined in a chain agreement. The combination of systematic chain operations and K-retailer entrepreneurship under a shared K brand lends K Group a competitive advantage.

Kesko is responsible for the continuous development of the operating model and store concepts, for choosing retailers to run the stores, for steering chain operations, and for purchasing products included in the chain selections. Kesko provides the retailers with a retail price service that suggests a recommended or maximum price for nearly all store products. The service can be adjusted to store-specific business ideas, and the retailer may choose to set prices below the recommended or maximum price. Kesko is also responsible for the store site network and for obtaining new store sites. Kesko either owns or leases the store sites and is responsible for developing them.

Roles of Kesko and K-retailers

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Kesko engages in long-term cooperation with various partners such as suppliers and logistics operators. International purchasing alliances alongside private labels such as Pirkka and K-Menu play a significant role in ensuring that the selections offered to customers are versatile and competitively priced.

K-retailers, in turn, are responsible for their stores' business operations, store-specific business ideas, customer satisfaction, store personnel, and sales and profit. Each retailer establishes their own store-specific business idea based on customer insight and K Group customer data, in order to be able to offer the best services and selections for their customer base. K Group has a multi-store model, in which one retailer can operate multiple stores. This enables synergies in e.g. store management, personnel resourcing, and product selections. Each K Group store is part of its larger community and society, and the retailer entrepreneurs collaborate with various stakeholders.

K-retailers typically have a university or college degree, or education in business. The personality, values and attitudes of a retailer candidate are also important. The first step towards becoming a retailer is a year-long trainee programme, which consists of practical training under the guidance of a retailer mentor, online studies, and on-the-job learning and in-store training. After completing the programme, the trainees are ready to start their career as K-retailer entrepreneurs. Kesko aims to offer each candidate who has finished the training a store that is the best fit for all parties. In 2025, 58 new K-retailers launched their careers.

All K-retailers are members of K-Retailers' Association, which promotes their shared interests and develops K-retailer operations. The association coordinates the commercial collaboration between the retailers and Kesko, and offers its members e.g. legal advice, training and events. Kesko and K-retailers work closely together to achieve shared goals. K-retailers elect from amongst themselves some 50 representatives to represent the retailers of a specific area, chain, or division in the governing bodies of K-Retailers' Association.

K-Retailers' Association with its related parties is the biggest shareholder in Kesko, and controls 7.72% of the shares and 20.01% of the votes in the company. Many individual K-retailers are also significant Kesko shareholders.

Case

Retailer rotation is a normal part of operations

Choosing the right retailer for each store is essential for ensuring the stores' success. Each year, some 140 stores change hands as Kesko assigns a store to a new retailer. Retailer rotation is a normal part of the business model. For example, the retirement of one retailer may initiate a chain reaction resulting in multiple changes.

In 2025, the average age of K-retailers was 46. The youngest retailer was 25 years old, and the oldest 88. During the year, 58 people began their career as K-retailers.

+ More about K-Retailers' Association

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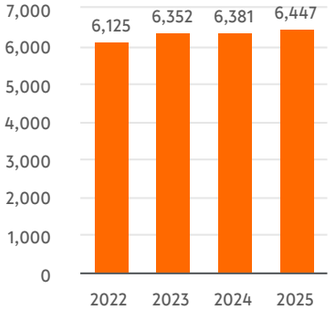
STRATEGY EXECUTION IS YIELDING RESULTS IN GROCERY TRADE

Net sales for the grocery trade division grew in 2025 and profit stayed at a good level despite investments. Strategic investments in price, quality and the store network yielded results and were reflected in improving market share performance. The total grocery trade market in Finland turned to growth in 2025, underpinning our good performance as well. Our objective in grocery trade is to strengthen our market position while maintaining good profitability. Strategic focus areas include raising quality levels in the stores with store-specific business ideas, developing our store network and opening new stores especially in growth centres, and actions to improve our price competitiveness.

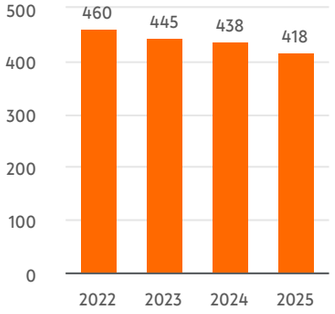
Net sales

€ million



Operating profit

€ million



Comparable figures

Our objective in grocery trade is to strengthen the market share of K Group grocery stores as well as Kespro's good position in the foodservice market. It was great to see our actions bearing fruit. The market share performance of our grocery stores strengthened notably during the year, and took an upturn in the latter half of the year. In the hypermarket segment, K-Citymarket gained market share throughout the year. Some consumers cut down on spending in restaurants, but the sales and profit of the market leader Kespro stayed at a good level.

Ari Akseli
President, grocery trade division

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Signs of the market picking up

In grocery trade, Kesko's goal is to offer the most attractive grocery stores and the most valued customer experience in both B2C and B2B trade. Our strategic objectives are increasing customer value and strengthening market share while maintaining good profitability. We consider wide-ranging sustainability work as a competitive advantage. We will continue the controlled long-term development of our store network by remodelling existing stores and opening new ones especially in growth centres. In 2025, we launched a long-term price programme for the grocery store chains together with the K-retailers.

Our growth strategy is based on winning store-specific business ideas and K-retailer entrepreneurs, a modern and competitive store network, and digital services. Our competitive advantages include the most attractive and customer-oriented stores, especially in fresh food categories, and the use of advanced technologies and AI in improving the customer experience and efficiency. Tailored offers based on each customer's personal purchase history have been constantly growing in popularity. Digital marketing and data also bring us new earnings.

In the foodservice business, our goal is to further strengthen our market position by offering the best selection and the most comprehensive service concept on the market. Kespro's business model is based on strong partnerships with its B2B customers, with both Kespro and the customers benefiting from business development.

Our strong position in both B2C and B2B trade translates into strategically important synergies in purchasing, logistics, common operations, and IT investments.

In 2025, our grocery trade sales and net sales grew. Customer flows and sales grew thanks to efforts to strengthen our store network, successful campaigns and our price programme. K Group grocery stores strengthened their market share during the year. In the hypermarket segment, K-Citymarket won over market share throughout the year, and in the final quarter, our grocery chains in all segments gained market share. Overall, our market share decreased slightly. Kespro's sales decreased, but net sales exceeded market growth. The division's profitability was good and decreased slightly. The comparable operating profit was impacted by strategic investments in price and the store network, and a decrease in Kespro's net sales. Consumer confidence improved compared to 2024, but remained low. This was reflected in consumer behaviour in the growing sales of affordable products, popularity of campaigns and private label products, and lower number of restaurant visits. Although the purchasing power of workers and pensioners has grown, so have savings.

K-retailers lend us a competitive advantage

Kesko's grocery store business relies heavily on the around 860 K-retailers, who manage selections, quality, customer service, staff and its competencies, and business performance in their stores, based on their individual store-specific business ideas. Data-driven management is an integral part of store operations, and we use customer data to support the retailers in defining their store-specific business ideas. Innovative executions of these business ideas have also gained extensive international recognition over the years, for example, from the Institute of Grocery Distribution (IGD), a leading international retail research organisation.

Business environment

Consumer confidence
- Consumer confidence still low
- Price still important
- Offers and campaigns continue to be important
- Grocery trade market growing, signs of demand growing for high-quality products

Demographic changes
- Population ageing, concentrated in growth centres
- Growing number of smaller households
- Store network and selections must reflect the changes

Consumer megatrends
- Growing importance of convenience and eating out
- Increased focus on wellbeing for some consumers
- Important to address individual needs

Importance of data, AI, and digitalisation
- Growing role of data and digital services improving relevance
- Digitally-assisted sales growing
- New business formulated around data and digitalisation

Competition
- Continued high level of investments also from competitors
- Competing with both price and selections in physical stores and online
- Competition tightening further in online sales for home and speciality goods

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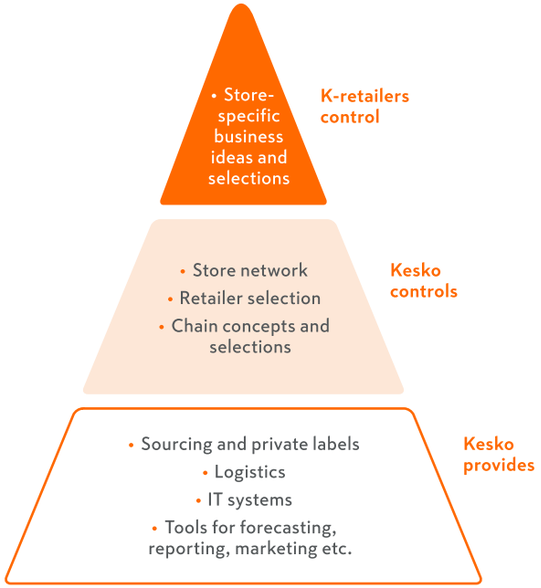
Customer experience at the centre of our strategy

We use customer data to introduce products and services to our grocery stores that best suit the needs of each store's customer base.

The rise in food prices that began in 2022 has slowed down notably, and in 2025 food retail prices are estimated to have risen by some 2.1%. However, general consumer uncertainty persisted and was reflected in consumer behaviour, despite minor strengthening in consumer confidence. During the year, the whole grocery trade market turned to growth.

K Group grocery stores



Consumer behaviour continued to be polarised: for example, growth in express deliveries continued strong, even though price remained a major consideration for consumers.

We refined our strategy in 2024, and in 2025 continued its execution, focusing on developing store-specific business ideas and emphasising differentiation, while strengthening our store network, and improving our price competitiveness and price image.

At the start of January 2025, we responded to consumer demand by launching an extensive price programme. We made a joint investment of some €50 million with retailers and permanently reduced prices on over 1,000 products popular among our customers. In addition to the long-term price programme, we continued to invest in campaigns and targeted personal offers.

The role of our private labels – K-Menu, Pirkka and Pirkka Parhaat – is important. Private labels accounted for over 20% of retail sales in grocery trade. The Pirkka range is popular and known especially for its good price-to-quality ratio. Our private labels also enable many smaller producers to get their products on store shelves across the country. At the end of 2025, there were in total some 2,600 Pirkka products and 350 Pirkka Parhaat premium products. There were some 170 Pirkka Luomu and Pirkka Parhaat Luomu organic products. The lowest price point K-Menu range comprised some 200 products. We will continue to focus on sustainable high-quality selections that set us apart, as well as on ease of shopping and individuality.

Strategic objectives

- Maintaining strong profitability
- Strengthening market share
- Delivering customer value
- Controlled, long-term development of the store site network
- Strengthening Kespro's market-leading position

Competitive advantages

- K-retailer entrepreneurs and customer-oriented store-specific business ideas
- Modern and competitive store network, digital and other services supporting growth
- The most attractive, customer-oriented grocery stores especially in fresh products
- Advanced technologies and AI used to improve customer experience and efficiency
- The most sustainable grocery trade company in the world (Global 100)

Vision:
The most attractive grocery stores in Europe, offering the most personal and valued customer experience

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Customer satisfaction enables good sales and growing customer flows. The combined NPS figure for our grocery store chains was 75 on a scale of -100 to +100 (12/2025). The customers of our K-Ruoka online store were particularly satisfied, with an NPS of nearly 84 (12/2025).

An even stronger store network

In line with our growth strategy, we are investing €200–250 million annually in developing our store network: in 2025, the sum amounted to €289.3 million. Our focus is on growth centres and urban environments. During the year, we opened 15 new grocery stores, including one K-Citymarket in Ideapark, Lempäälä near Tampere, and another in Paavola, Lahti to replace Finland's first ever hypermarket. We also remodelled 45 stores.

In Finland, most food is sold in supermarket-sized stores, but in recent years, sales have grown especially in hypermarkets. Supermarkets and hypermarkets together account for around 70% of grocery trade sales in Finland. The sales of the K-Citymarket chain have grown significantly in recent years, and the chain's impact on Kesko's profitability and market share is substantial. K-Citymarkets are primarily versatile grocery stores, and the non-food business accounts for some 20% of their sales. We are strengthening our store network in all size segments, but in the coming years will focus especially on the hypermarket network. Importantly, we are strengthening our K-Citymarket coverage in the Greater Helsinki area, where good store locations are challenging to obtain. In Espoo, construction of the new K-Citymarket in Espoontori is underway; the store is expected to open in 2028 and will be the third K-Citymarket in the affluent city. In Helsinki, we will open a new K-Citymarket in the Redi shopping centre in Kalasatama, next to Kesko's main offices. The store is estimated to open in 2027–2028 and will replace the current K-Supermarket. The new K-Citymarket Redi will be Kesko's fifth hypermarket in Helsinki. In Tikkurila, Vantaa, we acquired a controlling interest in the Tikkuri shopping centre near the train station in autumn 2025, and we are planning a new K-Citymarket there. In January 2026, a new K-Citymarket opened in Kivistö, Vantaa. New K-Citymarkets are under construction in Kuopio, Ylivieska and Porvoo, and in the planning in Oulu.

Online grocery sales continued to grow

Good customer experiences drive sales in both physical stores and digital channels. Online grocery sales have risen to a new level in recent years and continued to grow also in 2025. Customers using our online grocery services also make more purchases in the physical stores. Our online grocery model is based on an extensive network of physical stores instead of e.g. a centralised warehouse. In our view, combining physical stores with online services is an effective way to do business, and give online customers access to extensive store selections. In addition to in-store

Case

Our price programme brought basic price level down

Consumer behaviour continued to place emphasis on price in 2025. At the start of the year, we launched an extensive price programme that reduced prices on some 1,000 popular branded grocery staples and 200 Pirkka products. The price cuts on branded products were on average 4–6%, and the discounts on Pirkka products 9–12%. The price reductions were implemented in close cooperation between Kesko, retailers and suppliers. In November, we further reduced the prices of the most popular products included in the programme

K-Citymarket Pirkkala included in IGD's Must-see Stores

In December 2025, the UK-based retail research organisation IGD included K-Citymarket Pirkkala in its 2026 Must-see Stores list. The list features pioneering stores that take exceptional actions to enhance customer experience. It is closely observed by the retail industry worldwide. K-Citymarket Pirkkala was praised for its collaborations with various partners at the service counter and in meal and restaurant services, as well as for its in-store brewery and ice cream factory.

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collection, we have an automation-assisted MFC (micro fulfillment centre) system located on the premises of K-Citymarket Ruoholahti in Helsinki, which allows for efficiency and high volumes as well as the store's selection of tens of thousands of products, including the store's own ready meals, delivered to customers in the central Helsinki area.

At the end of 2025, some 790 K Group grocery stores across the country offered online grocery services. Our online grocery sales in 2025 (including VAT) totalled some €317 million (€294 million), up by 7.9% and accounting for some 3.9% of K Group's grocery sales (including VAT). We provide 90,000 online deliveries per week. Home deliveries accounted for some 70% of the K-Ruoka online orders. The popularity of click & collect in particular grew in 2025: 450 of our stores now offer click & collect services. Customer satisfaction in our online grocery is very high, with an NPS figure of nearly 84 for the K-Ruoka online store (12/2025).

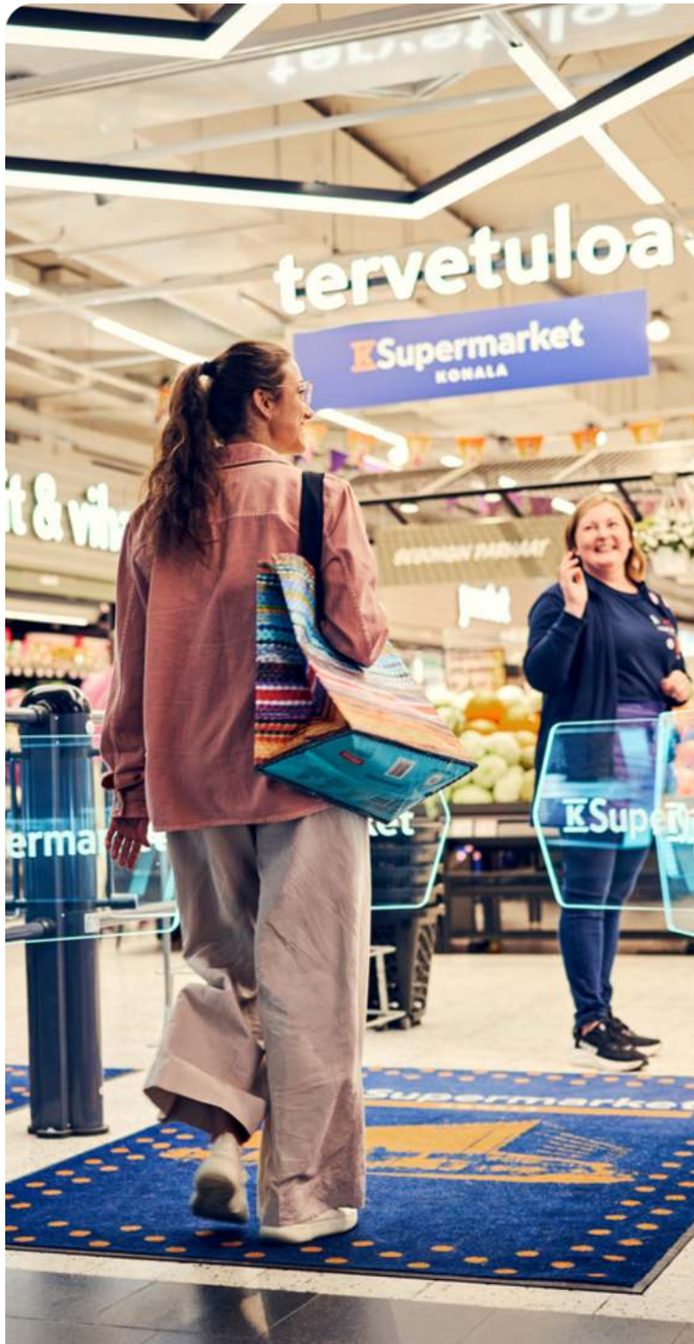
The fastest growing area in online grocery in recent years has been express deliveries. Products may be delivered to the customer in under 15 minutes – on average, an express delivery takes 34 minutes. Express deliveries are available from both K-Market and K-Supermarket stores around the country, and they play a significant role in the growth and sales performance of online grocery overall.

Kespro builds services based on customer insight

Kespro is Kesko's own business, and the leading foodservice wholesale company in Finland. Kespro's customers include hotels, cafes, restaurants, public institutions such as hospitals, schools and daycare facilities, as well as K Group stores and retailers. Kespro accounts for 18% of the division's net sales. Its net sales in 2025 totalled €1,166.6 million and comparable operating profit €72.1 million. Kespro's competitive advantages include its extensive and competitive high-quality selections, wide network, and reliable digital and personal services.

Kespro has the biggest online store in the industry in Finland, and some 70% of sales come from digital channels. The selections include strong own brands, which account for some 50% of sales. Approximately 70% of Kespro's sales come from lunch restaurants, employee cafeterias, and public entities. The Kespronet online service is tailored to each customer, displaying customer-specific selections, prices, delivery times and options.

Kespro has 13 cash-and-carry outlets across Finland – with a total of nearly half a million annual customer visits – and an online wholesale store. Kespro's concepts include Foodsteri, a modern development and training kitchen that can be found in Helsinki, Lahti and Oulu. Kespro also includes te speciality fish and meat wholesalers Kalatukku E. Eriksson and Reinin Liha.



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Markets

In 2025, the Finnish grocery retail market (Nielsen Shop Directory and Kesko's own estimates) totalled some €24.1 billion (incl. VAT), representing an increase of some 2.5% (Finnish Grocery Trade Association). The growth of the total grocery trade market indicates gradually strengthening consumer confidence. In recent years, the market has been very price-driven due to muted consumer confidence and high level of household savings. Signs of improvement have been visible since the summer of 2025. In our stores, demand for higher-quality, higher-value categories, such as service counter items, fruit and vegetables, and premium ready meals, grew in the latter half of the year. Online grocery sales continued to grow.

Kesko's grocery trade is an important part of the Finnish food supply chain, and we consider it important to safeguard the operating conditions of the entire chain. Encouraging and predictable regulation can promote competition and ensure the availability of services across Finland.

Market shares

Grocery stores

Kesko's market share in Finland was 33.5% (Kesko's own estimate based on Nielsen's comparison group, which also includes discount stores and service stations). K Group is the second biggest operator in Finnish grocery trade. Our market share decreased in 2025 due to changes in our operating environment and consumer behaviour. Competitors: Prisma, S-market, Alepa/Sale and Food Market Herkku, ABC (S Group), Lidl, Tokmanni, Minimani, Halpa-Halli, R-kioski and M-chain stores.

The market share for K-Citymarket's home and speciality goods (non-food) cannot be reliably calculated. Competitors: hypermarkets, department stores, discounters, specialist chains, and Finnish and international online stores.

Kespro foodservice

Kespro is the market leader in foodservice wholesale in Finland. Kespro's market share is estimated to have strengthened in 2025 to 49.2% (in the Finnish Grocery Trade Association's foodservice wholesale peer group). The market for eating out suffered from muted consumer confidence in 2025. The continued growth in Northern travel, especially by customers from abroad, had a positive impact on restaurant sales. In the long term, the market for eating out is expected to grow in Finland. Competitors: Meira Nova, Metro-tukku, Valio Aimo, Suomen Palvelutukkurit, and industrial direct deliveries and speciality wholesalers.

Grocery trade in figures

Key figures	2025	2024
Net sales, € million	6,447.4	6,381.4
Operating profit, comparable, € million	418.1	438.0
Operating margin, comparable	6.5	6.9
Return on capital employed, comparable, %	14.1	16.0
Capital expenditure, € million	309.2	276.0
Average number of personnel converted into full-time employees	6,264	6,346

Properties	2025	2024
Owned properties, capital, € million	1,389	1,206
Owned properties, area, 1,000 m²	765	686
Leased properties, area, 1,000 m²	1,587	1,394

	Number of stores		Retail and B2B sales, 0% VAT, € million	
K Group's grocery trade	2025	2024	2025	Change, %
K Food stores	1,117	1,128	6,748.7	1.1
K-Citymarket, non-food	83	82	607.5	0.3
Kespro	-	-	1,201.1	0.0
Grocery trade, total	**1,117**	**1,128**	**8,557.3**	**0.9**

At the end of 2025 there were 83 K-Citymarket, 254 K-Supermarket, 721 K-Market and 59 other stores. In addition, 788 K Group grocery stores offered online grocery services. Kespro had 13 cash & carry outlets and an online

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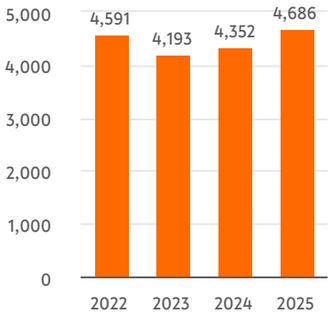
MOVING TOWARDS GROWTH IN BUILDING AND TECHNICAL TRADE

The building and technical trade division maintained a good profit level despite challenges in its operating environment. The gradual recovery of the construction cycle continued throughout the year, but the pace was slower than anticipated at the beginning of the year, especially in new housing construction across our operating countries. Sales picked up in the latter half of the year in Kesko's technical trade in particular, while progress was slower in building and home improvement trade. In the longer term, outlook for the division is positive, with urbanisation, renovation and investment debt, infrastructure projects, and the green transition underpinning construction activity.

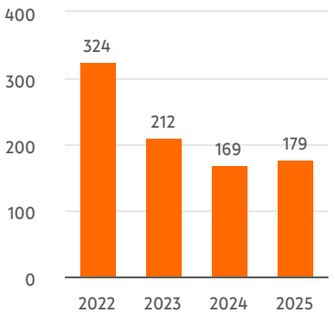
Net sales

€ million

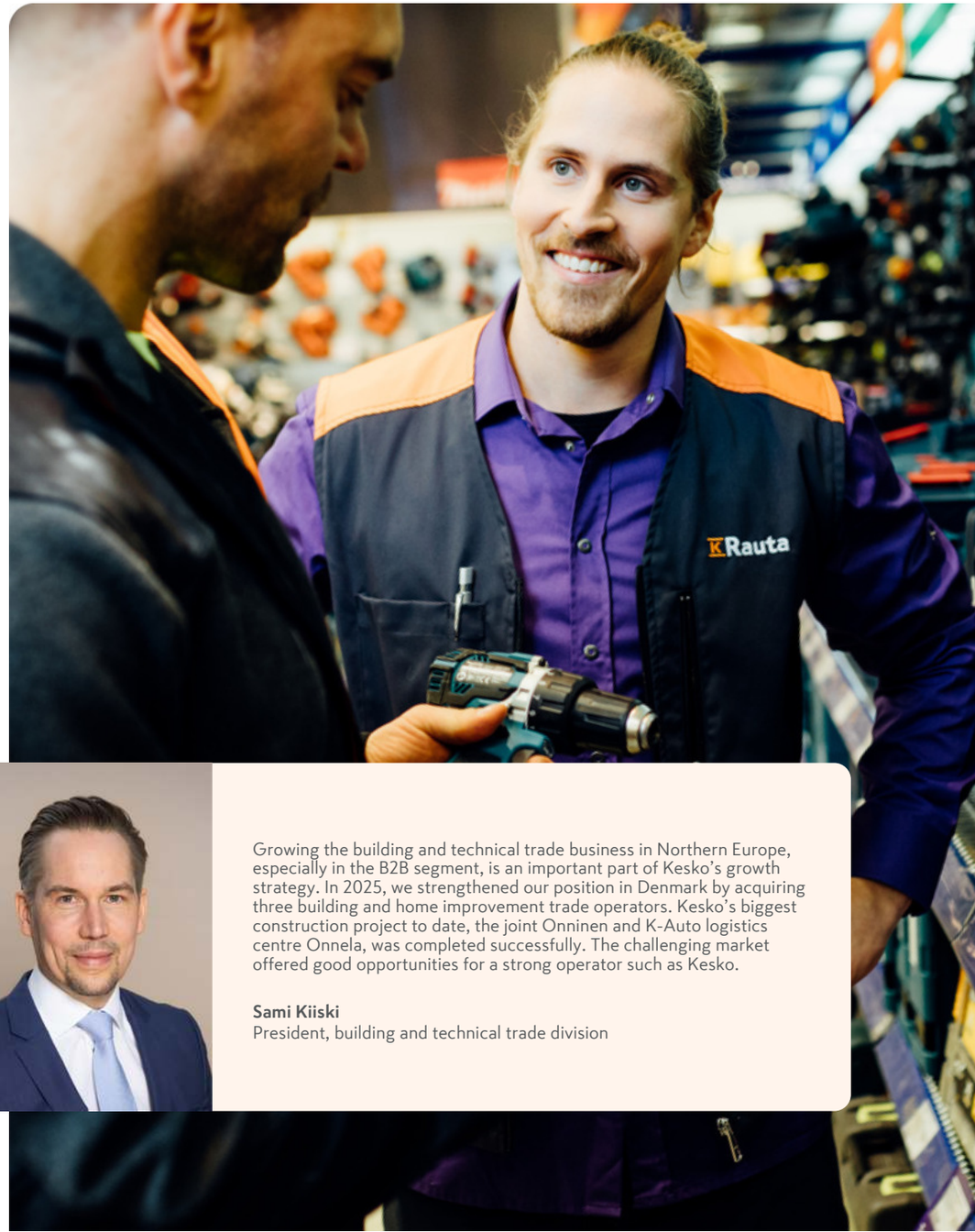


Operating profit

€ million



Comparable figures



Growing the building and technical trade business in Northern Europe, especially in the B2B segment, is an important part of Kesko's growth strategy. In 2025, we strengthened our position in Denmark by acquiring three building and home improvement trade operators. Kesko's biggest construction project to date, the joint Onninen and K-Auto logistics centre Onnela, was completed successfully. The challenging market offered good opportunities for a strong operator such as Kesko.

Sami Kiiski
President, building and technical trade division

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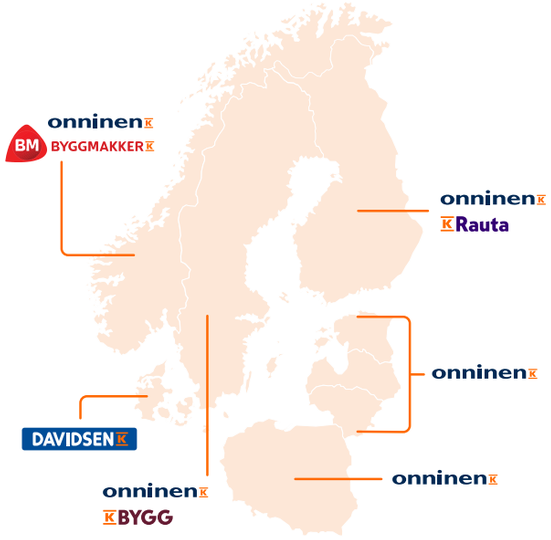
Construction cycle recovering gradually

Kesko's vision is to be a leading operator in building and technical trade in Northern Europe. Our competitive advantages include good availability and reliability in deliveries, customer experience and proactive sales, and good digital services. We want to enable more sustainable product choices for our customers in both building and home improvement trade and technical trade. We will continue to strengthen our position through the execution of country-specific strategies.

The division's business consists of building and home improvement trade and technical trade. Demand among B2B customers in building and home improvement trade picked up early in the year, but the growth levelled off after the first quarter. In technical trade, demand remained low in the first year-half, but picked up gradually in the second. Despite growth in sales, the division's sales margin weakened as price competition remained tight in a challenging market, impacting profitability. Net sales for the division increased thanks to the acquisitions carried out in Denmark and totalled €4,685.8 million. The comparable operating margin for the division was 3.8%, a good result in a market that continued to be challenging. Nearly 60% of the division's net sales come from outside Finland.

Building and technical trade



Business units excluding Kesko Senukai

Net sales for technical trade totalled €2,285.4 million and operating profit €89.4 million. Net sales grew in comparable terms in all operating countries apart from Finland. Technical trade, i.e. Onninen, is 100% directed at professionals: technical contractors, industry, infrastructure builders, and retailers. Customer and product segments vary by country. Onninen's business is Kesko's own retailing. Logistics in technical trade are based on central warehouses, and deliveries are usually made to the nearest Onninen Express store or directly from the central warehouse to the customer, for example, to a construction site.

Net sales for building and home improvement trade totalled €2,471.9 million and rose thanks to the acquisitions carried out in Denmark. In comparable terms, net sales grew in all operating countries apart from Sweden. The comparable operating profit totalled €75.3 million. Building and home improvement trade serves both B2B customers (two-thirds of sales) and consumers (one-third). The majority of B2C sales come from so-called project sales, where the customer buys, for example, products needed for a

Business environment

Economic cycles
- Interest rates impacting investment appetites
- Operating environment expected to improve in 2026
- Market situation creates opportunities for industry consolidation

Green transition
- Growing need for energy boosting demand for energy solutions
- Increased investments in energy infrastructure
- Fast development of green transition-related technologies

Renovation building
- Investment debt related to infrastructure and other construction
- Need for renovation growing steadily

Urbanisation
- Urbanisation driving growing demand for construction
- Growing need for infrastructure investments in e.g. electric grid and water and sewage networks

Digitalisation and technologisation
- Increasing use of smart technical solutions in building and construction
- Digitalisation and AI improving efficiency and the customer experience

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bathroom renovation, and the actual renovation work is done by a professional. Kesko's building and home improvement trade chains are K-Rauta, K-Bygg, Byggmakker and Davidsen. In the Baltics, operations are handled by the joint venture Kesko Senukai. The Finnish K-Rauta stores operate under the K-retailer business model. Building and home improvement trade is based on local presence and a strong store network, as the biggest product categories are heavy building materials, and transports typically short.

Combined, B2B customers in technical trade and building and home improvement trade accounted for over 80% of the division's sales. Sales in B2B trade did not grow in line with general forecasts and Kesko's estimates early in the year. This was due, in particular, to the slow recovery in new housing construction activity. However, demand picked up somewhat in the latter half of the year. Decline in renovation building – which accounts for over half of the division's sales – was less pronounced than in new housing construction.

Our strategy acknowledges the differing needs of our three customer segments: B2B customers in technical trade, and B2B and B2C customers in building and home improvement trade. We strive to offer a seamless customer experience across all channels. We also seek synergies within and between our operating countries, for example, in purchasing and concept, digital service and own brand development.

Strategic acquisitions completed in Denmark

We continued acquisitions in line with our growth strategy in 2025 by completing the acquisitions of three building and home improvement trade operators in Denmark: Roslev Trælasthandel A/S, Tømmergaarden A/S and CF Petersen & Søn A/S. The combined net sales of the companies total some €400 million. Before the acquisitions, all three were privately owned and part of the XL Byg chain. The acquired companies have now been integrated and operate under the Davidsen brand. Roslev operates in Central Jutland, Tømmergaarden in Northern and Central Jutland, and CF Petersen & Søn in Zealand in the Copenhagen region. Meanwhile, Davidsen, which Kesko acquired in 2024, is strong in Southern Jutland. Following the most recent acquisitions, we are able to serve Danish customers nationwide, and our share of the Danish building and home improvement trade market has doubled to nearly 20%. Once the construction cycle turns, Kesko is well positioned for growth also in Denmark.

Strong positions for K-Rauta and Onninen in Finland

We have invested notably in customer satisfaction in both the B2C and B2B segments. K-Rauta's share of the Finnish building and home improvement trade market is strong and stood at 51% in 2025. K-Rauta's comparable operating profit totalled €61.2 million. There were in total 125 K-Rauta stores across the country, operating under

Strategic objectives

- Strong growth and profit performance
- Improved profitability
- Targeted acquisitions
- Winning over market share in all markets

Competitive advantages

- Country-specific strategies delivering results
- Availability and delivery accuracy aligned with customer needs
- The best customer experience and proactive sales
- Digital services to improve customer experience and efficiency
- Enabling more sustainable choices for customers

Vision:
Leading operator in building and technical trade in Northern Europe

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the retailer business model. K-Rauta combines store-specific business ideas with the efficiency and competitiveness of chain operations, with the objective of offering the best local stores for all customer segments. K-Rauta stores serve both B2B customers and consumers, and it is a market leader in both. Consumers particularly tend to value good service and convenience, and K-Rauta's customer satisfaction figures are high. As the customer journey often begins online with customers checking for product availability, we have continued to develop a multichannel customer experience. Proactive sales work and sales management continue to be crucial. A significant share of B2C sales come from customers carrying out construction and renovation projects. In addition to physical stores, the chain offers the K-Rauta Pro online service for professionals and the K-Rauta.fi online service for consumers.

Onninen is the market leader in Finnish technical trade, with a market share of 44%. Its net sales in Finland totalled €1,121.7 million, and its comparable operating profit €57.0 million. Onninen's net sales in 2025 decreased year-on-year, but took an upturn in the third quarter for the first time in two years. Onninen has a broad customer base, and approximately half of its customers are technical contractors and the other half operate in infrastructure construction, retail, and industry such as shipbuilding. Technical trade is by nature a high-volume business, in which efficient logistics, an extensive store network, and effective electronic order channels and skilled sales staff play a key role. Over 80% of Onninen's product sales lines already come through digital channels.

Execution of country-specific strategies in Sweden and Norway continues

Norway is Kesko's second biggest operating country with sales of over €1 billion. The construction cycle in Norway has been weak, and interest rate levels notably higher than in the other Nordic countries. Despite the challenging market, Onninen managed to increase its net sales slightly, totalling €503.2 million, with a comparable operating profit of €19.7 million. In Norway, Onninen focuses solely on electrical wholesale.

Following the Elektroskandia acquisition in 2023, Onninen is the market leader in electrical wholesale with a market share of some 40%. Onninen Norway also offers the best digital services in the business. Net sales for the Norwegian building and home improvement trade chain Byggmakker totalled €520.0 million, representing a small increase, while the comparable operating profit totalled €8.9 million. Byggmakker's strength lies in its extensive network of 88 stores, combined with good digital services.

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In Sweden, the market for building and home improvement trade picked up in 2025, especially in the B2C segment. However, our strategy focuses on B2B trade, which is set to grow in the longer term. Onninen's net sales in Sweden totalled €134.4 million with an operating loss of €6.9 million. Onninen is a small player in Swedish technical trade, and focuses mainly on the electric grid and renewables infrastructure construction segments. Onninen is also strong in wind farm related product categories and solar power systems. Kesko decided to discontinue the operations of Mark & Infra due to weaker-than-expected performance in recent years. The Swedish technical trade market is highly consolidated.

Net sales for the Swedish building and home improvement trade chain K-Bygg totalled €343.2 million, with an operating loss of €8.8 million. We concentrated the building and home improvement trade operations in Sweden under the K-Bygg chain, which focuses mainly on B2B trade, by converting eight and closing the remaining K-Rauta stores in 2024. The redirection of sales from the converted stores to K-Bygg impacted net sales and profit. The sales of the original K-Bygg stores developed positively.

The Swedish market remains fragmented. In the longer term, we see significant growth potential in Sweden and Norway.

Case

Onnela logistics centre plays an important part in Kesko's growth strategy

The Onnela logistics centre in Hyvinkää, Finland was completed in August 2025. It is the single biggest construction investment in Kesko's history, and plays an important part in the execution of our growth strategy. The new centre will primarily serve Onninen's technical trade, but also K-Auto's spare parts logistics. The move and commissioning will take place in the winter, which is the least busy time of the year for Onninen. The centre will be fully operational in spring 2026. When operating at full capacity, Onnela will dispatch around 200 trucks a day and employ 400–500 logistics professionals. The 85,000 square kilometre facility is equal to 12 football fields in size. Once the market grows stronger, Onnela will enable growth and bring significant efficiency benefits with higher volumes, improving logistics services further.

Once Onnela is in operation, K-Rauta's central warehouse, which is currently outsourced, will move into Onninen's former warehouse, also located in Hyvinkää. This will enable synergies in, for example, personnel resourcing.

Photo: Saku Metsärinne

Construction activity picked up in Poland and the Baltics

In Poland, Onninen's sales grew as construction activity increased, and profitability was fairly good, especially relative to peers. The technical trade market in Poland is highly fragmented, and Onninen is among the biggest operators with a market share of approximately 6%. Onninen is also strong in digital services in Poland.

Construction activity picked up in 2025 in the Baltic countries – Estonia, Latvia and Lithuania – driven by, among other things, economic recovery and EU-supported infrastructure projects. New housing construction activity was low also in the Baltic states due to excess supply and cautious consumer sentiment. Sales increased clearly in all Baltic countries. Of the three countries, Onninen's operations are the biggest in Estonia, where it also has the widest store network. We opened new central warehouses in Estonia and Lithuania in 2025.

The share of result from Kesko Senukai, which focuses on B2C trade, totalled €19.5 million.

Building and technical trade in figures

Key figures	2025	2024
Net sales, € million	**4,685.8**	**4,351.6**
Building and home improvement trade	2,471.9	2,160.7
Technical trade	2,285.4	2,255.0
Operating profit, comparable, € million	**178.6**	**169.1**
Building and home improvement trade	75.3	62.6
Technical trade	89.4	90.5
Kesko Senukai	19.5	20.9
Operating margin, comparable, %	**3.8**	**3.9**
Building and home improvement trade	3.0	2.9
Technical trade	3.9	4.0
Return on capital employed, comparable, %	7.3	7.8
Capital expenditure, € million	279.7	293.7
Average number of personnel converted into full-time employees	6,853	6,538

Properties	2025	2024
Owned properties, capital, € million	580	248
Owned properties, area, 1,000 m²	715	356
Leased properties, area, 1,000 m²	999	869

Changes were made to the allocation of properties per division in 2025, and as a result, properties for the building and technical trade division now include e.g. the Onnela logistics centre.

	Number of stores		Retail and B2B sales, 0% VAT, € million	
K Group building and technical trade	**2025**	**2024**	**2025**	**Change, %***
K-Rauta, Finland	125	122	1,093.7	1.2
K-Rauta B2B Service, Finland	-	-	218.2	1.5
Technical trade, Finland	60	60	1,093.3	-1.3
Finland total	**185**	**182**	**2,405.2**	**0.1**
K-Bygg, Sweden	57	56	350.1	0.4
Technical trade, Sweden	5	5	122.5	-1.5
Byggmakker, Norway	89	90	606.9	0.8
Technical trade, Norway	26	26	543.4	1.1
Davidsen, Denmark	49	23	843.1	2.9
Technical trade, Baltics	18	18	153.6	20.8
Technical trade, Poland	29	30	378.1	2.8
Other countries, total	**273**	**248**	**2,997.6**	**2.4**
Building and technical trade, total	**458**	**430**	**5,402.7**	**1.4**

In addition, building and technical trade stores offer extensive e-commerce services to their customers. Two Onninen stores in Finland operate on the same store premises with K-Rauta.

* The change, % compared to the year before has been calculated to illustrate a situation in which the acquisitions and divestments had been completed on 1 January 2024 In 2024 the acquisition of Davidsen Koncernen A/S was completed on 31 January 2024. The restructuring of the K-Rauta chain in Sweden was completed in December 2024. During October-November 2024, 8 K-Rauta stores in Sweden were transferred under the K-Bygg chain. In 2025, the acquisition of Roslev Trælasthandel A/S was completed on 31 January 2025, CF Petersen & Søn A/S on 30 April 2025 and Tømmergaarden A/S on 28 May 2025. As of 1 January 2025, Kesko Senukai is not included in K Group's retail and B2B sales in the reporting period or the comparison period.

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Markets

Gradual recovery has continued in the construction cycle, but the pace has been slower than anticipated, especially in new housing construction. Reasons behind the trend include weak consumer confidence, increased savings, and excess supply in housing, with factors varying somewhat between the countries. Depending on the operating country, new housing construction accounts for some 20–30% of the total construction market. Other forms of construction, such as infrastructure construction and renovation building, declined less than housing construction.

In the longer term, the total construction market is supported by renovation building, construction related to energy efficiency and the green transition, urbanisation, and demographic changes in Northern Europe. Building and construction becoming increasingly technical, tightening requirements, and growing infrastructure investment debt also underpin construction.

The total market for Kesko's existing building and technical trade operations in our current market areas totalled approximately €31.6 billion in 2025 (€31.1 billion in 2024).

Growth potential in acquisitions

The Northern European market continues to offer good growth potential also in the form of acquisitions. The building and technical trade markets are fragmented in many of our Northern European operating countries, and thus there is excellent potential to continue active sector consolidation. Currently our market share is still relatively low in, for example, Sweden, which suggests potential for continued growth also via acquisitions in line with our strategy. Denmark also holds further potential for us especially in technical trade.

Information based on Kesko's estimates.

Market areas

Markets by country, market performance in 2025 compared to the year before (retail 0% VAT), and main competitors. Information based on Kesko's estimates.

	Market area	Market size and growth	Market share	Main competitors
Building and home improvement trade	Finland	€2.6 billion (+2.7%), (RaSi ry*)	51%	Stark Finland, S Group, Bauhaus
	Sweden (K-Bygg)	€6.3 billion (+4.9%), (Byggmaterialhandlarna and Kesko's estimate)	6%	Beijer, Mestergruppen, Optimera, Bygma, Bauhaus, Byggmax
	Norway	€4.9 billion (+4.4%), (Virke and Kesko's estimate)	12%	Optimera, Mestergruppen, Coop, Maxbo
	Denmark	€4.8 billion (+2.4%), (Danske Byggecentre)	17%	Stark, Bygma and XL Byg
Technical trade	Finland	€2.4 billion (-1.6%), (STK, Talteka)	44%	Dahl, Ahlsell, Sonepar, Rexel
	Sweden (Onninen and MIAB)	€1.0 billion (-0.2%), (SEG Infra, RGF Water and sewage)	11%	Dahl, Ahlsell, Sonepar, Rexel, AO
	Norway	€1.3 billion (+0.3%), (Virke electrotechnical trade and Kesko's estimate)	39%	Solar, Berggård Amundsen, Ahlsell, Elektroimportøren
	Poland	€6.1 billion (-0.6%)**	6%	GC Group (BIMs, Hydrosolar, HTI), Grudnik, 3W Tadmar, Würth/ TIM, Alfa Elektro, Grodno
	Estonia	€0.6 billion (+3.1%)**	14%	FEB (Ahlsell), W.E.G (Würth), Esvika Elekter
	Latvia	€0.6 billion (+3.8%)**	5%	Sanistal, ESELO, EVA-SAT, SB, Baltijas Elektro Sabiedrība (Würth)
	Lithuania	€1.0 billion (+10.4%)**	4%	Sanistal, Dahlgera (Dahl), Elektrobalt (Würth), Elektrokomplektas

Members of RaSi ry are BGH Group, Stark Finland, Hankkija Oy, Hartman Rauta Oy, Laattapiste Oy, Maalarimestarien Oy, S Group, Värimiehet Oy and Väritukku Oy. In addition the statistics include Puumerkki Oy. ** Kesko's estimate

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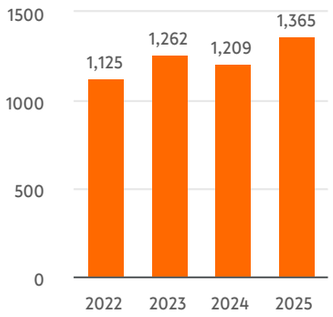
EXCELLENT PERFORMANCE IN CAR TRADE IN A MARKET THAT REMAINED CHALLENGING

Net sales and profit for Kesko's car trade division increased significantly in 2025, even though the operating environment remained challenging. The market showed some tentative signs of recovery, but weak consumer confidence and uncertainty regarding powertrain choices slowed down the pace of recovery. Sales grew in all three car trade business areas: new cars, used cars, and services. Kesko's car trade clearly outperformed the market in both new and used car sales. Market share increased also in sports trade, which is reported as part of the division.

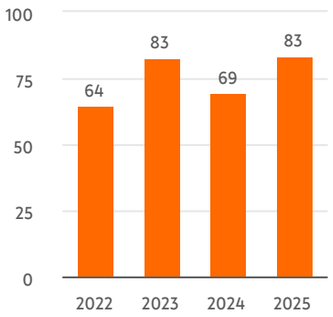
Net sales

€ million



Operating profit

€ million



Comparable figures

I am particularly proud of our performance in 2025 because we did not get any help from the market, which continued to be challenging for both car trade and sports trade. Our success in car trade is founded on an effective strategy and improved operational excellence, a strong portfolio in new cars, exceptional presence across the car trade value chain, and our skilled and motivated people.

Johanna Ali
President, car trade division

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Effective strategy yields results and is reflected in day-to-day operations

Kesko's car trade company K-Auto aims to be the best-known and most popular operator in its field in Finland, with strong sales and profit development and businesses that grow profitably and outperform the market. K-Auto also strives to improve both the customer and employee experience. In the sports trade business, which is part of the division, the goal is to maintain the position of a strong market leader. All strategic targets for the division saw positive development in 2025, even though the market was challenging for both car and sports trade.

Net sales for the division totalled €1,364.8 million in 2025. Net sales grew by 12.0% in comparable terms despite a challenging market. All car trade businesses were profitable. Operating profit also increased year-on-year, and profitability for the division remained good.

K-Auto has an exceptionally strong presence across the different parts of the value chain. It has a balanced business portfolio that comprises new cars, used cars, and a wide range of car-related services, which supports the division's good performance in varying market circumstances. Following the extensive transformation programme carried out by the division in recent years, operational efficiency has risen to an excellent level. The division's competitive advantages include tight collaboration with one of world's largest car manufacturers, the Volkswagen Group, and with Porsche, as well as synergies within K Group, and fast development of digital services.

New car sales clearly outperformed the muted market

K-Auto's new car business comprises the import and sales of Volkswagen, Audi, SEAT, CUPRA, Porsche and Bentley passenger cars and Volkswagen Commercial Vehicles. K-Auto sells some 70% of the cars it imports via its own dealership network, and the rest are sold via an extensive network of independent retailers. General economic uncertainty continued to impact consumer purchase behaviour in the car trade market also in 2025, and demand for new cars again was clearly below the long-term average. First registrations of new passenger cars in Finland totalled 70,608 in 2025. K-Auto, however, outperformed the market: first registrations of new cars in total decreased by 1.6% in January-December 2025, while first registrations of brands represented by K-Auto increased by 20.5%. K-Auto's sales performance was supported by its commercially strong range of new cars. K-Auto's share of first registrations in Finland was 17.3% (passenger cars and vans). New car sales are estimated to grow in 2026. The new car business accounted for approximately 49% of K-Auto's net sales.

Sales and market share grew in used cars

The market for used cars grew moderately in 2025. Volumes in used car sales are more stable than in new car sales. K-Auto's used car sales clearly outgrew the market in the B2C segment, and its market share increased markedly. Although Kesko is a relatively new operator in the used car business, it is supported by the trustworthy K brand, and has become one of Finland's biggest sellers of used cars. The market is, however, fragmented and consumer-to-consumer sales still significant. The electrification of the Finnish car stock is estimated to increasingly push used car sales from C2C trade towards professional dealerships. The used car business accounted for some 34% of K-Auto's net sales.

A wide range of car-related services

K-Auto's service business comprises car servicing, damage repairs, tyres and spare parts, the nationwide K-Lataus EV charging network, and car leasing services. In 2025, service sales grew and profitability was good. In the K-Lataus network, sales grew, and the amount of electricity sold increased by some 30%. The car leasing business developed well and was expanded to include used cars. At the end of the year, K-Auto's leasing fleet comprised some 5,000 cars. The electrification trend also impacts demand for servicing. K-Auto seeks growth in damage repairs and the servicing of cars older than 5 years in particular. K-Auto's spare part logistics will be moving into the new Onnela logistics centre, which will enable a selection tailored specifically to the Finnish market and faster deliveries to customers, repair shops and partners. Services accounted for some 14% of K-Auto's net sales in 2025.

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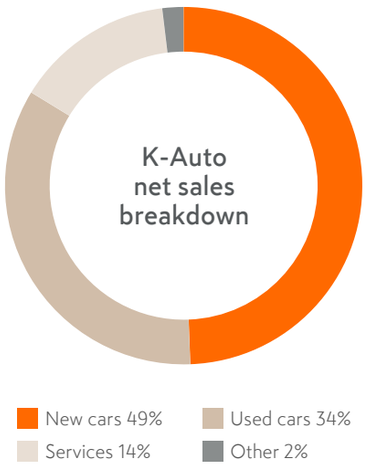
K-Auto's position in electrification strong

The powertrain transformation continued to impact the car trade market also in 2025. Thanks to its wide range of car brands and new and updated models, K-Auto was able to offer its customers an extensive and versatile selection of cars with various powertrain options. Of the first-registered passenger cars sold by K-Auto, 68.8% were fully electric or rechargeable hybrids. There was also demand for used electric cars. Registrations of fully electric passenger cars sold by K-Auto increased by 34.7% year-on-year, versus the market growth of 22.3%. Brands represented by Kesko accounted for 21.8% of all first registrations of fully electric cars in Finland (passenger cars and vans). Kesko's strategic partner, the Volkswagen Group, continues investments in the development of EV technologies.



'Other' consists primarily of car leasing services

K-Auto's nationwide K-Lataus EV charging network grew further in 2025, and at year-end, comprised 2,079 charging points at 360 charging stations. During the year, new stations were opened across the country, and existing stations were expanded. Focus was in particular on high-power charging (HPC) and large stations of 18 HPCs (400 kW). All K-Lataus stations are located at K Group grocery and building and home improvement store locations. All electricity at K-Lataus stations is renewable and generated using Finnish wind power. K-Auto will continue investments in its EV charging infrastructure also in 2026.

Increasingly better customer experiences in all channels

Improving the customer experience is one of K-Auto's strategic objectives. K-Auto aims to raise the customer experience in Finnish car trade to a whole new level. Positive results were seen in 2025, when K-Auto's CUPRA sales team was named the best in Finland in Auto Bild magazine's customer service survey.

K-Auto sees the combination of physical dealerships and digital services as the winning concept in car trade. It has an extensive nationwide network of physical retail and service locations, and has also invested in digital services, which are increasingly utilised also by car trade customers. The objective is to offer customers a truly seamless multichannel service experience, where they may, for example, compare cars online, test drive them at the dealership, and complete the purchase via an online

Business environment

Economy
- Tentative signs of recovery in the market
- Continued weak consumer confidence and cautious purchase behaviour slowing down pace of recovery

New cars
- Registrations of new passenger cars down and at a very weak level; registrations of vans grew
- Big established brands maintained strong position in registrations despite new car brands entering the market

Used cars
- A significant market in Finland
- Market becoming more professional, share of C2C sales expected to decline

Powertrains
- The growth of electrification is clear
- Electrification a considerable challenge for traditional servicing operations
- K-Auto's position in the EV transition very strong: brands represented by K-Auto account for 21.8% of EV sales in Finland

New operators
- Car trade operating models and roles in the distribution chain changing
- New car brands entering the market

Digitalisation
- Consumers increasingly adopting digital channels
- Digitalisation enabling better efficiency
- Multichannel sales growing, customer journey usually combines both digital and physical

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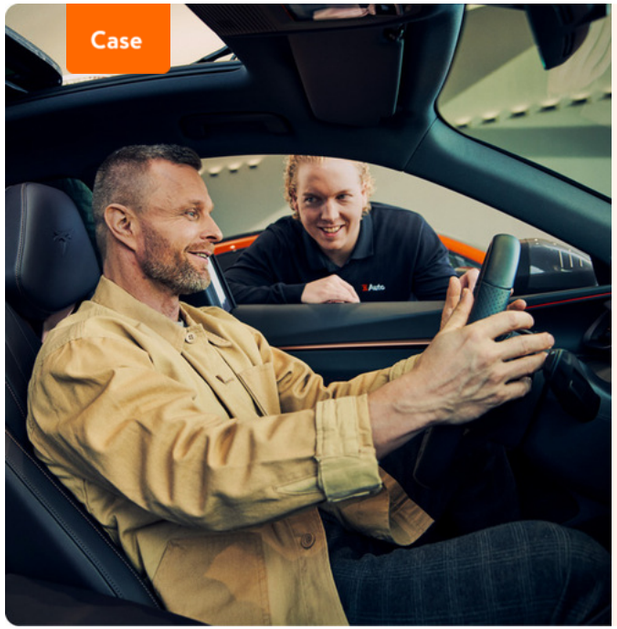
chat function. Digital development, including automation and robotics, also plays an important role in improving operational efficiency. Digital channels already account for some €100 million of sales in car trade, and digital sales have increased significantly especially in the service business. K-Auto also utilises Kesko's shared customer data to enable digital services and a better customer experience.

Market-leading position grew stronger in sports trade

In sports trade, which is part of the division, net sales for Intersport and Budget Sport grew by 0.1% in comparable terms, and the comparable operating profit grew and amounted to €8.3 million despite the contraction of the total sports trade market. Kesko met its strategic target of maintaining the market leading position in Finnish sports trade, and increased its market share further. Of Kesko's sports trade chains, Intersport is mainly retailer-driven and focuses on quality, utilising store-specific business ideas. Budget Sport, in turn, is Kesko's own retailing, and offers basic sports and leisure items at affordable prices. Sales through digital channels are very important for both chains



Volkswagen was the second most registered passenger car brand in Finland in 2025, and the market leader in fully electric cars. It was the only leading brand to notably increase its sales and market share, which stood at 11.3%. Fully electric cars from the ID. range were particularly popular, and accounted for 44.4% of Volkswagen registrations in Finland.

Audi also increased its sales and market share compared to the year before, and its market s totalled 4.3%. Growth was driven especially by fully electric models, and Audi was once again the leading German premium brand in fully electric vehicles, with a 6.8% market share.

Strategic objectives

- Strong sales and profit development
- Outperforming the market in all businesses
- Improving customer and employee experience
- #1 in brand awareness and preference

Competitive advantages

- A balanced business portfolio
- Strong position throughout the value chain
- Operational efficiency
- Speed of digital development
- Collaboration with the Volkswagen Group
- K Group strengths and synergies

Vision:
The leading and most interesting automotive company in Finland

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Car trade market

In 2025, there were 70,608 first registrations of passenger cars and 10,431 first registrations of vans in Finland (excluding motorhomes). First registrations of passenger cars decreased by 2.7% from the year before, while first registrations of vans increased by 7.1%.

In 2025, 58.4% of all first registrations of passenger cars in Finland were rechargeable: 64.8% of these were fully electric cars and 35.2% rechargeable hybrids.

The total number of first registrations of passenger cars and vans imported by K-Auto was 14,044 (excluding motorhomes).

The range of electric and hybrid cars represented by K-Auto was updated in 2025, with several significant new additions. A new fully electric model on the Finnish market was the Audi A6 e-tron. Audi's range was also expanded with plug-in hybrid versions of the A5, A6 and Q5. New combustion-engine models included the Volkswagen T-Roc, Porsche 911 Carrera S and 4S, and the Bentley Bentayga Speed. In the Volkswagen Commercial Vehicles range, the Volkswagen Caddy got a rechargeable hybrid version, and both the Multivan and the California were introduced with plug-in hybrid and all-wheel-drive combinations.

Car trade market shares

K-Auto's market share of first registrations in Finland was 17.3% (14.5%) (Volkswagen, Audi, SEAT, CUPRA, Porsche and Bentley passenger cars and Volkswagen commercial vehicles, excluding motorhomes).

- Volkswagen passenger cars: 11.3%
- Audi: 4.3%
- SEAT and CUPRA: 1.1%
- Porsche and Bentley: 0.6%
- Volkswagen vans: 16.9%

Registration data source: Netwheels / The Finnish Information Centre of Automobile Sector

Sports trade market and market share

The Finnish sports trade market in 2025 totalled approximately €1.3 billion (Fashion and Sports Commerce association), representing a decrease of 5.2%. Kesko's sports trade (Intersport, Budget Sport and Kesport) held a market share of some 24%. Competitors: XXL, Stadium, hypermarkets, and online stores.

Car trade in figures

Key figures	2025	2024
Net sales, € million	**1,364.8**	**1,209.4**
Car trade	1,196.2	1,040.9
Sports trade	168.8	168.7
Operating profit, comparable, € million	**83.1**	**69.3**
Car trade	74.8	61.7
Sports trade	8.3	7.6
Operating margin, comparable, %	**6.1**	**5.7**
Car trade	6.3	5.9
Sports trade	4.9	4.5
Return on capital employed, comparable, %	15.5	13.8
Capital expenditure, € million	125.0	89.0
Average number of personnel converted into full-time	1,638	1,556

Properties	2025	2024
Owned properties, capital, € million	44	40
Owned properties, area, 1,000 m²	53	53
Leased properties, area, 1,000 m²	177	172

	Number of stores		Retail and B2B sales, 0% VAT, € million	
K Group car trade	2025	2024	2025	Change, %*
Car trade	48	47	1,205.2	19.2
Sports trade**	61	61	236.5	-2.0
Car trade division, total	**109**	**108**	**1,441.7**	**15.1**

* The change, % compared to the year before has been calculated to illustrate a situation in which the acquisitions and divestments had been completed on 1 January 2024 In 2024 the acquisition of Autotalo Lohja was completed on 1 September 2024.

**On 31 December 2025 Intersport had 50 stores and Budget Sport had 11 stores in Finland. The network also included 17 Kesport stores.

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SUSTAINABILITY IN BRIEF

Sustainability is a central part of Kesko's strategy and the business operations of our three divisions. Our sustainability strategy has four focus areas: climate and nature, value chain, our people, and good governance.

Focus areas for Kesko's sustainability strategy

VISION: We enable more sustainable choices for our customers and drive change throughout the value chain

CLIMATE AND NATURE

- Reducing emissions in the value chain
- Promoting biodiversity
- Taking care of water sufficiency
- Enhancing circular economy

VALUE CHAIN

- Ensuring sustainability in the value chain
- Encouraging customers to make sustainable choices
- Creating added value for society

OUR PEOPLE

- Increasing the safety and wellbeing of our people
- Fostering diversity, equity and inclusion for our employees

GOOD GOVERNANCE

- Committing to the K Code of Conduct
- Strengthening sustainability competencies across the organisation
- Utilising data and using it to create added value

Sustainability indices

Kesko is included in various significant sustainability indices, such as the Dow Jones Best-in-Class World and Europe, CDP, MSCI ESG Ratings, and Sustainalytics. In 2025, Kesko ranked the highest in the 'Consumer Staples' segment of the Global 100 sustainability listing, and in the 'Grocery Stores' peer group in the 'Europe 50 Most Sustainable Companies' listing.

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KEY TARGETS AND INDICATORS

THEME	TARGET	KPI	2025	2024
Climate and nature	We commit to reducing absolute scope 1 and 2 GHG emissions by 58.8% by 2034 from a 2024 base year	tCO_2eq	74,204 tCO_2eq	91,135 tCO_2eq
	We commit to reducing absolute scope 3 GHG emissions by 35.0% by 2034 from a 2024 base year	tCO_2eq	7,768,187 tCO_2eq	6,941,006 tCO_2eq
Value chain	Ensuring social responsibility in the directly imported goods from high-risk countries by achieving 100% appropriate audit level	% of factories of direct high-risk country suppliers audited	98%	91%
Our people	Increasing the share of women in top management to 40% and in middle management to 45% by 2030	% of underrepresented gender in top management	27.8% women	27.7% women
		% of underrepresented gender in middle management	28.2% women	32.8% women
Good governance	Employee commitment to the K Code of Conduct	%	94%	85%

+ See the sustainability statement for more information

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CLIMATE AND NATURE

The objective of our work on climate and nature is to reduce greenhouse gas emissions and prevent the loss of biodiversity in both our own operations and value chain. We advance these targets by, for example, electrifying our transport, improving the energy efficiency of our stores and properties, and increasing recycling efforts.

Reducing emissions in our own operations and value chain

Kesko's greenhouse gas emissions comprise energy and industrial emissions and so-called FLAG (Forest, Land and Agriculture) emissions. A more detailed description of the breakdown and calculation of emissions is provided in the sustainability statement.

Emissions from our own operations (scope 1 and 2)

The most significant sources of scope 1 and 2 emissions for Kesko are fuel usage in transportation, logistics operations and company cars, and the use of district heat. Key measures to reduce these emissions include electrifying logistics and a switch to bio fuels, improving energy efficiency, and the use of renewable energy.

New science-based emission targets validated

The Science Based Targets initiative (SBTi) validated Kesko's new near-term and long-term science-based emission reduction targets in January 2026. For the first time, we calculated Kesko's FLAG emissions, and set targets also for those. The targets are described in detail in the sustainability statement.

+ See sustainability statement section E1 for more

Value chain emissions (scope 3)

Most of Kesko's value chain emissions arise during the life cycle of the products we purchase and sell – from their production to their use and end-of-life processing. Therefore, a central part of our climate work is encouraging our suppliers to reduce their emissions and inspiring customers to make more sustainable choices.

In 2025, 47% of our suppliers (by spend) had set near-term science-based emission reduction targets.

We influence value chain emissions by increasing the number of sustainable products in our selections, and by encouraging customers to make more sustainable choices, for example, using the K-Ruoka app. Products we classify as sustainable include, for example, plant-based products in grocery trade, solar panels and air-source heat pumps in building and technical trade, and fully electric vehicles in car trade.

Case

Electric trucks drive food across Finland

Kesko is quickly electrifying transport in its grocery trade. The number of electric trucks and vans in operation will rise to 70 by the end of 2026, and to 200 by 2030, at which point some 30% of the transport fleet in Kesko's grocery trade is estimated to be EVs.

In January 2026, electric trucks were operating in the Greater Helsinki, Mikkeli, Oulu, Seinäjoki, Tampere and Turku distribution areas as well as on the Vantaa–Tampere route. Kesko has built heavy-duty vehicle charging stations at all its grocery trade logistics centres.

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Systematic measures to improve energy efficiency

To actively reduce energy consumption, K Group must make long-term investments and continuously monitor energy consumption and technical systems, as well as react to deviations.

In October 2025, Kesko was one of the first companies to sign the new Energy Efficiency Agreement for the retail sector covering 2026–2035. The cornerstones of Kesko's energy efficiency improvement target of 16%, which is equivalent to 140 GWh, are the stores' energy renovations and innovative energy solutions.

Of K Group stores, the grocery stores have the highest energy consumption, because they need energy to secure the cold chain of their products. Key means of improving energy efficiency include upgrading refrigeration units and lighting, as well as new innovations, such as a heat recycling system that recycles the waste heat from refrigeration systems, and the use of analytics services that analyse energy consumption at the stores.

Our goal:

- Improving energy efficiency by 10%, i.e. 95 GWh, between 2024 and 2030

Waste heat from a data centre used to heat our grocery store

The K-Supermarket Mankkaa grocery store and atNorth's data centre in Espoo launched a new collaboration in spring 2025, in which waste heat from the data centre is used to cover almost all the store's heating energy needs. The waste heat energy used in the store corresponds to the annual district heating consumption of some 120 small residential houses. The project will reduce emissions from all of Kesko's district heating use by almost one percent.

Store electricity consumption reduced by nearly one-third following energy renovation

As part of a renovation completed in 2024, the building systems of the K-Market Ruokamestari store in Lapinlahti were modernised, and new refrigeration equipment using natural carbon dioxide, a heat recovery system utilising waste heat, and LED lighting were installed. The benefits of the extensive energy renovation are now evident: despite having more refrigeration equipment, the store's electricity consumption in 2025 was approximately 30% lower than prior to the renovation.

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Circular economy innovations

We promote the circular economy in all our divisions, reduce unnecessary packaging and plastic use, and provide our customers with recycling opportunities. Together with our partners, we seek solutions that make use of production side streams and material flows.

Reducing food waste is one of the key objectives for the climate work in Kesko's grocery trade division. The work is proceeding as planned, and in 2025 we even exceeded our annual target. Our food waste target is described in more detail in the sustainability statement.

Key measures to prevent food waste include the selection management and forecasting and demand planning carried out in our supply chain management, warehousing, grocery stores and Kespro's wholesale outlets. We use data to ensure that the products customers want are available in the right quantities at the right time. Prices of products at risk of becoming waste may be reduced, and in many stores, such products are collected on dedicated shelves. The majority of stores donate edible food to food aid. Together with a partner, we turn non-edible food waste into biogas, which is then used as energy in the production of new products.

Our goals:

- Improving our waste recycling rate by six percentage points by the end of 2030 compared to the 2024 baseline
- Halving our food waste percentage by 2030 from the 2019 baseline

+ See sustainability statement section E5 for more

Case

Wood packaging reused in an Onninen pilot

Operations at Onninen's central warehouse in Hyvinkää generate wood packaging that cannot be reused. In spring 2025, their use as a raw material for chipboard was pilot-tested at Koskisen's chipboard plant in Järvelä. There has not been an industrial-scale recycling solution for wood waste in Finland, and most has been incinerated. The piloted operating model is set to be scaled up to regular production in spring 2026. Chipboard containing the recycled material produced by Koskisen is available for sale, for example, in K-Rauta stores.

Minimising non-food product waste in K-Citymarket stores

The key means of preventing non-food product waste in K-Citymarkets include selection management, discounts, donations and, in certain stores, dedicated outlet areas. The non-food waste management model is in use in all 83 K-Citymarkets. A few times a year, the stores donate items such as cosmetics and hygiene products to local charitable organisations. In practice, only packaging materials and spoiled or damaged products end up as waste.

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Identifying our impacts on nature

The objective of our biodiversity work is to prevent the loss of biodiversity in our operations and value chain.

Our greatest impacts on biodiversity occur throughout the life cycle of the products we sell. Raw materials critical to biodiversity in our supply chain include cocoa, coffee, tea, fish and shellfish, palm oil, soy, and textiles, timber and paper. The sustainable sourcing of these materials is guided by our sustainability guidelines.

In 2025, we prepared preliminary plans to mitigate biodiversity-related impacts in our value chain in all three divisions.

The action plans focus on four areas:
- strengthening employee competencies
- identifying critical raw materials and, where necessary, establishing sourcing guidelines
- more comprehensive origin data on products containing critical raw materials
- establishing strategic partnerships.

Our most significant impacts on water consumption arise from the supply chains of the products we sell, particularly products that originate from areas suffering from water scarcity or contamination. A significant share of the water footprint of Finnish consumption arises from outside Finland through the supply chains of products.

All the own-brand fruits and vegetables we import to Finland are GLOBALG.A.P. certified. The criteria for GLOBALG.A.P. (Good Agricultural Practice) certification also include a requirement on good water management.

In addition, Kesko's sustainability policies and grocery trade's certifications for sustainable products include criteria for water consumption and the minimisation of water risks.

Kesko's own water use is mainly commercial water use in Kesko's properties, such as warehouses, offices and stores.

Case

Offsetting the environmental impacts of the construction of the Onnela logistics centre

From the outset, environmental and nature values were taken into account in the construction of the centre, completed in autumn 2025. A nature survey of the project area was carried out prior to the start of construction.

In November 2025, the City of Hyvinkää and Kesko entered into an agreement on the voluntary compensation of nature impacts caused by the construction of Onnela and on the generation of new nature values in the Härkävehmaansuo area. The agreement is partly based on the principles of voluntary ecological compensation laid down in the Nature Conservation Act. Under the agreement, Kesko commits to financing measures to enhance the area's nature values, as well as to a voluntary fixed compensation of more than €300,000 for the conservation use of the area.

Onnela, Kesko's largest ever construction project, is located in the northern part of Hyvinkää. Particular attention was paid in its design and construction to reducing energy consumption and carbon footprint, which will reduce costs and emissions over the building's long life cycle.

Photo: Saku Metsärinne

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VALUE CHAIN

We promote sustainability in our supply chains through our sustainability guidelines and audits of our suppliers' factories and farms. We support customer choices by offering, for example, a wide range of origin-labelled and sustainability-certified products.

Purchases from near and far

The majority of Kesko's purchases are made from suppliers operating in Finland. Finnish products are prioritised for our Pirkka private label range, provided that they meet our quality and price criteria. Our grocery stores offer a wide selection of local food, with a total of 50,000–60,000 products by local and small producers.

Our private label ranges include a wide selection of products with origin labelling and sustainability certifications, such as Hyvää Suomesta, Avainlippu, Swan label, and Fairtrade.

When sourcing our own brand products and products imported directly by us from high-risk countries, we pay particular attention to working conditions in production and human rights issues. In assessing country-specific risks, we use a classification based on the World Bank's Worldwide Governance Indicators.

We require that all factories of our own risk country sourcing must undergo a third-party social responsibility audit, such as an amfori BSCI audit. The audits monitor working conditions in production, including occupational safety, employee remuneration, working hours, and the prohibition of child or forced labour. Corrective actions and their follow-up are part of the audit process.

Our goals:

- All factories of direct suppliers in high-risk countries having a valid social responsibility audit
- Increasing the share of sustainable products of our net sales
- Supporting more sustainable choices through selections, data, and customer communications

+ See sustainability statement sections S2 and S4 for more

Case

Collaboration to improve social responsibility in the wild-berry sector

In recent years, concerns have been raised about the working conditions and terms of employment of pickers working in Finland's wild-berry sector. The amendment to the Seasonal Workers Act that entered into force in early 2025 improved the position of non-European berry pickers. During the year, we engaged in further dialogue with our suppliers in the wild-berry sector to promote more responsible operating practices. We organised training sessions on the requirements of our K Code of Conduct and required our suppliers to commit to addressing any shortcomings and improving their operations. We also participated in auditing the picking and accommodation conditions of one of our suppliers.

The Pirkka Parhaat initiative brings more local products by small producers to our stores

Our Pirkka Parhaat initiative aimed at small producers is an example of how we strive to make it faster for small Finnish food producers to get their products on store shelves. In spring 2024, we had an open call for small producers making high-quality breakfast items, snacks, and treats. The first products under the initiative were launched in the Pirkka Parhaat range in April 2025, and during the year, snack bars, oatmeal, cheese, and ice cream products were added to the range.

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We use sustainability guidelines to guide our sourcing

We guide the sourcing of products that contain raw materials identified as critical from a social and environmental responsibility perspective through our sustainability guidelines. These raw materials have been found to involve challenges related to human rights, climate and biodiversity. Through these guidelines, we guide the sourcing of our own brand products and the raw materials they contain, primarily by relying on internationally recognised certification systems.

In January 2026, we had 10 such guidelines in place. We will make new guidelines when deemed necessary, for example, based on assessed human rights and environmental impacts as well as stakeholder needs and regulation.

- No deforestation guideline
- Palm oil guideline
- Soy guideline
- Timber and paper guideline
- Coffee and tea guideline
- Cocoa guideline
- Textile guideline
- Packaging guideline
- Fish and shellfish guideline
- Animal welfare guideline

+ More on progress with our sustainability guidelines

Case

We updated our packaging guideline

In summer 2025, we combined our plastics guideline and our previous packaging guideline into a single new packaging guideline, and set new targets for the packaging of our private label products and packaging used in our own production and warehouses. This means reducing the amount of packaging material used, increasing the share of packaging made from renewable materials, and improving recyclability. Going forward, we will favour renewable packaging materials, such as paperboard, paper and corrugated cardboard, in the packaging of our own brand products. We will also increase the use of packaging made from recycled plastic and recycled paperboard.

All Pirkka tuna and herring preserves MSC certified

Kesko's fish and shellfish guideline directs our selection decisions: we prioritise species rated green in the WWF Finland's Seafood Guide, and suppliers certified under the MSC and ASC schemes. We are systematically increasing the share of sustainability-certified fish products in our private label ranges. During 2025, all Pirkka range tuna and herring preserves received MSC certification, indicating that the origin of the wild-caught seafood is known and that the fish has been caught in accordance with the certification's sustainability criteria.

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OUR PEOPLE

Responsibility for people means promoting the wellbeing and safety of our personnel, as well as diversity and equity in the workplace.

We promote the wellbeing and safety of our people

Employee wellbeing and occupational safety are guided by shared principles in all operating countries. Our aim is to ensure a safe and engaging work environment for every employee and a chance for them to develop their skills, with leadership that promotes wellbeing. In 2025, we conducted occupational safety risk assessments and, based on the findings, drew up development plans for all operating countries. Kesko's total recordable incident frequency (TRIF) decreased slightly in 2025 to 25.0 (2024: 25.9).

We use two sustainability indicators to measure personnel wellbeing. In the K Voices 2025 employee engagement survey, Kesko Group's wellbeing index was 85 (2024: 83) on a scale of 0–100. The index for personal development and growth opportunities, which was added to the sustainability indicators in 2025, was 70 (2024: 68) on a scale of 0–100.

Our goals:

- Supporting our people's health, wellbeing and capabilities
- Long-term goal: zero accidents

+ See sustainability statement section S1 for more

Case

A safe and encouraging start for young people entering the workforce

By the end of 2025, dozens of K-Citymarkets had appointed a 'Kamu' for new employees in addition to the designated job instructor. Each new K-Citymarket employee – or one returning from a longer absence – can choose to have an experienced 'work buddy' for support and help with everyday practices, easing the anxiety often associated with starting a new job. The model strengthens a sense of community, lowers the threshold for asking for help, and supports successful onboarding. It is particularly important for young people entering the workforce for the first time.

Everyday support for mental wellbeing

In 2025, we launched the 'Mieli Koossa' concept in Finland to support our employees' everyday mental wellbeing. Our aim has been to encourage more positive discussion around mental health and to provide actionable monthly tips for strengthening mental wellbeing. Themes have included recovery, the impact of physical activity, managing workloads, and strengthening the meaning of the workplace community. Throughout the year, these themes were highlighted in intranet articles, information displays, webinars, and small employee activities. We also received the Hyvän mielen työpaikka® label in recognition of our long-term work to promote the mental wellbeing of employees.

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Towards a more diverse workplace

We want to promote diversity, equity and inclusion (DEI) among our personnel. According to the K Voices 2025 employee engagement survey, Kesko Group's D&I index was 88 (2024: 87) on a scale of 0–100.

Promoting equality is important, as perceived equity and diversity enhance the wellbeing of our working community and Kesko's attractiveness as an employer. We have signed the UN Women's and UN Global Compact's Women's Empowerment Principles, further reinforcing our commitment to advancing equality in our operations.

Our goals:

- Fostering diversity, equity and inclusion for our employees
- Increasing the share of women in top management to 40% and in middle management to 45% by 2030
- Eliminating unjustified pay disparities between genders

Case

A leadership incubator supports women's career development

In October 2025, we launched the second round of our leadership incubator in cooperation with Mothers in Business ry (MiB). Thirty women working in Kesko were selected: the participants work in demanding specialist roles or managerial positions, and are seeking to develop their careers. The focus is on developing leadership skills, building the confidence to advance personal career goals, and successfully achieving a work-life balance.

Facilitating the path for trading sector work for immigrants

K Group in cooperation with local educational institutions has developed a short training programme to support the employment of people with immigrant backgrounds in the trading sector, and to provide sufficient language skills, thereby facilitating entry into the workforce. The programme combines a vocational qualification in business at a local educational institution, on-the-job training at K-Citymarkets, and learning Finnish through practical work. In 2025, 27 people completed the programme in Tampere and Turku.

Onninen Poland employs people from underrepresented groups

Onninen Poland has recruited deaf employees since 2018. In 2025, eight deaf employees worked in Onninen's logistics operations, one in finance and one in the HR function. The objective of employing people from underrepresented groups is to increase diversity and inclusion. The needs of the deaf employees have been addressed through various arrangements, and modern communication tools facilitate workplace interaction. Onninen sees recognising different needs as enriching for the workplace community. The operating model will continue and expand in the future.

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GOOD GOVERNANCE

By acting the right way, we build and maintain trust between Kesko, K-retailers and their personnel, as well as customers and business partners.

The K Code of Conduct shows us the right way to operate

The purpose of the K Code of Conduct is to support and guide the choices and decisions made in K Group. With the K Code of Conduct, we ensure that all K Group employees, K-retailers and business partners have a common understanding of the guiding rules and principles we follow.

All our business partners must transparently demonstrate their commitment to the K Code of Conduct and its principles, so we can ensure that shared sustainability principles are implemented throughout the value chain.

Our goals:

- Commitment to the K Code of Conduct
- Strengthening sustainability competencies across the organisation
- Utilising data, and using it to create added value

+ See sustainability statement section G1 for more

+ Read our Data balance sheet report

Responsible use of data

Data responsibility at Kesko is based on protecting the individual's data and using it sustainably in business operations, while creating shared positive impacts on customers, stakeholders and the society. Kesko helps its customers to act more sustainably and provides them with advice, recommendations and useful information based on their data.

Data-driven forecasting and continuous optimisation of the product selection helps K-retailers to significantly reduce food waste. We use AI-based analytics services to identify and optimise energy use in the refrigeration, heating and ventilation of our stores, as well as to plan electricity procurement.

Strengthening the sustainability competencies of our people

One of the goals of our sustainability strategy is to strengthen sustainability competencies across the organisation. In 2025, our people completed online training courses covering, among other topics, sustainability in general, as well as diversity, equality and inclusion.

We have developed K Code of Conduct online training modules for both personnel and suppliers in all languages of our operating countries. In 2025, personnel in all divisions received training to identify corruption risks, act appropriately and report suspected misconduct to the relevant parties. Personnel was also trained to identify human rights risks, such as work-related exploitation, in different types of purchasing chains.

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REASONS TO INVEST IN KESKO

Interest towards Kesko as an investment has grown in recent years. In 2025, the number of Kesko's registered Finnish shareholders rose, for the first time ever, to nearly 124,000. Kesko's ownership is diversified, and evenly distributed between Finnish institutions, international investors, and Finnish households.

A stable operator with strong market positions in several countries and businesses

Kesko is one of the leading trading sector operators in Northern Europe. In Finland, it is both the leading trading sector operator as well as the market leader in building and technical trade. Finland accounts for nearly 80% of Kesko's total net sales. In the other Nordic countries and the Baltics, Kesko is among the biggest operators in various business segments. Our objective is to increase market shares across our businesses and to be among the top operators in each of them to ensure economies of scale. Our strong market positions offer growth potential as the markets improve.

A strategy focused on profitable growth and a good track record in its execution

Kesko's strategy centres on profitable growth in three selected business divisions: grocery trade, building and technical trade, and car trade. Growth is sought both organically and through acquisitions. Kesko is making considerable investments, especially in developing its store network in grocery trade and in growing the building and technical trade business in Northern Europe. At the same time, we continue to systematically improve productivity and cost efficiency through technology utilisation and process renewal. The good profit performance of recent years under challenging market conditions demonstrates the effectiveness of Kesko's strategy.

Good dividend yield

Kesko aims for a steadily growing, attractive dividend yield. Kesko has paid dividends uninterrupted every year since 1968, and over the past five years, our annual dividend yield has averaged 4.5–5%. Growth in shareholder value is based on making and executing successful strategic choices and on efficient allocation of capital.

Internationally recognised long-term sustainability work

Kesko is included in various notable sustainability indices such as the Dow Jones Best-in-Class World and Europe, CDP, MSCI ESG Ratings, and Sustainalytics. In 2025, Kesko ranked highest in its sector in both the 'Global 100 Most Sustainable Corporations' and the 'Europe 50 Most Sustainable Companies' listings.

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INVESTOR INFORMATION

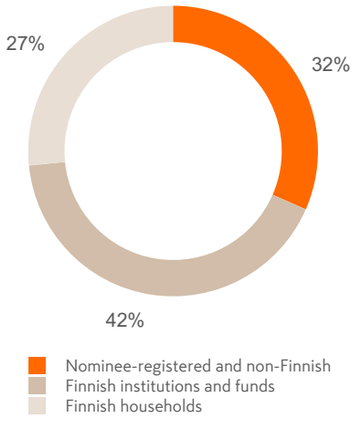
Kesko's shares are listed on Nasdaq Helsinki. Kesko has two share series, A and B, with the respective trading symbols KESKOA and KESKOB. The B shares have higher trading volumes and liquidity. The share series differ only in terms of the number of votes they carry: each A share carries 10 votes and each B share 1 vote. Both share series entitle the holder to the same dividend. Each share series is traded independently on the stock exchange, with independent pricing. Shares of different series cannot be directly exchanged with one another. At the end of December 2025, the combined market capitalisation of Kesko's shares was €7,666 million, up by €447 million from the end of 2024.

On 2 October 2024, Kesko issued senior unsecured green notes of €300 million, with a maturity of approximately five years and four months. The notes mature on 2 February 2030. The notes carry a fixed annual interest of 3.500 percent. The issue price of the notes is 99.317 percent. The notes are listed on Nasdaq Helsinki's list of sustainable bonds, and trading on them began on 4 October 2024 under the trading code KESJ035030. More information on the notes can be found at kesko.fi/financial-position.

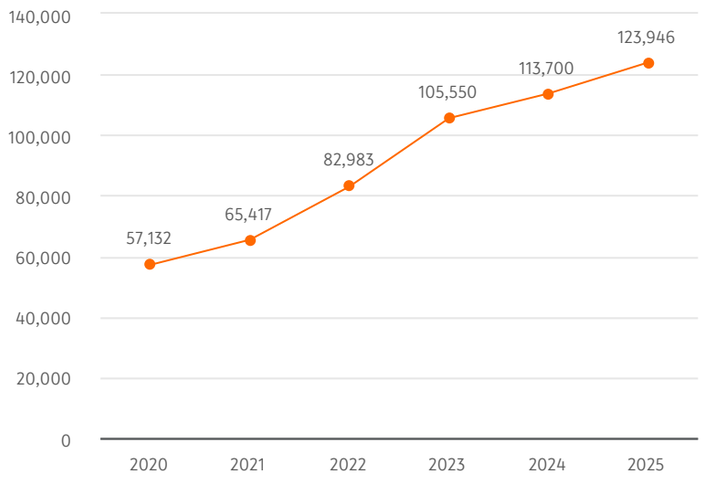
Shareholders

Kesko's ownership is diversified. The biggest shareholder is K-Retailers' Association: K-Retailers' Association and corporations under its control hold 7.72% of the shares in Kesko and control 20.01% of the votes.

Ownership structure (shares) 31 Dec. 2025



Number of shareholders



10 largest shareholders by votes 31.12.2025

	Shareholders	% of shares	Total number of votes	% of votes
1.	K-Retailers' Association	5.58	223,185,670	14.47
2.	Ilmarinen Mutual Pension Insurance Company	3.55	138,028,000	8.95
3.	Vähittäiskaupan Takaus Oy	3.30	131,950,080	8.55
4.	Foundation for Vocational Training in the Retail Trade	1.47	58,898,830	3.82
5.	K-Food Retailers' Club	0.68	27,104,420	1.76
6.	Heimo Välinen Oy	0.50	20,000,000	1.30
7.	Food Paradise Oy	0.36	14,440,720	0.94
8.	Elo Mutual Pension Insurance company	1.64	10,211,250	0.66
9.	Varma Mutual Pension Insurance Company	2.01	8,039,873	0.52
10.	Pokela Oy Iso Omena	0.20	7,926,554	0.51

Nominee-registered shareholder BlackRock, Inc held 5.35% of shares and 1.39% of votes in Kesko Corporation on 31 December 2025.

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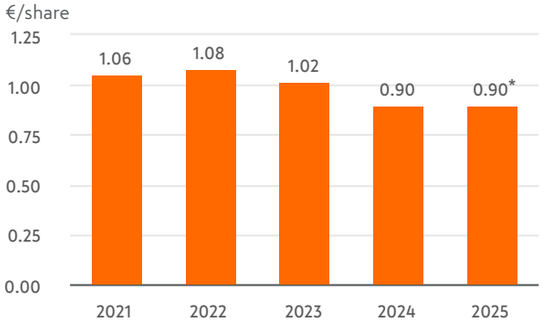
Nominee-registered and international shareholders controlled 31.59% of Kesko's shares at the end of 2025. Finnish institutions and funds held 41.82% of all shares, and Finnish households 26.59%. Kesko is among the top 10 most held shares by Finnish private investors.

The number of registered Kesko shareholders rose to an all-time high of 123,946 at the end of the year. In total, the number of registered shareholders increased by some 10,400 during the year.

Annual General Meeting

Kesko will hold its Annual General Meeting at K-Kampus in Helsinki, address Työpajankatu 12, on 26 March 2026, starting at 1.00 pm EET. Participants must register for the Annual General Meeting beforehand. A shareholder in the register of shareholders wishing to participate must register by 19 March 2026 at 4.00 pm EET at the latest, by which time the registration will have to have been received by the company. The Notice of Annual General Meeting was published on 5 February 2026. More information at kesko.fi/agm.

Dividend history 2021–2025



* Proposal to the Annual General Meeting

Dividends

Kesko's Board of Directors proposes to the Annual General Meeting to be held on 26 March 2026 that a dividend of €0.90 per share, in total €358,306,944.30, be paid for the year 2025 based on the adopted balance sheet, and that it be paid in four instalments as follows:

- The first instalment of €0.23 per share is to be paid to shareholders registered in the company's register of shareholders kept by Euroclear Finland Ltd on the instalment's record date 30 March 2026. The Board proposes that the dividend instalment pay date be 8 April 2026.
- The second instalment of €0.22/share: record date 16 July 2026, proposed pay date 23 July 2026.
- The third instalment of €0.23/share: record date 15 October 2026, proposed pay date 22 October 2026.
- The fourth instalment of €0.22/share: record date 14 January 2027, proposed pay date 21 January 2027.

Investor relations

The objective of Kesko's Investor Relations is to support the appropriate valuation of Kesko's shares by continuously and consistently communicating all essential information on the company equally to all market participants. We want to serve both retail and institutional investors and analysts covering the company in Finland and elsewhere. Investor relations contact details can be found at kesko.fi/investors.

Our investor webpages contain topical information for everyone interested in Kesko as an investment, including share and company information as well as blog posts. Kesko's investor webpages have also received outside recognition: in January 2025, they were ranked third best among Finnish large cap companies by the Finnish Foundation for Share Promotion. In the 2025 annual Webranking assessment conducted by the Swedish Comprend, Kesko's investor webpages were ranked joint first in Finland.

In the annual IRNM survey by the Swedish Regi, over 1,000 financial analysts rated Kesko's overall investor relations work the second best in both Finland and the Nordics, and Kesko's Hanna Jaakkola as the best Investor Relations Officer in Finland and all of the Nordics in 2025.

We engage in dialogue with retail investors also on social media channels and investment-related discussion forums, where we take part in conversations within the parameters of Kesko's disclosure policy.

INTERIM REPORT PUBLICATION DATES IN 2026

- 1–3/2025 interim report: 29 April 2026
- 1–6/2025 half-year financial report: 22 July 2026
- 1–9/2025 interim report: 29 October 2026

DIVIDEND POLICY

In the long-term, Kesko aims to distribute a steadily growing dividend of some 60–100% of its comparable earnings per share, taking into account the company's financial position and strategy.

+ Additional investor information can be found on our website

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STORE SITES AND PROPERTIES

The store site network is a strategic competitive factor for K Group. It enables the development of business operations as well as the improvement of sales and customer satisfaction, and supports online sales.

Kesko's store sites are divided into four categories: strategic properties, basic properties, development properties, and realisation properties.

Strategic properties:

- Significant properties for business operations, for example, properties that are or can be developed into large retail units. Properties that Kesko wants to own.
- Strategic properties in 12/2025: 60% (12/2024: 51%, 12/2023: 53%)

Basic properties:

- Properties Kesko owns, but could sell and then lease back.
- Basic properties in 12/2025: 25% (12/2024: 26%, 12/2023: 21%)

Development properties:

- Plots and properties that require development to fit their planned purpose.
- Development properties in 12/2025: 14% (12/2024: 21%, 12/2023: 22%)

Realisation properties:

- Properties Kesko no longer has use for.
- Realisation properties in 12/2025: 2% (12/2024: 1%, 12/2023: 2%)

Kesko's capital expenditure in store sites in 2025:

- €334 million (1–12/2024: €250 million, 1–12/2023: €286 million).

+ Read more in financial statements note 3.2

Owned store sites and properties by region

Book value by region, € million	2025	%	2024	%
Finland	1,793	88.6	1,653	91.7
Other Nordic countries	208	10.3	130	7.2
Baltic countries	-	-	-	-
Poland	22	1.1	20	1.1
Total	2,023	100.0	1,803	100.0

Area by region, 1,000 m²	2025	%	2024	%
Finland	1,094	71.4	964	77.1
Other Nordic countries	406	26.5	254	20.3
Baltic countries	-	-	-	-
Poland	33	2.2	32	2.6
Total	1,533	100.0	1,250	100.0

Leased store sites and properties

Area by region, 1,000 m²	2025	%	2024	%
Finland	2,167	77.6	2,204	76.7
Other Nordic countries	541	19.4	588	20.5
Baltic countries	55	2.0	48	1.7
Poland	29	1.0	33	1.1
Total	2,792	100.0	2,873	100.0

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Continued store network development in line with our growth strategy

Kesko is set to continue growing and updating its store network in grocery trade in particular. In upcoming years, we will invest significantly in strengthening our hypermarket network, especially in growth centres.

In 2025, Kesko opened two new K-Citymarket hypermarkets: a new store in Ideapark, Lempäälä and a store replacing an existing hypermarket in Paavola, Lahti. Kesko leases the Ideapark property and owns the Paavola store site. We opened 13 new K-Supermarket or K-Market stores, and remodelled 45 stores. In January 2026, we opened a new K-Citymarket in Kivistö, Vantaa. Kesko also announced plans to open three new hypermarkets in growth centres in the Greater Helsinki area: in Helsinki, a new K-Citymarket will open in the Redi shopping centre in Kalasatama, while in Vantaa the plan is to build a hypermarket in Tikkurila's Tikkuri shopping centre where Kesko acquired a controlling interest. In Espoo, construction work has begun on a new K-Citymarket store in the Espoontori shopping centre. Kesko is investing €200–250 million annually in developing its store network. Hypermarkets in growth centres play a key role in network development.

Optimising real estate holdings by divesting ten grocery trade properties

In the autumn of 2025, Kesko sold ten grocery store properties to the Swedish Prisma Properties AB, and then signed long-term leases on them. The divestment supports Kesko's objective of focusing its store site investments in growth centres with the strongest consumer demand and population growth. The divested portfolio comprised nine properties and one property company.

The debt-free transaction price of the divested portfolio was some €59 million, and it was recorded in the figures for the fourth quarter of 2025. The transaction strengthened Kesko's cash flow for 2025, to be allocated towards the development of new strategically important store sites.

In line with its strategy concerning store site ownership, Kesko owns a significant share of the store sites classified as "strategic". The divested store sites were classified as "basic properties", i.e. properties Kesko may sell and then lease back.

Kesko is investing in new and remodelled stores to be able to offer the best possible customer experience and to strengthen its market share profitably. We will continue to maintain an extensive network of stores, and remodel stores also outside growth centres.

Developing our store network especially in grocery trade

K-CITYMARKET

New stores
2025 → **2** stores (incl. 1 replacement to existing store)
2026 → **3** stores (incl. 1 replacement)
2027 → **2** stores (incl. 1 in planning and 1 replacement)
2028 → **2** stores

Remodelled stores
2025 → **6** stores
2026 → **7** stores

K-SUPERMARKET

New stores
2025 → **5** stores
2026 → **7** stores

Remodelled stores
2025 → **15** stores
2026 → **19** stores

K-MARKET

New stores
2025 → **8** stores (incl. 5 replacements)
2026 → **12** stores (incl. 7 replacements)

Remodelled stores
2025 → **24** stores
2026 → **38** stores

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This PDF report has been published voluntarily. Kesko has published the Report by the Board of Directors and the consolidated financial statements as an XHTML document in accordance with the European Single Electronic Format (ESEF) reporting requirements. The ESEF version is the official version of the report. This report is a translation of the Finnish original.

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REPORT BY THE BOARD OF DIRECTORS

Kesko is a Finnish listed trading sector company. Kesko has approximately 1,700 stores engaged in chain operations in Finland, Sweden, Norway, Denmark, Estonia, Latvia, Lithuania and Poland.

Kesko Group's reportable segments consist of its business divisions, namely the grocery trade, the building and technical trade, and the car trade.

The Group's parent company, Kesko Corporation, is a Finnish public limited company constituted in accordance with the laws of Finland. The Company's business ID is 0109862-8, it is domiciled in Helsinki, Finland and its registered address is PO Box 1, 00016 KESKO, Finland.

Together, Kesko and K-retailers form K Group, whose retail sales (preliminary) totalled some €15.4 billion (0% VAT) in 2025.

Operating environment

Identified trends impacting the operations of K Group are related to global political and economic uncertainty, consumer and business confidence and customer behaviour, the impacts of urbanisation, as well as population change. Convenience is emphasised in consumer behaviour, and habits are changing quickly. In addition, climate change and the green transition, digitalisation and the possibilities of artificial intelligence all impact the operating environment. Globalisation impacts supply chains, and the importance of risk management grows.

The key opportunities and risks in the operating environment relate to changes in the economic environment, digital services and data-driven management, the geopolitical situation, sustainable sourcing and human rights, and climate change. Emerging risks include human rights risks related to the supply chain and evolving sustainability legislation and regulation. Risks are described in more detail in the 'Significant risks and uncertainties' section of this Report by the Board of Directors.

Guidance 2026

Kesko Group's profit guidance is given for the year 2026, in comparison with the year 2025. Kesko's operating environment is estimated to improve in 2026, but to still remain somewhat challenging. Kesko's comparable operating profit is estimated to improve in 2026. Kesko estimates that its 2026 comparable operating profit will amount to €650–750 million. Key uncertainties impacting Kesko's outlook are developments in consumer confidence and investment appetites, as well as geopolitical crises and tensions.

Outlook 2026

The operating environment for Kesko is estimated to improve in 2026 in all divisions and all operating countries. Kesko's comparable operating profit is also estimated to improve in 2026 in all divisions and all operating countries.

In grocery trade, B2C trade is estimated to pick up and the foodservice business to remain stable. In 2026, the comparable operating margin for the grocery trade division is estimated to stay clearly above 6% despite the investments in price and the store site network. The comparable operating profit for the grocery trade division is estimated to improve in 2026 compared to 2025.

In building and technical trade, the cycle is expected to improve moderately in 2026 from an exceptionally low level. The comparable operating result for the building and technical trade division is estimated to improve in 2026 compared to 2025 in all Kesko operating countries.

In the car trade market, new car sales are expected to remain muted compared to long-term levels, but to nonetheless grow compared to 2025. The net sales and comparable operating profit for Kesko's car trade division are estimated to improve in 2026 compared to 2025.

Financial performance

Net sales and profit in 2025

1–12/2025	Net sales, € million	Change, %	Change, comparable, %	Operating profit, comparable, € million	Change, € million
Grocery trade	6,447.4	+1.0	+1.0	418.1	-19.9
Building and home improvement trade	2,471.9	+14.4	+2.0	75.3	+12.7
Technical trade	2,285.4	+1.3	+1.1	89.4	-1.0
Kesko Senukai	-	-	-	19.5	-1.4
Building and technical trade, total	4,685.8	+7.7	+1.4	178.6	+9.4
Car trade	1,364.8	+12.9	+12.0	83.1	+13.8
Common functions and eliminations	-23.4	-4.5	-	-24.8	+1.5
Total	**12,474.7**	**+4.7**	**+2.3**	**654.9**	**+4.8**

Group net sales grew by 4.7%. In comparable terms, net sales increased by 2.3%. Net sales increased in comparable terms by 2.2% in Finland, while in the other operating countries, net sales increased by 2.6%. The comparable change % has been calculated in local currencies and excluding the impact of acquisitions and divestments completed.

Net sales for the grocery trade division increased by 1.0%. Sales to K Group grocery store chains grew by 1.9%. Net sales for Kespro's foodservice business decreased by 0.3%.

Net sales for the building and technical trade division increased by 7.7%, while in comparable terms, net sales increased by 1.4%. Gradual recovery in the construction cycle continued. The growth in building and technical trade net sales was underpinned in particular by acquisitions. Net sales for technical trade increased by 1.3%, while in comparable terms, net sales increased by 1.1%. In building and home improvement trade, net sales increased by 14.4%, while in comparable terms, net sales increased by 2.0%. The figures of the Danish building and home improvement trade companies acquired have been consolidated into the division's figures as follows: Roslev Trælasthandel A/S as of 1 February 2025, CF Petersen & Søn A/S as of 1 May 2025, and Tømmergaarden A/S as of 1 June 2025.

Net sales for the car trade division increased by 12.9%, while in comparable terms net sales increased by 12.0%. Of the car trade businesses, net sales increased in new cars, used cars and services. Net sales for sports trade also increased.

The Group's comparable operating profit totalled €654.9 million (€650.1 million), representing an increase of €4.8 million. The comparable operating profit for the grocery trade division decreased by €19.9 million, impacted by the implementation of the price programme in K Group grocery stores and a weak foodservice market. The comparable operating profit for the building and technical trade division increased by €9.4 million. The figure was impacted by the gradual recovery in the construction cycle and tight price competition in technical trade. Profitability in building and home improvement trade was burdened by a €5.7 million (€2.5 million) expense related to acquisitions, recorded in the allocation of fair value. The share of result from Kesko Senukai was down by €1.4 million. The comparable operating profit for the car trade division increased by €13.8 million. The comparable operating profit for the car trade businesses increased by €13.1 million as net sales grew. In sports trade, the comparable operating profit increased by €0.7 million on the comparison period.

Items affecting comparability, € million	1–12/2025	1–12/2024
Operating profit, comparable	**654.9**	**650.1**
Items affecting comparability		
+gains on disposal	+15.7	+11.4
-losses on disposal	-2.8	-1.6
-Impairment charges	-13.7	-40.0
+/- structural arrangements	-22.8	-40.4
Items affecting comparability, total	-23.6	-70.6
Operating profit	**631.3**	**579.5**

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The most significant items affecting comparability were related to sales gains on properties, to the reorganisation of technical trade in Sweden, including a €11.0 million write-down of goodwill, and to structural arrangements. In the comparison period, the most significant items affecting comparability were related to a write-down of goodwill in the Norwegian Byggmakker building and home improvement trade chain, to the reorganisation of the K-Rauta chain in Sweden, in which the Swedish building and home improvement trade operations were concentrated under the K-Bygg chain, to costs related to the discontinuation of the Neste K chain, and to acquisitions.

K Group's (Kesko and the chain stores) retail and B2B sales (0% VAT) totalled €15,401.7 million, representing an increase of 2.2%. During the 12-month period that ended in December 2025, the number of Finnish households belonging to the K-Plussa loyalty scheme and using the K-Plussa network totalled 2.7 million, with 3.4 million K-Plussa loyalty card users.

Net finance costs, income tax and earnings per share

	1–12/2025	1–12/2024
Net finance costs, € million	-125.4	-111.7
Interests on lease liabilities, € million	-89.4	-78.6
Profit before tax, comparable, € million	533.8	543.0
Profit before tax, € million	510.3	471.5
Income tax, € million	-105.5	-92.0
Earnings per share, comparable, €	1.07	1.11
Earnings per share, €	1.02	0.95
Equity per share, €	7.03	6.84

The increase in Group net finance costs was impacted by an increase in the amount of interest-bearing debt and a rise in interest expenses on lease liabilities. The share of result of associates totalled €4.4 million (€3.8 million). The comparable share of result of associates totalled €3.0 million (€3.8 million).

The Group's effective tax rate was 20.7% (19.5%).

The Group's earnings per share increased compared to the year before, but the comparable earnings per share decreased.

Cash flow and financial position

€ million	1–12/2025	1–12/2024
Cash flow from operating activities	879.7	1,008.2
Cash flow from investing activities	-541.8	-597.5
Cash flow from financing activities	-644.7	-149.8

€ million	31.12.2025	31.12.2024
Liquid assets	166.2	488.1
Interest-bearing liabilities	3,572.6	3,396.3
Lease liabilities	2,097.5	2,051.0
Interest-bearing net debt excl. lease liabilities	1,308.9	857.2
Interest-bearing net debt/ EBITDA, excl. IFRS 16 impact	1.6	1.1
Gearing, %	120.5	106.3
Equity ratio, %	32.2	32.5

The Group's cash flow from operating activities totalled €879.7 million (€1,008.2 million), weakened by an increase in working capital. A change in the Finnish Food Market Act, which came into effect on 1 July 2025, led to shorter payment periods, which is estimated to have weakened the cash flow from operating activities by some €100 million in the reporting period.

The Group's cash flow from investing activities totalled €-541.8 million (€-597.5 million), impacted by acquisitions in Denmark, which had a total cash flow impact of €-156.8 million. Cash flow from investing activities was reduced by proceeds of €102.1 million from the sale of properties and other non-current assets.

The Group's net debt excluding lease liabilities was increased by a year-on-year decrease in cash flow from operating activities, completed acquisitions, and investments made in the store site network for grocery trade and Onninen and K-Auto's shared logistics centre.

Capital expenditure

€ million	1–12/2025	1–12/2024
Capital expenditure	**735.7**	**675.9**
Store sites	334.4	289.2
Acquisitions	185.8	172.9
IT	22.8	18.0
Other investments	192.8	195.8

Capital expenditure in store sites increased by €45.2 million year-on-year. Capital expenditure in store sites include a store property in Kaarina, where Kesko's grocery trade has long been the primary tenant, and a shopping centre property in Vantaa. Capital expenditure in store sites in the comparison period included store properties in Espoo and Salo, where Kesko's grocery trade has long been the primary tenant.

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Other capital expenditure included an investment of €40.4 million (€82.8 million) in the construction of Onninen and K-Auto's shared logistics centre in Hyvinkää, Finland, completed in August. Capital expenditure also included the acquisitions of the Danish builders' merchants Roslev Trælasthandel A/S (completed on 31 January 2025), CF Petersen & Søn A/S (completed on 30 April 2025), and Tømmergaarden A/S (completed on 28 May 2025). Capital expenditure in the comparison period included the acquisition of Davidsen Koncernen A/S, completed on 31 January 2024.

Segments

Grocery trade

	1–12/2025	1–12/2024
Net sales, € million	6,447.4	6,381.4
Operating profit, comparable, € million	418.1	438.0
Operating margin, comparable, %	6.5	6.9
Return on capital employed, comparable, %	14.1	16.0
Capital expenditure, € million	309.2	276.0
Average number of personnel converted into full-time employees	6,264	6,346

Net sales for the grocery trade division totalled €6,447.4 million (€6,381.4 million), an increase of 1.0%. Sales to K Group grocery store chains grew by 1.9%. Net sales for Kespro's foodservice business decreased by 0.3%.

The total grocery retail market in Finland (incl. VAT) is estimated to have grown by approximately 2.5% (Finnish Grocery Trade Association PTY), and retail prices are estimated to have risen by some 2.1% (incl. VAT, Statistics Finland). K Group's grocery sales grew by 2.1% (incl. VAT). In January-December, K Group grocery stores lost market share slightly, but the trend was very close to the market trend. K Group grocery stores gained market share in July-December by 0.2 percentage points, and in the final quarter by 0.5 percentage points (PTY). Online grocery sales grew by 7.9%, and accounted for approximately 3.9% of K Group's grocery sales (incl. VAT). All K Group grocery store chains offer online grocery services. The number of K Group stores offering online grocery services was 788, up by 12 from the previous year. The total market for the foodservice business is estimated to have decreased by 0.4% (PTY). Kespro's market share is estimated to have continued to grow.

The comparable operating profit for the grocery trade division totalled €418.1 million (€438.0 million), down by €19.9 million. The change in comparable operating profit was impacted by the implementation of the price programme in K Group grocery stores and a weak foodservice market. Kespro's comparable operating profit totalled €72.1 million (€77.8 million). Operating profit for the grocery trade division totalled €416.6 million (€420.9 million). Items affecting comparability totalled €-1.5 million (€-17.2 million), and were mainly related to the discontinuation of the Neste K chain and to gains on the sale of properties.

Capital expenditure for the grocery trade division totalled €309.2 million (€276.0 million). Capital expenditure in store sites totalled €289.3 million (€255.2 million). Capital expenditure in store sites included a store property in Kaarina where Kesko's grocery trade has long been the primary tenant, a shopping centre property in Vantaa, and a new store property in Lahti. Capital expenditure in store sites in the comparison period included store properties in Espoo and Salo, where Kesko's grocery trade has long been the primary tenant.

Net sales, € million	1–12/2025	1–12/2024	Change, %	Change, comparable, %
Sales to K Group grocery stores	4,616.4	4,529.3	+1.9	+1.9
K-Citymarket, non-food	604.1	602.6	+0.2	+0.2
Kespro	1,166.6	1,169.6	-0.3	-0.3
Others	60.3	79.8	-24.5	-25.3
Total	**6,447.4**	**6,381.4**	**+1.0**	**+1.0**

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Building and technical trade

	1–12/2025	1–12/2024
Net sales, € million	**4,685.8**	**4,351.6**
Building and home improvement trade	2,471.9	2,160.7
Technical trade	2,285.4	2,255.0
Operating profit, comparable, € million	**178.6**	**169.1**
Building and home improvement trade	75.3	62.6
Technical trade	89.4	90.5
Kesko Senukai	19.5	20.9
Operating margin, comparable, %	**3.8**	**3.9**
Building and home improvement trade	3.0	2.9
Technical trade	3.9	4.0
Return on capital employed, comparable, %	7.3	7.8
Capital expenditure, € million	279.7	293.7
Average number of personnel converted into full-time employees	6,853	6,538

Net sales for the building and technical trade division increased by 7.7%. In comparable terms, net sales increased by 1.4%. The gradual recovery in the construction cycle continued, but the pace of recovery was weaker than expected especially in new housing construction. The growth in the division's net sales was underpinned in particular by acquisitions. In technical trade, net sales increased by 1.3%, while in comparable terms, net sales increased by 1.1%. In building and home improvement trade, net sales increased by 14.4% while in comparable terms, net sales increased by 2.0%. The figures of the Danish building and home improvement trade companies acquired have been consolidated into the division's figures as follows: Roslev Trælasthandel A/S as of 1 February 2025, CF Petersen & Søn A/S as of 1 May 2025, and Tømmergaarden A/S as of 1 June 2025. Net sales development in euro terms was increased by the strengthening of the Polish zloty and Swedish krona, and decreased by the weakening of the Norwegian krone against the euro.

In Finland, net sales for the building and technical trade division totalled €1,966.4 million (€1,967.9 million), a decrease of 0.1%. Net sales from international operations totalled €2,719.4 million (€2,383.7 million), an increase of 14.1% thanks to the acquisitions carried out. In comparable terms, net sales from international operations increased by 2.6%.

The comparable operating profit for the building and technical trade division totalled €178.6 million (€169.1 million), and it increased by €9.4 million. The figure was impacted by the slow recovery in the construction cycle and tight price competition, especially in technical trade. Profitability in building and home improvement trade was burdened by a €5.7 million (€2.5 million) expense related to acquisitions, recorded in the allocation of fair value.

Onninen's comparable operating profit in Finland totalled €57.0 million (€69.0 million). The share of result from Kesko Senukai decreased by €1.4 million.

Operating profit for the building and technical trade division totalled €159.2 million (€116.3 million). Items affecting comparability totalled €-19.4 million (€-52.8 million). The most significant items affecting comparability were related to the reorganisation of technical trade in Sweden, including a €11.0 million write-down of goodwill. The most significant items affecting comparability in the comparison period were related to a write-down of goodwill in the Norwegian Byggmakker building and home improvement trade chain, to the reorganisation of the K-Rauta chain in Sweden, in which the Swedish building and home improvement trade operations were concentrated in the K-Bygg chain, and to acquisitions.

Net sales, € million	1–12/2025	1–12/2024	Change, %	Change, comparable, %
Building and home improvement trade, Finland	899.6	888.4	+1.3	+1.3
K-Rauta, Sweden	0.2	101.6	-	-
K-Bygg, Sweden	343.2	277.0	+23.9	-3.3
Byggmakker, Norway	520.0	517.9	+0.4	+1.2
Davidsen, Denmark	709.0	379.8	+86.7	+9.7
Building and home improvement trade, total	**2,471.9**	**2,160.7**	**+14.4**	**+2.0**
Technical trade, Finland	1,121.7	1,132.1	-0.9	-0.9
Technical trade, Sweden	134.4	130.6	+2.9	-0.4
Technical trade, Norway	503.2	501.7	+0.3	+1.1
Technical trade, Baltics	153.5	127.4	+20.5	+20.5
Technical trade, Poland	378.4	368.1	+2.8	+1.2
Technical trade, total	**2,285.4**	**2,255.0**	**+1.3**	**+1.1**
Total	**4,685.8**	**4,351.6**	**+7.7**	**+1.4**

The reorganisation of the K-Rauta chain in Sweden was completed in December 2024. In October-November 2024, a total of 8 K-Rauta stores were transferred under the K-Bygg chain. The comparable change in K-Bygg net sales has been calculated in local currencies by adding the net sales of the transferred K-Rauta stores to the comparison period figures at dates corresponding to the change in store chains.

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Operating profit, comparable, € million	1–12/2025	1–12/2024
Building and home improvement trade, Finland	61.2	61.3
K-Rauta, Sweden	1.4	-3.2
K-Bygg, Sweden	-8.8	-1.5
Byggmakker, Norway	8.9	-3.5
Davidsen, Denmark	11.9	8.3
Building and home improvement trade, total	**75.3**	**62.6**
Technical trade, Finland	57.0	69.0
Technical trade, Sweden	-6.9	-2.7
Technical trade, Norway	19.7	8.2
Technical trade, Baltics	4.0	1.9
Technical trade, Poland	11.6	10.2
Technical trade, total	**89.4**	**90.5**
Total	**178.6**	**169.1**

Capital expenditure for the building and technical trade division totalled €279.7 million (€293.7 million). Capital expenditure included an investment of €40.4 million in the construction of Onninen and K-Auto's shared logistics centre in Hyvinkää, Finland, completed in August 2025. Capital expenditure also included the acquisitions of the Danish builders' merchants Roslev Trælasthandel A/S (completed on 31 January 2025), CF Petersen & Søn A/S (completed on 30 April 2025), and Tømmergaarden A/S (completed on 28 May 2025). Capital expenditure in the comparison period included the acquisition of the Danish building and home improvement trade company Davidsen Koncernen A/S, completed on 31 January 2024.

Car trade

	1–12/2025	1–12/2024
Net sales, € million	**1,364.8**	**1,209.4**
Car trade	1,196.2	1,040.9
Sports trade	168.8	168.7
Operating profit, comparable, € million	**83.1**	**69.3**
Car trade	74.8	61.7
Sports trade	8.3	7.6
Operating margin, comparable, %	**6.1**	**5.7**
Car trade	6.3	5.9
Sports trade	4.9	4.5
Return on capital employed, comparable, %	15.5	13.8
Capital expenditure, € million	125.0	89.0
Average number of personnel converted into full-time employees	1,638	1,556

Net sales for the car trade division increased by 12.9%, while in comparable terms, net sales increased by 12.0%. Of the car trade businesses, net sales increased in new cars, used cars and services. Net sales for sports trade also increased.

The combined market performance of first registrations of passenger cars and vans was -1.6%. The combined market share of the Volkswagen, Audi, SEAT, CUPRA, Porsche and Bentley passenger cars and Volkswagen vans imported by Kesko's car trade division was 17.3% (14.5%).

The comparable operating profit for the car trade division totalled €83.1 million (€69.3 million). The comparable operating profit for the car trade businesses increased by €13.1 million, thanks to growth in net sales. In sports trade, the comparable operating profit increased by €0.7 million year-on-year.

Operating profit for the car trade division totalled €82.4 million (€69.3 million). Items affecting comparability totalled €-0.7 million (€0.0 million).

Capital expenditure for the car trade division totalled €125.0 million (€89.0 million).

Net sales, € million	1–12/2025	1–12/2024	Change, %	Change, comparable, %
Car trade	1,196.2	1,040.9	+14.9	+13.9
Sports trade	168.8	168.7	+0.1	+0.1
Total	**1,364.8**	**1,209.4**	**+12.9**	**+12.0**

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Changes in Group composition

Kesko's Danish subsidiary Davidsen Koncernen A/S acquired the full capital stocks of the Danish builders' merchants Roslev Trælasthandel A/S on 31 January 2025, CF Petersen & Søn A/S on 30 April 2025, and Tømmergaarden A/S on 28 May 2025. Kesko Corporation's fully-owned subsidiary K-Market Oy merged with Kesko Corporation on 31 October 2025.

Key events during the financial year

Kesko ranked as the world's most sustainable company in the 'Consumer Staples' category on the 2025 'Global 100 Most Sustainable Corporations' listing. (Investor news release 22.1.2025)

Kesko announced in August 2024 that it would acquire the Danish builders' merchants Roslev Trælasthandel A/S, CF Petersen & Søn A/S, and Tømmergaarden A/S. The acquisition of Roslev was completed on 31 January 2025, the acquisition of CF Petersen & Søn on 30 April 2025, and the acquisition of Tømmergaarden on 28 May 2025. (Investor news releases 14.8.2024, 31.1.2025, 30.4.2025 and 28.5.2025)

Kesko ranked the highest among European sector companies on the first ever 'Europe 50 Most Sustainable Companies' listing. The Canadian media and research organisation Corporate Knights has been publishing a ranking of the world's 100 most sustainable corporations for years, and for the first time now listed the 50 most sustainable companies in Europe. In the listing, Kesko ranked the highest in the 'Grocery Stores' peer group, and 19th overall. (Investor news release 9.6.2025)

The two largest shareholders in Kesko by voting rights on 1 September 2025 were K-Retailers' Association and Ilmarinen Mutual Pension Insurance Company, both of which used their right of nomination for Kesko's Shareholders' Nomination Committee. The members of Kesko's Shareholders' Nomination Committee are Pauli Jaakola, retailer, appointed by K-Retailers' Association, Annika Ekman, EVP, Investments, appointed by Ilmarinen Mutual Pension Insurance Company, and Esa Kiiskinen, Chair of Kesko's Board of Directors. At its organisational meeting on 23 September 2025, the Committee elected Pauli Jaakola as Committee Chair. (Stock exchange release 23.9.2025)

Minttu Sinisalo, M.Sc. (Econ.), was appointed as Executive Vice President, HR and a member of Kesko's Group Management Board as of 1 March 2026. Sinisalo comes to Kesko from Terveystalo, where she held the position of Senior Vice President, HR. Before joining Terveystalo, Sinisalo held various HR leadership positions at Finnair. Kesko's current Executive Vice President of HR Matti Mettälä will retire, as per his agreement, on 1 March 2026. To ensure a smooth transfer of duties, Minttu Sinisalo joined Kesko on 1 January 2026. (Stock exchange release 30.9.2025)

According to a notification pursuant to Chapter 9, Section 5 of the Finnish Securities Markets Act, received by Kesko Corporation on 14 November 2025, the combined holding of K-ruokakauppiasyhdistys, K-Retailers' Association, and the Foundation for Vocational Training in the Retail Trade exceeded the threshold of 5% for shares and 20% for voting rights in Kesko Corporation on 13 November 2025. After the change in ownership interest, the combined holding of K-ruokakauppiasyhdistys, K-Retailers' Association, and the Foundation for Vocational Training in the Retail Trade was 7.72% of the shares and 20.01% of the voting rights in Kesko on 13 November 2025. (Stock exchange release 14.11.2025)

Resolutions of the 2025 Annual General Meeting

The Annual General Meeting of Kesko Corporation held on 24 March 2025 adopted the company's financial statements for 2024. The Annual General Meeting resolved to distribute a dividend of €0.90 per share – based on the adopted balance sheet for 2024 – on shares held outside the company at the time of distribution. The remaining distributable assets remain in equity. The dividend was paid in four instalments: the record date of the first dividend instalment of €0.23/share was 26 March 2025 and the pay date 2 April 2025; the record date of the second dividend instalment of €0.22/share was 15 July 2025 and the pay date was 22 July 2025; the record date of the third dividend instalment of €0.23/share was 14 October 2025 and the pay date 21 October 2025; and the record date of the fourth dividend instalment of €0.22/share was 13 January 2026 and the pay date 20 January 2026. The Board was authorised to decide, if necessary, on new dividend payment record dates and pay dates for the second, third and/or fourth instalments, if the rules and statutes of the Finnish book-entry system change or otherwise so require, or if the payment of dividends is prevented by laws or regulations applied.

The resolutions of the Annual General Meeting were communicated in more detail in a stock exchange release issued on 24 March 2025.

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Information contained in the notes to the financial statements

Information on the Group's personnel is disclosed in Note 2.5.

Financial risks are presented in Note 4.3 and information on financial instruments measured at fair value is disclosed in Note 4.5.

Related party transactions are disclosed in Note 5.2.

Information on disputes and legal and authority proceedings is disclosed in Note 5.4.

Corporate governance statement

Kesko Corporation issues the Corporate Governance Statement in compliance with the reporting requirements of the Finnish Corporate Governance Code 2025 issued by the Finnish Securities Market Association and effective as of 1 January 2025. Kesko Corporation issues the statement separately from the Report by the Board of Directors.

Risk management

Risk management at Kesko is proactive and an integral part of day-to-day management to assess and manage business-related opportunities and risks.

Kesko's divisions and common operations are responsible for identifying, assessing, handling and managing risks related to their operations, and they report on risks, risk management responses and the results of those responses to the Group risk management function. Members of the Group Management Board are responsible for the effective and efficient implementation of internal control and risk management in their respective areas of responsibility.

A risk management function independent of businesses is responsible for providing a framework and guidance for internal control and risk management, and it supports, coordinates and supervises risk management implementation in Kesko Group. The Chief Audit and Risk Officer reports functionally to the Chair of the Audit Committee and administratively to Kesko's President and CEO on matters related to internal audit, and to the Group's Chief Financial Officer on matters related to risk management. The Risk Management Steering Group headed by the Chief Financial Officer is responsible for establishing the Group's overview of the risk situation. The President and CEO is responsible for the effectiveness and efficiency of the Group's risk management, and approves Group risk reports before they are reviewed by the Board of Directors. Kesko's Board of Directors monitors and assesses the effectiveness of risk management and supervises the assessment of risks related to the company's strategy and operations and their management, aided by the Audit Committee.

The Group's most significant risks and uncertainties, as well as material changes in and management responses to them, including indicators, are reported to Kesko Board's Audit Committee quarterly in connection with the review of interim reports, the half-year financial report, and the financial statements. The Audit Committee Chair reports on risk management to the Board as part of Audit Committee reporting. The most significant risks and uncertainties and emerging risks are reported to the market by the Board in the Report by the Board of Directors, and any material changes in them in the interim reports and the half-year financial report.

Potential risks and uncertainties

Consumer confidence and corporate investments

Weak consumer confidence and corporate investment appetites could impact demand in all operating countries. Low demand, a decrease in sales, and price competition could increase margin and cost pressures in all divisions.

Geopolitical and supply chain risks

Instability in the international operating environment, changes in trade and economic policy, and potential disruptions in supply chains could impact product availability and business continuity.

Implementation of strategic projects and changes

Challenges in implementing growth strategies, acquisitions, or changes in business models could impact the company's ability to achieve its objectives.

Strengthening of market shares

Tightening price competition and a decrease in market shares in different businesses and operating countries could weaken net sales and profit.

Store sites and properties

Risks related to the upkeep, development and occupancy rates of store sites and properties could impact business profitability.

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Financing and cash flow
Growing financing costs combined with potentially weakening cash flow from operating activities could impact business profitability and the company's ability to invest.

Cybersecurity and data protection risks
Cyber-attacks and data leaks could result in business disruptions, loss of data, and reputational damage.

Business disruptions
Events such as a major disturbance in a logistics centre could result in extensive interruptions in deliveries and financial loss.

Regulations and legislation
Changes in national and international regulations, for example restrictions related to private label products or new sustainability requirements, could impact the operating conditions for business and profitability.

Product and food safety
Serious deviations in product or food safety could result in the recall of products, financial loss, and reputational damage.

Sustainability and climate risks
Risks related to climate change, and environmental and social responsibility and the fulfilment of requirements related to these could impact business continuity and reputation.

Reporting to the capital markets
Tightening of requirements for financial reporting and sustainability reporting will increase requirements for data collection and reporting accuracy.

Proposal for profit distribution

The Board of Directors of Kesko Corporation proposes to the Annual General Meeting to be held on 26 March 2026 that a dividend of €0.90 per share be paid for the year 2025 based on the adopted balance sheet on shares held outside the company at the date of dividend distribution. The remaining distributable assets will remain in equity. The Board proposes that the dividend be paid in four instalments.

The first instalment of €0.23 per share is to be paid to shareholders registered in the company's register of shareholders kept by Euroclear Finland Ltd on the instalment's record date 30 March 2026. The Board proposes that the dividend instalment pay date be 8 April 2026.

The second instalment of €0.22 per share is to be paid to shareholders registered in the company's register of shareholders kept by Euroclear Finland Ltd on the instalment's record date 16 July 2026. The Board proposes that the dividend instalment pay date be 23 July 2026.

The third instalment of €0.23 per share is to be paid to shareholders registered in the company's register of shareholders kept by Euroclear Finland Ltd on the instalment's record date 15 October 2026. The Board proposes that the dividend instalment pay date be 22 October 2026.

The fourth instalment of €0.22 per share is to be paid to shareholders registered in the company's register of shareholders kept by Euroclear Finland Ltd on the instalment's record date 14 January 2027. The Board proposes that the dividend instalment pay date be 21 January 2027.

The Board proposes that it be authorised to decide, if necessary, on new dividend payment record dates and pay dates for one or more dividend instalments, if the rules and statutes of the Finnish book-entry system change or otherwise so require, or if the payment of dividends is prevented by laws or regulations applied.

As at the date of the proposal for the distribution of profit, 4 February 2026, a total of 398,118,827 shares were held outside the company, and the corresponding total amount of dividends is €358,306,944.30.

Kesko Corporation's distributable assets total €1,547,000,994.36, of which profit for the financial year is €363,101,477.81.

Annual General Meeting

The Board of Directors has decided that Kesko's Annual General Meeting will be held on 26 March 2026 at 1.00 pm (EET). Kesko Corporation will publish a notice of the General Meeting on its website and as a stock exchange release on 5 February 2026.

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Shares and securities markets

At the end of 2025, the total number of shares in Kesko Corporation was 400,079,008, of which 126,948,028 or 31.7%, were A shares, and 273,130,980 or 68.3%, were B shares. On 31 December 2025, Kesko Corporation held 1,960,181 of its own B shares as treasury shares.

These treasury shares accounted for 0.72% of the total number of B shares, 0.49% of the total number of shares, and 0.13% of the votes attached to all shares in the company. The total number of votes attached to all shares was 1,542,611,260. Each A share carries ten (10) votes and each B share one (1) vote. The company cannot vote with own shares held by it as treasury shares and no dividend is paid on such shares. At the end of 2025, Kesko Corporation's share capital was €197,282,584.

The price of a Kesko A share quoted on Nasdaq Helsinki was €18.06 at the end of 2024 and €19.25 at the end of 2025, representing an increase of 6.6%. Meanwhile, the price of a Kesko B share was €18.18 at the end of 2024 and €19.26 at the end of 2025, representing an increase of 5.9%. In 2025, the highest price for an A share was €21.05 and the lowest €17.18, while the highest price for a B share was €21.46 and the lowest €17.14. The Nasdaq Helsinki All-Share index (OMX Helsinki) was up by 30.2% and the weighted OMX Helsinki Cap index up by 29.7% in 2025. The Retail Sector Index was down by 2.0%.

The market capitalisation of Kesko's A shares was €2,444 million at the end of 2025, while the market capitalisation of Kesko's B shares was €5,223 million, excluding the shares held by the parent company as treasury shares. The combined market capitalisation of the A and B shares was €7,666 million, up by €447 million compared to the end of 2024.

In 2025, a total of 5.1 million Kesko A shares were traded on Nasdaq Helsinki. The exchange value of the A shares was €97.5 million. Meanwhile, 127.9 million B shares were traded, for an exchange value of €2,433.9 million. Nasdaq Helsinki accounted for over 96% of the trading on Kesko's A and B shares. Kesko shares were also traded on multilateral trading facilities, the most significant of which were Turquoise and BATS (source: Euroland).

At the end of 2025, the number of registered shareholders was 123,946. At the end of 2025, foreign ownership of all shares stood at 31.6%, and foreign ownership of B shares 45.5%.

Share performance turnover

		2023	2024	2025
Share price as at 31 Dec.				
A share	€	18.02	18.06	19.25
B share	€	17.93	18.18	19.26
Average share price				
A share	€	18.47	17.80	18.96
B share	€	18.49	17.56	19.03
Market capitalisation as at 31 Dec., A share	€ million	2,287.6	2,292.7	2,443.7
Market capitalisation as at 31 Dec., B share	€ million	4,855.8	4,926.9	5,222.7
Turnover				
A share	Million pcs	6	5	5
B share	Million pcs	143	139	128
Relative turnover rate				
A share	%	4.4	4.1	4.0
B share	%	52.3	50.5	46.7
Diluted average number of shares	Thousand pcs	397,706	397,922	398,084

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Analysis of shareholding

Analysis of shareholding by shareholder type as at 31 Dec. 2025

All shares	Number of shares, pcs	Percentage of all shares, %
Nominee-registered and non-Finnish holders	126,377,951	31.59
Households	106,371,591	26.59
Non-financial corporations and housing corporations	95,812,954	23.95
General government*	34,716,861	8.68
Non-profit institutions serving households**	21,779,044	5.44
Financial and insurance corporations	15,020,607	3.75
Total	**400,079,008**	**100.00**

A shares	Number of shares, pcs	Percentage of A shares, %	Percentage of all shares, %
Non-financial corporations and housing corporations	74,835,733	58.95	18.71
Households	23,825,625	18.77	5.96
General government*	14,169,777	11.16	3.54
Non-profit institutions serving households**	11,557,426	9.10	2.89
Nominee-registered and non-Finnish holders	2,165,368	1.71	0.54
Financial and insurance corporations	394,099	0.31	0.10
Total	**126,948,028**	**100.00**	**31.73**

B shares	Number of shares, pcs	Percentage of B shares, %	Percentage of all shares, %
Nominee-registered and non-Finnish holders	124,212,583	45.48	31.05
Households	82,545,966	30.22	20.63
Non-financial corporations and housing corporations	20,977,221	7.68	5.24
General government*	20,547,084	7.52	5.14
Financial and insurance corporations	14,626,508	5.36	3.66
Non-profit institutions serving households**	10,221,618	3.74	2.55
Total	**273,130,980**	**100.00**	**68.27**

* General government, for example, municipalities, the provincial administration of Åland, authorised pension providers and social security funds
** Non-profit institutions, for example, foundations awarding scholarships, organisations safeguarding certain interests and various charitable associations

Analysis of shareholding by number of shares as at 31 Dec. 2025

All shares Number of shares	Number of shareholders, pcs	Percentage of share-holders, %	Share total, pcs	Percentage of shares, %
1–100	54,155	43.69	2,173,083	0.54
101–500	37,277	30.08	9,493,313	2.37
501–1,000	11,837	9.55	8,830,691	2.21
1,001–5,000	15,295	12.34	34,651,638	8.66
5,001–10,000	2,693	2.17	19,137,008	4.78
10,001–50,000	2,237	1.80	45,179,918	11.29
50,001–100,000	228	0.18	15,733,361	3.93
100,001–500,000	183	0.15	35,678,922	8.92
500,001–	41	0.03	229,201,074	57.29
Total	**123,946**	**100.00**	**400,079,008**	**100.00**

A shares Number of shares	Number of shareholders, pcs	Percentage of A share-holders, %	A share total, pcs	Percentage of A shares, %
1–100	17,626	56.25	613,578	0.48
101–500	7,374	23.53	1,793,033	1.41
501–1,000	1,795	5.73	1,336,688	1.05
1,001–5,000	2,713	8.66	6,903,083	5.44
5,001–10,000	745	2.38	5,377,192	4.24
10,001–50,000	852	2.72	17,769,053	14.00
50,001–100,000	120	0.38	8,577,279	6.76
100,001–500,000	97	0.31	19,182,162	15.11
500,001–	12	0.04	65,395,960	51.51
Total	**31,334**	**100.00**	**126,948,028**	**100.00**

B shares Number of shares	Number of shareholders, pcs	Percentage of B share-holders, %	B share total, pcs	Percentage of B shares, %
1–100	40,468	40.58	1,701,292	0.62
101–500	31,635	31.72	8,187,581	3.00
501–1,000	10,600	10.63	7,925,378	2.90
1,001–5,000	13,302	13.34	29,555,576	10.82
5,001–10,000	2,069	2.07	14,631,246	5.36
10,001–50,000	1,419	1.42	27,273,985	9.99
50,001–100,000	112	0.11	7,617,383	2.79
100,001–500,000	88	0.09	16,991,001	6.22
500,001–	26	0.03	159,247,538	58.30
Total	**99,719**	**100.00**	**273,130,980**	**100.00**

10 largest shareholders by number of shares held as at 31 Dec. 2025

		Number of shares, pcs	Percentage of shares, %	Number of votes	Percentage of votes, %
1.	K-Retailers' Association	22,318,567	5.58	223,185,670	14.47
2.	Ilmarinen Mutual Pension Insurance Company	14,188,000	3.55	138,028,000	8.95
3.	Vähittäiskaupan Takaus Oy	13,195,008	3.30	131,950,080	8.55
4.	Varma Mutual Pension Insurance Company	8,039,873	2.01	8,039,873	0.52
5.	Elo Mutual Pension Insurance company	6,559,725	1.64	10,211,250	0.66
6.	Foundation for Vocational Training in the Retail Trade	5,889,883	1.47	58,898,830	3.82
7.	The State Pension Fund	3,500,000	0.87	3,500,000	0.23
8.	K-Food Retailers' Club	2,710,442	0.68	27,104,420	1.76
9.	Heimo Välinen Oy	2,000,000	0.50	20,000,000	1.30
10.	Oy The English Tearoom Ab	2,000,000	0.50	2,000,000	0.13

Table above includes registered shareholders. The table does not contain shares held by Kesko Corporation, amounting to 1,960,181 on 31 December 2025.

Nominee-registered shareholder BlackRock, Inc held 5,43% of shares and 1.41% of votes in Kesko Corporation on 31 December 2025 (stock exchange release 3 July 2025).

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10 largest shareholders by number of votes as at 31.12.2025

		Number of shares, pcs	Percentage of shares, %	Number of votes	Percentage of votes, %
1.	K-Retailers' Association	22,318,567	5.58	223,185,670	14.47
2.	Ilmarinen Mutual Pension Insurance Company	14,188,000	3.55	138,028,000	8.95
3.	Vähittäiskaupan Takaus Oy	13,195,008	3.30	131,950,080	8.55
4.	Foundation for Vocational Training in the Retail Trade	5,889,883	1.47	58,898,830	3.82
5.	K-Food Retailers' Club	2,710,442	0.68	27,104,420	1.76
6.	Heimo Välinen Oy	2,000,000	0.50	20,000,000	1.30
7.	Food Paradise Oy	1,444,072	0.36	14,440,720	0.94
8.	Elo Mutual Pension Insurance company	6,559,725	1.64	10,211,250	0.66
9.	Varma Mutual Pension Insurance Company	8,039,873	2.01	8,039,873	0.52
10.	Pokela Oy Iso Omena	793,154	0.20	7,926,554	0.51

Management's shareholdings

At the end of December 2025, Kesko Corporation's Board members, the President and CEO and the corporations controlled by them held 774,910 Kesko Corporation A shares and 396,793 Kesko Corporation B shares, i.e. a total of 1,171,703 shares, which represents 0.29% of the total number of shares and 0.53% of votes carried by all shares of the Company.

At 31 December 2025 the President and CEO held 254,443 Kesko Corporation B shares, which represented 0.06% of the total number of shares and 0.02% of votes carried by all shares of the Company. At 31 December 2025, the Group Management Board including the President and CEO held 2,824 Kesko Corporation A shares and 635,757 Kesko Corporation B shares, which represented 0.16% of the total number of shares and 0.04% of votes carried by all shares of the Company.

Board authorities

Kesko has a share-based commitment and incentive scheme. To implement the scheme, Kesko's Board of Directors may decide, within the share issue authorisations granted by the company's General Meeting, to transfer Kesko B shares held by the company as treasury shares. In 2025, Kesko Corporation transferred 156,490 Kesko B shares held as treasury shares to members of management and other key persons in the company, while a total of 1,205 B shares were returned to Kesko in accordance with the terms and conditions of Kesko's share award plans. Kesko issued related stock exchange releases on 12 March 2025, 30 April 2025 and 18 September 2025. Kesko issued a stock exchange release on 5 February 2025 regarding the most recent share-based commitment and incentive plans. In addition, Kesko transferred 7,134 B shares held by the company as treasury shares to members of Kesko's Board of Directors as part of their annual fees, and issued a related stock exchange release on 30 April 2025.

Kesko's Annual General Meeting of 24 March 2025 authorised the Board to decide on the issuance of a maximum of 33,000,000 new B series shares or B shares held by the company as treasury shares, and on the repurchase of a maximum of 16,000,000 of the company's own B shares. The authorisations are valid until 30 June 2026, and were communicated in a stock exchange release issued on 24 March 2025.

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Group's key performance indicators

		2023	2024	2025
Income statement				
Net sales	€ million	11,783.8	11,920.1	12,474.7
Change in net sales	%	-0.2	1.2	4.7
Change in net sales, comparable	%	-0.8	-2.3	2.3
Operating profit, comparable	€ million	712.0	650.1	654.9
Operating margin, comparable	%	6.0	5.5	5.3
Operating profit	€ million	695.4	579.5	631.3
Operating margin	%	5.9	4.9	5.1
Profit for the period	€ million	495.6	379.1	404.2
Profit for the period as percentage of net sales	%	4.2	3.2	3.2
Profitability				
Return on equity	%	18.0	13.8	14.6
Return on equity, comparable	%	18.5	16.1	15.3
Return on capital employed	%	13.1	10.1	10.0
Return on capital employed, comparable	%	13.4	11.3	10.4
Funding and financial position				
Interest-bearing net debt	€ million	2,559.8	2,908.2	3,406.4
Interest-bearing net debt excluding lease liabilities	€ million	561.9	857.2	1,308.9
Gearing	%	92.8	106.3	120.5
Equity ratio	%	35.8	32.5	32.2
Interest-bearing net debt/EBITDA excluding the impact of IFRS 16		0.7	1.1	1.6
Interest-bearing net debt/EBITDA, IFRS		2.1	2.4	2.8

		2023	2024	2025
Other performance indicators				
Capital expenditure	€ million	678.9	675.9	735.7
Capital expenditure as percentage of net sales	%	5.8	5.7	5.9
Cash flow from operating activities	€ million	1,049.5	1,008.2	879.7
Cash flow from investing activities	€ million	-590.2	-597.5	-541.8
Average number of personnel converted into full-time employees		14,766	15,347	15,665
Personnel as at 31 Dec.		17,702	18,309	18,991

		2023	2024	2025
Share performance indicators				
Earnings/share, basic and diluted	€	1.25	0.95	1.02
Earnings/share, comparable, basic	€	1.28	1.11	1.07
Equity/share	€	6.93	6.84	7.03
Dividend/share*	€	1.02	0.90	0.90
Payout ratio	%	81.9	94.5	88.6
Payout ratio, comparable	%	79.7	80.9	84.5
Cash flow from operating activities/share	€	2.64	2.53	2.21
Price/earnings ratio (P/E), A share		14.46	18.95	18.96
Price/earnings ratio (P/E), B share		14.39	19.08	18.97
Effective dividend yield, A share	%	5.7	5.0	4.7
Effective dividend yield, B share	%	5.7	5.0	4.7

* Proposal to the General Meeting

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Calculation of performance indicators

Kesko uses alternative performance measures to reflect business performance and profitability. These indicators should be examined together with the IFRS-compliant performance indicators.

Change in comparable net sales is used to reflect changes in the Group's business volume between periods. The indicator reflects the change in net sales excluding the impact of acquisitions and divestments, in local currencies. The comparable net sales have been calculated by including in the net sales the business operations that have been part of Kesko Group in both the reporting period as well as the comparison period. Other structural arrangements related to acquisitions and divestments have been adjusted in the same manner as acquisitions.

Exceptional transactions outside the ordinary course of business are treated as items affecting comparability. Performance indicators reflecting comparable profit and profitability are used to improve the comparability of operational performance between periods. Gains and losses on disposal of real estate, shares and business operations, impairment charges and significant restructuring costs are identified as items affecting comparability. Gains on disposal have been presented within other operating income, and losses on disposal within other operating expenses in the income statement. Impairment charges and significant profit and loss items related to changes in lease agreements are presented in the income statement under depreciation, amortisation and impairment charges.

Alternative performance measures that have been adjusted for the impact of IFRS 16 are used to monitor the achievement of certain financial targets. The EBITDA excluding the impact of IFRS 16 corresponds to EBITDA before the adoption of IFRS 16, and the interest-bearing net debt excluding lease liabilities correspond to interest-bearing net debt before the adoption of the standard. These restated indicators are included as components in the Group's financial target "interest-bearing net debt excluding lease liabilities divided by EBITDA excluding the impact of IFRS 16".

In addition, financial performance indicators for the Group have been presented as alternative performance measures. The management uses these indicators to monitor and analyse business performance, profitability and financial position.

Profitability

Operating profit, comparable	Operating profit +/– items affecting comparability
Items affecting comparability	– gains on disposal + losses on disposal + impairment charges +/- structural arrangements
Return on equity, %	(Profit/loss before tax - Income tax) x 100 / Shareholders' equity, average of the beginning and end of the reporting period
Return on equity, %, comparable	(Profit/loss adjusted for items affecting comparability before tax - Income tax adjusted for the tax effect of items affecting comparability) x 100 / Shareholders' equity, average of the beginning and end of the reporting period
Return on capital employed, %	Operating profit x 100 / (Non-current assets + Inventories + Receivables + Other current assets - Non-interest-bearing liabilities) on average for the reporting period
Return on capital employed, %, comparable	Comparable operating profit x 100 / (Non-current assets + Inventories + Receivables + Other current assets - Non-interest-bearing liabilities) on average for the reporting period
EBITDA	Operating profit + Depreciation and amortisation + Impairments
EBITDA, comparable	EBITDA +/- items affecting comparability

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Funding, capital expenditure and financial position

Equity ratio, %	Shareholders' equity x 100 / (Total assets – Advances received)
Gearing, %	Interest-bearing net debt x 100 / Shareholders' equity
Interest-bearing net debt	Interest-bearing liabilities + Lease liabilities – Current other financial assets – Cash and cash equivalents
Interest-bearing net debt excluding lease liabilities	Interest-bearing net debt – Lease liabilities
Interest-bearing net debt excluding lease liabilities / EBITDA excluding the impact of IFRS 16	Interest-bearing net debt excluding lease liabilities / EBITDA excluding the impact of IFRS 16
Interest-bearing net debt / EBITDA, including the impact of IFRS 16	Interest-bearing net debt / EBITDA, including the impact of IFRS 16
Capital expenditure	Performance indicator includes investments in tangible and intangible assets, subsidiary shares, shares in associates and joint ventures and other shares. Additions of right-of-use assets for leases in the consolidated statement of financial position are not capital expenditure. Redemption of a leased property (right-of-use asset) is reported as capital expenditure.

Share performance indicators

Earnings/share, basic	(Profit/loss - Non-controlling interests) / Average number of shares
Earnings/share, diluted	(Profit/loss – Non-controlling interest) / Average diluted number of shares
Earnings/share, basic, comparable	(Profit/loss adjusted for items affecting comparability - Non-controlling interests adjusted for items affecting comparability) / Average number of shares
Equity/share	Equity attributable to owners of the parent / Basic number of shares at the balance sheet date
Payout ratio, %	(Dividend/share) x 100 / (Earnings/share)
Price/earnings ratio (P/E)	Share price at balance sheet date / (Earnings/share)
Effective dividend yield, %	(Dividend/share) x 100 / Share price at balance sheet date
Market capitalisation	Share price at balance sheet date x Number of shares
Cash flow from operating activities/share	Cash flow from operating activities / Average number of shares
Yield of A share and B share	Change in share price + Annual dividend yield

Reconciliation of alternative performance measures to IFRS financial statements

€ million	2025	2024
Items affecting comparability		
Gains on disposal	15.7	11.4
Losses on disposal	-2.8	-1.6
Impairment charges	-13.7	-40.0
Structural arrangements	-22.8	-40.4
Items in operating profit affecting comparability	**-23.6**	**-70.6**
Items in financial items affecting comparability	0.2	-0.8
Items in income taxes affecting comparability	3.4	7.7
Total items affecting comparability	**-20.0**	**-63.7**
Items in EBITDA affecting comparability	**0.6**	**-12.3**
Operating profit, comparable		
Operating profit	631.3	579.5
Net of		
Items in operating profit affecting comparability	-23.6	-70.6
Operating profit, comparable	**654.9**	**650.1**
EBITDA		
Operating profit	631.3	579.5
Plus		
Depreciation and impairment charges	239.1	247.9
Depreciation and impairment charges for right-of-use assets	359.1	375.5
EBITDA	**1,229.6**	**1,202.9**
EBITDA, comparable		
EBITDA	1,229.6	1,202.9
Net of		
Items in EBITDA affecting comparability	0.6	-12.3
EBITDA, comparable	**1,228.9**	**1,215.2**

€ million	2025	2024
Profit before tax, comparable		
Profit before tax	510.3	471.5
Net of		
Items in operating profit affecting comparability	-23.6	-70.6
Items in financial items affecting comparability	0.2	-0.8
Profit before tax, comparable	**533.8**	**543.0**
Net profit, comparable		
Profit before tax, comparable	533.8	543.0
Net of		
Income tax	105.5	92.0
Items in income taxes affecting comparability	3.4	7.7
Net profit, comparable	**424.8**	**443.3**
Net profit attributable to owners of the parent, comparable		
Net profit, comparable	424.8	443.3
Net of		
Net profit attributable to non-controlling interests	-0.7	-0.4
Net profit attributable to owners of the parent, comparable	**424.2**	**442.9**
Earnings per share, comparable, €		
Net profit attributable to the owners of the parent, comparable	424.2	442.9
Average number of shares, basic, 1,000 pcs	398,084	397,922
Earnings per share, comparable, €	**1.07**	**1.11**
Return on capital employed, %		
Operating profit	631.3	579.5
Capital employed, average	6,307.7	5,758.7
Return on capital employed, %	**10.0**	**10.1**
Return on capital employed, comparable, %		
Operating profit, comparable	654.9	650.1
Capital employed, average	6,307.7	5,758.7
Return on capital employed, comparable, %	**10.4**	**11.3**

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€ million	2025	2024
Return on equity, %		
Net profit	404.2	379.1
Equity, average	2,780.8	2,746.7
Return on equity, %	**14.6**	**13.8**
Return on equity, comparable, %		
Net profit, comparable	424.8	443.3
Equity, average	2,780.8	2,746.7
Return on equity, comparable, %	**15.3**	**16.1**
Equity ratio, %		
Shareholders' equity	2,826.7	2,734.9
Total assets	8,823.1	8,471.2
Advances received	40.2	43.4
Equity ratio, %	**32.2**	**32.5**

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Sustainability statement is part of the Report by the Board of Directors.

This PDF report has been published voluntarily. Kesko has published the Report by the Board of Directors and the consolidated financial statements as an XHTML document in accordance with the European Single Electronic Format (ESEF) reporting requirements. The ESEF version is the official version of the report. This report is a translation of the Finnish original.

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Kesko in brief

Kesko is a Finnish listed trading sector company. Kesko has approximately 1,700 stores engaged in chain operations in Finland, Sweden, Norway, Denmark, Estonia, Latvia, Lithuania and Poland.

Kesko Group's reportable segments consist of its business divisions, namely the grocery trade, the building and technical trade, and the car trade.

The Group's parent company, Kesko Corporation, is a Finnish public limited company constituted in accordance with the laws of Finland. The Company's business ID is 0109862-8, it is domiciled in Helsinki, Finland and its registered address is PO Box 1, 00016 KESKO, Finland.

Basis for preparation

General basis for preparation (BP-1)

Kesko's sustainability statement is prepared in accordance with the principles of the European Sustainability Reporting Standards (ESRS) as defined in the EU's Corporate Sustainability Reporting Directive (CSRD).

Kesko prepares Kesko Group's sustainability statement annually. The scope of the sustainability statement is the same as that of the consolidated financial statements, and the sustainability statement is prepared at the Group level whenever the subject of reporting concerns the Group's own operations. Sustainability reporting covers the subsidiaries included in Kesko's consolidated financial statements. Associates and joint ventures included in the consolidated financial statements using the equity method are not included in the Group's sustainability reporting, as they are reported as part of Kesko's value chain through a potential business relationship. Information on acquired subsidiaries is included in the sustainability statement from the date on which control of the company transfers to Kesko Group. The sustainability statement includes information on the upstream and downstream parts of the value chain for those topics where material impacts, risks or opportunities have been identified. The reporting period of the sustainability statement is the same as that of the consolidated financial statements.

The Sustainability Audit Firm Deloitte Oy has issued the company an independent sustainability reporting auditor's limited assurance report on Kesko's sustainability statement in accordance with ISAE 3000 (revised).

Kesko Group's sustainability statement does not cover the tagging of the Group sustainability statement with digital XBRL sustainability tags in accordance with Chapter 7, Section 22, Subsection 1(2), of the Accounting Act, because sustainability reporting companies have not been able to comply with that provision due to the absence of the ESEF regulation or other European Union legislation.

The Board of Directors approved the publication of this sustainability statement on 4 February 2026.

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Disclosures in relation to specific circumstances (BP-2)

Sources of estimation and outcome uncertainty

The metrics presented in the sustainability statement, in particular those related to value chain disclosures such as value chain energy and industrial emissions and FLAG (Forest, Land and Agriculture) emissions, involve elements of uncertainty. Where the preparation of sustainability information includes significant estimates or uncertainties, these are described in the reporting principles applied to the respective information.

The metrics presented in the sustainability statement have not been validated by an external third party, other than the sustainability reporting auditor. An exception is the greenhouse gas emissions information disclosed in section E1 Climate change. The Science Based Targets initiative has reviewed the boundary applied in the calculation of Kesko's emissions for the base year 2024 used for Kesko's climate targets.

Changes in preparation and presentation of sustainability information

During 2025, Kesko refined the calculation of scope 1, scope 2 and scope 3 greenhouse gas emissions disclosed in the E1 Climate change section and performed a reassessment of the emissions inventory. The update of the emissions inventory supported the update of Kesko's climate targets and the preparation for validation by the Science Based Targets initiative of those targets.

The completeness of the calculation of scope 1, scope 2 and scope 3 greenhouse gas emissions reported in the 2024 sustainability statement has been enhanced by specifying the content of the calculation and by addressing gaps identified after the completion of the 2024 sustainability statement. These updates affected all emission categories.

In connection with the refinements to the emissions calculation, corrections were also made to the energy consumption data reported for 2024. Total energy consumption reported for 2024 was 752,695 MWh, whereas, following the corrections, total energy consumption to be reported as the 2024 comparative figure is 777,155 MWh. Following the corrections, Kesko's total energy consumption for 2024 increased by 3%.

A significant change in Kesko's emissions calculation and emissions inventory is the inclusion of FLAG (Forest, Land and Agriculture) emissions as part of Kesko's emissions inventory. Land use related greenhouse gas emissions were not included in Kesko's emissions inventory in 2024, but they have been added retrospectively as part of the recalculation of the 2024 base year and the 2024 comparative year, and in connection with the setting of targets related to greenhouse gas emissions. Land use related greenhouse gas emissions are presented separately from other greenhouse gas emissions.

Based on the recalculation and reassessment of the emissions inventory, Kesko discloses the most material emission categories in its scope 3 greenhouse gas emissions reporting. The combined share of categories excluded from reporting is less than 1% of total scope 3 emissions. The excluded categories that were previously reported are Category 3 Fuel and energy-related activities that are not included in scope 1 or scope 2, Category 5 Waste generated in operations, Category 6 Business travel, Category 7 Employee commuting, and Category 9 Downstream transportation and distribution.

A reconciliation between the scope 1, scope 2 and scope 3 greenhouse gas emissions reported in 2024 and the recalculated 2024 comparative year emissions is presented in the E1 Climate change section under Greenhouse gas emissions (E1-6).

Use of phased-in transitional provisions

The ESRS 1 General Requirements standard includes transitional provisions for the first years of application of the Corporate Sustainability Reporting Directive (CSRD). Kesko utilised these transitional provisions in its first reporting year under the CSRD, in 2024, particularly in relation to disclosure requirements concerning anticipated financial effects.

In the 2024 sustainability statement, Kesko also applied the ESRS 1 transitional provision under which an undertaking is not required to disclose comparative information in the first year of preparing a sustainability statement in accordance with the ESRS. Kesko publishes comparative information for the 2024 reporting year in the 2025 sustainability statement.

On 11 July 2025, the European Commission adopted the so-called "quick-fix" delegated regulation, under which the validity of the transitional provisions granted for the first reporting year was extended to the 2025 and 2026 reporting years. In addition, transitional

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provisions that would have applied to companies with an average of up to 750 employees were extended to apply to all companies for the 2025 and 2026 reporting years.

As part of the European Commission's efforts to simplify and facilitate reporting obligations under the Corporate Sustainability Reporting Directive (CSRD), the European Financial Reporting Advisory Group (EFRAG) published draft simplified European Sustainability Reporting Standards (ESRS) in December 2025. The simplified standards are expected to apply from the 2027 reporting year, with voluntary early application expected to be possible already for the 2026 reporting year. Kesko has not yet assessed the potential impact of the simplified standards on the disclosures provided in Kesko's sustainability statement.

In preparing the 2025 sustainability statement, Kesko applies the following transitional provisions:

- ESRS 2, SBM-1, paragraph 40b
- ESRS 2, SBM-1, paragraph 40c
- ESRS 2, SBM-3, paragraph 48e
- ESRS E4 Biodiversity and ecosystems: The disclosures are provided in accordance with paragraph 17 of ESRS 2 General disclosures.

E4 Biodiversity and ecosystems

As part of the 2025 update of its double materiality assessment, Kesko identified a material impact under ESRS E4 Biodiversity and ecosystems, within the sub-topic Direct drivers of biodiversity loss and the sub-sub-topic Land-use change and changes in freshwater and ocean use. This impact is primarily associated with biodiversity loss in the upstream value chain.

In Kesko's business model, the product assortment is broad and includes products whose raw materials have impacts on nature in primary production, such as agriculture, forestry, mining or fishing. The sourcing of these raw materials can be guided through product- and raw material-specific sustainability guidelines, particularly for private label products. Kesko's sustainability policy, updated in 2025, provides the foundation for Kesko's work to promote biodiversity. Our principle is to prevent biodiversity loss both in our own operations and across the value chain.

During 2025, Kesko prepared action plans for all three divisions to mitigate biodiversity-related impacts in the value chain. The action plans focus on four areas: strengthening the competence of sourcing personnel by increasing training; identifying biodiversity-critical raw materials and, where possible, establishing guidelines for these materials; improving the availability and coverage of origin-related data for products that contain critical raw materials; and establishing strategic partnerships to reduce impacts contributing to biodiversity loss.

Kesko guides the sourcing of products that contain raw materials identified as environmentally critical through sustainability guidelines. In 2025, raw materials and product groups for which impacts on biodiversity have been identified and for which Kesko has an existing guideline include cocoa, coffee and tea, fish and seafood, palm oil, soy, textiles, and timber and paper. These guidelines primarily guide the sourcing of Kesko's private label products and the raw materials used in them through internationally recognised certification schemes.

Kesko assesses the need for new guidelines and develops additional guidelines aimed at reducing adverse nature-related impacts in supply chains. The need for new guidelines may arise, for example, from assessed nature-related impacts, stakeholder expectations or regulatory developments. In 2025, Kesko expanded its cotton guideline into a broader textile guideline and aims to reduce negative impacts in the supply chains of textile products. New guidelines and changes to existing ones are approved by Kesko's Group sustainability management team.

Implementation of the guidelines in product assortments is managed through division-specific steering and management groups. The divisions' sustainability units guide sourcing organisations on required actions and review implementation with them annually.

The logistics centre for Onninen and K-Auto was completed in Hyvinkää in autumn 2025. The City of Hyvinkää and Kesko entered into an agreement on the voluntary compensation of nature losses resulting from the construction of the logistics centre and on generating new nature values. The agreement is partly based on the principles of voluntary ecological compensation set out in the Finnish Nature Conservation Act.

Kesko has not set time-bound targets for biodiversity and ecosystems.

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The role of administrative, management and supervisory bodies (GOV-1)

Board of Directors and Board Committees

Kesko's Board of Directors is responsible for the Company's corporate governance and for the proper organisation of its operations, which also includes responsibility for sustainability topics. The Board has confirmed a written charter of the Board's duties and principles of operation. According to its charter, the Board reviews and makes decisions on matters that are financially, operationally or fundamentally significant to the Group. The Board Committees support the Board's work and prepare matters the Board is responsible for. The charters of the Board and its Audit Committee include tasks related to monitoring and evaluating sustainability reporting and its assurance.

The Board of Directors decides on the Group's strategy, including sustainability topics and strategic targets related to sustainability. The progress made in the strategy and targets is reported regularly to the Board, including as part of the review by the President and CEO.

The Board of Directors approves all Group-level policies. The Board of Directors has approved and adopted the K Code of Conduct, and other policies approved by the Board of Directors that address various sustainability topics include the sustainability policy, the people policy, the risk management policy, the governance policy, the data protection policy, and the tax policy.

According to the Articles of Association, Kesko's Board of Directors is composed of a minimum of five (5) and a maximum of eight (8) members. The General Meeting decides on the number of Board members, elects all Board members, and decides on their remuneration based on proposals submitted by the Shareholders' Nomination Committee. The main duty of the Nomination Committee is to ensure that the Board of Directors and its members have the expertise, know-how and experience adequate for Kesko's needs. In preparing its proposals, the Shareholders' Nomination Committee must also take into account the principles concerning Board diversity, which are included in the diversity policy approved by the Board. The diversity policy describes the objectives in the achievement of diversity in the operations and composition of the Board of Directors.

The experience, educational backgrounds and professional competencies of the Board members represent multiple disciplines and diversity. Kesko's Board members are experienced business leaders with broad expertise. This enables the effective assessment, guidance and supervision of material sustainability aspects relevant to Kesko Group. The Board members' experience in managing various business operations supports their ability to guide the Group's strategic choices, taking sustainability perspectives into account. Several Board members have experience in the trading sector,and the principal occupation of two of the seven Board members is acting as a K Group grocery retailer, while one is a K Group building and home improvement retailer. Several Board members have also experience in international business operations.

At the Annual General Meeting held on 24 March 2025, seven members were elected to the Board, and they served as Board members on 31 December 2025. Of the Board members, 57% are men and 43% are women. The average ratio of female to male Board members is 0.75. The Board members are aged between 44 and 64.

The Board carried out its annual independence evaluation at its meeting in March 2025. Based on the independence evaluations, the Board considers the majority of the Board members (approximately 57%) to be independent of the Company. The Board members (86%), apart from one member, were deemed independent of the Company's significant shareholders. The compositions of the Board and its Committees meet the independence requirements of the Finnish Corporate Governance Code issued by the Finnish Securities Market Association and effective as of 1 January 2025. All members of Kesko's Board of Directors are non-executive directors. There are no personnel representatives on the Board.

Audit Committee

The Board has, in the Audit Committee's charter, defined the Committee's duties related to sustainability reporting. The Audit Committee monitors and assesses Kesko's financial and sustainability reporting system, including the processes for financial statements reporting and sustainability reporting, and monitors the procedures in identifying information to be reported in compliance with sustainability reporting standards. The Committee monitors sustainability reporting assurance and reviews the assurance report by the Authorised Sustainability Auditor and possible other reports presented by the Authorised Sustainability Auditor to the Committee. The Committee presents to the Board of Directors the results of the sustainability reporting assurance. In addition, the Audit Committee's duties include

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monitoring statutory audit, monitoring and assessing the effectiveness of Kesko's internal control, internal audit and risk management systems, and monitoring and assessing the scope and efficiency of Kesko's compliance system.

At Audit Committee meetings, the Group's Chief Financial Officer, the Group Controller, the Chief Audit and Risk Officer, and the Executive Vice President for Legal and Sustainability regularly report to the Committee on their areas of responsibility. The Authorised Sustainability Auditor is present at the Committee meetings and presents its audit plan and report to the Audit Committee.

Remuneration Committee

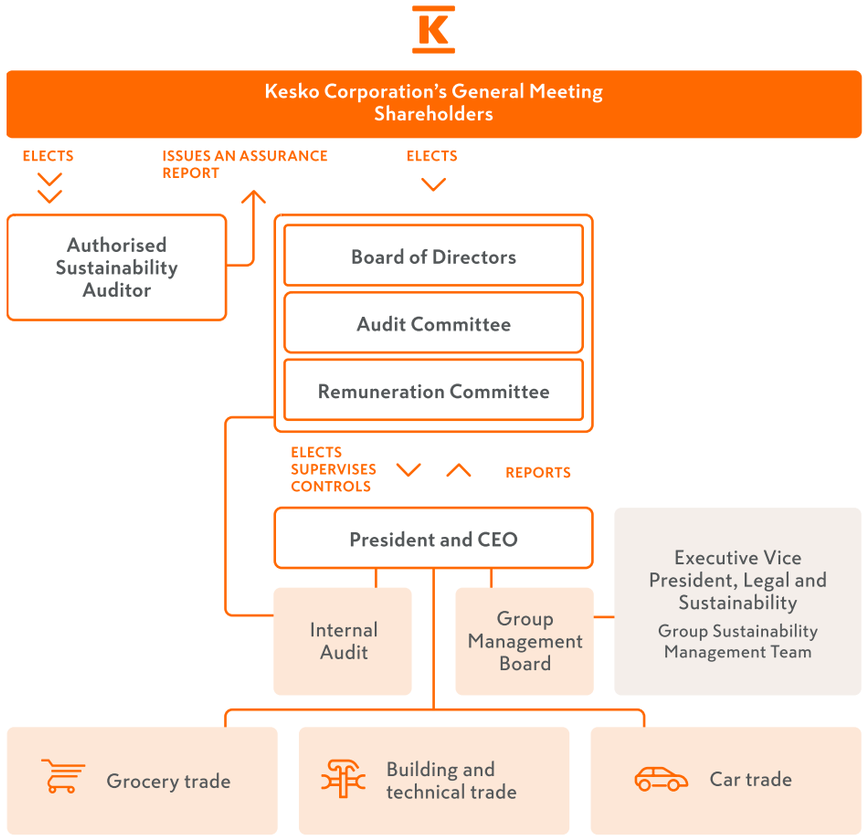
The Remuneration Committee considers sustainability-related matters as part of its responsibilities in management remuneration. The Remuneration Committee prepares the Company's Remuneration Policy for Governing Bodies and monitors its implementation. The Remuneration Committee conducts preparatory and development work on matters pertaining to remuneration schemes, including evaluating the remuneration of the President and CEO and other management, preparing potential share and share-based compensation schemes, and preparing the principles for the performance and result criteria of the compensation schemes, and monitoring their implementation and evaluating their impact on Kesko's long-term financial success.

The Group's President and CEO and the Group Management Board

The Board of Directors appoints the company's Managing Director, who at Kesko is referred to as the President and CEO. Kesko's President and CEO has overall responsibility for the implementation of the sustainability strategy and for achieving the common sustainability objectives. The Group Management Board supports the President and CEO in this role and ensures that sustainability aspects are integrated into management decision-making, strategic planning and operational steering. The members of the Group Management Board have strong business expertise and experience in their respective areas of responsibility. In addition, the Group Management Board has specific expertise and experience, for example, in matters relating to personnel, sustainability, finance and risk management, which also support integration of sustainability considerations in the Group's decision-making.

The Group Management Board regularly discusses in its meetings Kesko's most material sustainability impacts, risks and opportunities, as well as progress towards the targets set. As at 31 December 2025, the Group Management Board, including the President and CEO, comprised eight members. At the end of 2025, 62.5% of the members of the Group Management Board were men and 37.5% were women.

Sustainability governance model



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Group sustainability management team and divisions

The Group sustainability management team promotes the measures set out in the sustainability strategy, monitors progress, coordinates Group-level initiatives and shares best practices across Kesko. The team is chaired by the Executive Vice President, Legal and Sustainability, a member of the Group Management Board who reports directly to the President and CEO. The Chair is responsible for the content of the sustainability strategy and for monitoring its progress, and supports the implementation of division-specific sustainability strategies. Other members represent the divisions and Kesko's common functions.

Division Presidents are responsible for achieving Group-level and division-specific sustainability targets within their respective divisions, monitoring the progress of measures, allocating resources, and making the necessary investments. The Group's common functions support progress in sustainability work.

Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies (GOV-2)

The Board of Directors decides on the Group's strategy, including sustainability topics and sustainability-related strategic targets. Progress on the strategy and targets is reported to the Board regularly, including as part of the President and CEO's review, which is addressed at every regular Board meeting. The Executive Vice President, Legal and Sustainability, presents specific sustainability-related themes, such as the 2025 update of climate targets, to the Board for approval.

During 2025, the Board of Directors addressed the following sustainability-related topics:
- approved the criteria for remuneration programmes, including sustainability-related criteria
- approved the update of climate targets for the Group's own operations (scope 1 and 2)
- approved short- and long-term targets for reducing scope 1, scope 2 and scope 3 greenhouse gas emissions, including the net-zero target extending to 2050
- approved short- and long-term targets for reducing land use-related greenhouse gas emissions in scope 1 and scope 3
- approved Kesko's commitment to achieving zero deforestation in the most critical commodity groups linked to deforestation
- approved the submission of greenhouse gas emission reduction targets to the Science Based Targets initiative (SBTi) validation process
- approved the updated data protection policy, people policy and sustainability policy, as well as the new artificial intelligence policy. The new and updated policies will enter into force on 1 January 2026. The most significant changes in the updated sustainability policy are described in each relevant topic-specific section.

The Chair of the Board's Audit Committee reports on the Committee's work at the Board meeting following each Committee meeting. The Executive Vice President, Legal and Sustainability, reports to the Audit Committee on sustainability reporting matters. In 2025, the Audit Committee addressed sustainability reporting in four of its five regular meetings. At each regular meeting, the Committee also reviews the Group's risk map and any changes to it, as reported by the Chief Audit and Risk Officer. Twice a year, the Vice President, Governance, Compliance and Ethics, reports on the governance, compliance and ethics review, including, among other things, the status of the K Compliance programmes and reports received via the SpeakUp channel.

In 2025, the Board's Audit Committee monitored measures related to the implementation of sustainability reporting, such as the sustainability reporting development plan and the update of the double materiality assessment for 2025. A list of the material impacts, risks and opportunities included in the double materiality assessment, as discussed in the review, is presented in the section General information, Material impacts, risks and opportunities and their interaction with strategy and business model (SBM-3).

The Executive Vice President, Legal and Sustainability, addresses sustainability topics in their review at each Group Management Board meeting. In 2025, the Group Management Board focused in particular on climate targets and emissions calculation, biodiversity, sustainability regulation and the development of sustainability reporting, occupational safety and employee wellbeing, as well as compliance and ethical corporate culture. The Group Management Board addressed updates to climate targets for the Group's own operations (scope 1 and 2) and the overall set of climate targets to be submitted for Science Based Targets initiative validation, as well as the updated 2025 double materiality assessment, and approved Kesko's participation in the Finnish national energy efficiency agreement for 2026–2035. It also reviewed all Board-approved Group-level policies prior to their submission to the Board.

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Sustainability-related targets in incentive schemes (GOV-3)

Kesko has four share-based commitment and incentive plans: Performance Share Plan President and CEO (PSP President and CEO) and a transitional phase share-based compensation plan (Bridge Plan) for Kesko's President and CEO, Performance Share Plan (PSP) and Key Personnel Share Plan (KPSP). The share-based commitment and incentive schemes are described in Note 5.3 Share-based compensation of the consolidated financial statements.

One of the performance criteria in the PSP President and CEO, Bridge Plan and PSP is Kesko's sustainability target with a weight of 10%. The most significant sustainability targets are scope 1 and 2 emission reductions targets and targets linked to international sustainability indices and assessments. The terms of the PSP President and CEO, Bridge Plan and PSP share program are approved by the Board of Directors. In the KPSP, sustainability metrics are linked to the individual's job description and responsibilities, and they are approved by the individual's manager.

In 2025, in addition to the share-based plans, one of the performance bonus criteria for the members of the management teams of Kesko's divisions and common functions and the persons reporting to them has been the sustainability target in accordance with the sustainability strategy. In these cases, the sustainability-related target is defined individually based on each person's role and area of responsibility. Sustainability targets have also been set for a large number of key personnel covered by the performance bonus scheme, according to their role. The performance bonus criteria are approved by the individual's manager.

Statement of due diligence (GOV-4)

The Group's statement on sustainability due diligence processes is described in the sections of the sustainability statement mentioned below:

- S2 Workers in the value chain – Policies and processes related to value chain workers
- S4 Consumers and end-users – Policies and processes related to product safety
- S4 Consumers and end-users – Policies and processes related to data protection
- G1 Business conduct – Policies related to corporate culture and business conduct

Risk management and internal controls over sustainability reporting (GOV-5)

Members of the Group Management Board are responsible for the effective and efficient implementation of internal control and risk management in their respective areas of responsibility. A risk management function independent of businesses is responsible for providing a framework and guidance for internal control and risk management, and it supports, coordinates and supervises risk management implementation in Kesko Group.

The objective of internal control is to provide the Board of Directors and the company's management with reasonable assurance regarding the reliability of reporting and that the information disclosed in the sustainability statement has been prepared appropriately and is presented fairly.

Risks related to sustainability reporting have been identified particularly in relation to reporting accuracy, the reliability of data processing and the completeness of data. In addition, the tight reporting timetable increases the risk related to the timeliness of reporting. Key risk management measures identified for reporting include developing processes for data collection and consolidation, strengthening personnel competence in producing sustainability information, and clarifying roles and responsibilities with respect to the ownership of sustainability information. Identifying reporting-related risks and defining internal controls to address these risks forms part of the overall process improvement work.

Internal audit takes sustainability and sustainability reporting topics into account as part of its risk-based audit planning and the Group's overall risk assessments. Sustainability topics have been addressed in audits particularly where they relate to reporting processes, the reliability of information, the clarity of guidance and responsibilities, or compliance with regulatory requirements. The internal audit plan for 2026 includes an audit related to Science Based Targets initiative aligned targets, which supports the assessment of the reliability of sustainability targets and the related reporting.

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Strategy

Strategy, business model and value chain (SBM-1)

Kesko's strategy is focused on being the leading and most attractive trading sector company in Northern Europe. The objective is to ensure profitable growth, increase customer value, and strengthen market position across all three divisions: grocery trade, building and technical trade, and car trade. The foundation of Kesko's strategy work is quality and efficiency, the continuous improvement of the omnichannel customer experience, K-retailers, sustainability in all operations, and being a trusted operator.

Kesko's sustainability strategy is built on four focus areas: climate and nature, value chain, our people, and good governance. Key topics related to climate and nature include reducing greenhouse gas emissions throughout the value chain and promoting resource efficiency and the circular economy, particularly by increasing the recycling rate of waste and reducing food waste. These topics are discussed in sections E1 Climate change and E5 Resource use and circular economy.

Value chain topics include cooperation with goods and service providers, the implementation of K Code of Conduct guidelines in the supply chain, and the realisation of those guidelines towards consumers as Kesko's customers. Further information on these topics is provided in sections S2 Workers in the value chain, S4 Consumers and end-users, and G1 Business conduct, which also covers relationships with goods and service suppliers.

Our People section covers focus areas related to Kesko's own personnel, detailed in section S1 Own workforce. Good governance encompasses the promotion of corporate culture and commitment to the K Code of Conduct, as described in section G1 Business conduct.

Business model and value chain

In the trading sector value chain, Kesko's role is to make products manufactured by suppliers available to customers through physical stores and digital channels. Kesko operates in Finland, Sweden, Norway, Denmark, Estonia, Latvia, Lithuania, and Poland. Kesko's business models include the chain business model, own retail, and B2B trade. In the chain business model, Kesko acts as a wholesaler to K-retailers, and independent retailer entrepreneurs are responsible for resale to end customers. In own retail, both consumer and corporate customers are Kesko's customers. Kesko's wholesale to retailers accounted for 43% (45%) of the Group's net sales in 2025. B2B trade accounted for 41% (37%) of the Group's net sales in 2025. Kesko's B2C trade accounted for 16% (18%) of the Group's net sales.

In 2025, Kesko's net sales totalled €12,475 million. Kesko has three divisions, which are also reportable segments in the consolidated financial statements: grocery trade; building and technical trade, including building and home improvement and technical trade operations; and car trade, including car and sports trade operations.

Grocery trade

The grocery trade division comprises the wholesale and B2B trade of groceries and the retailing of home and speciality goods in Finland.

Building and technical trade

The building and technical trade division operates in wholesale, retail and B2B trade in Finland, Sweden, Norway, Denmark, the Baltics and Poland. In Finland, Kesko operates the building and home improvement trade with the retailer business model. In Sweden, Norway and Denmark, Kesko operates as a retailer. Building and home improvement stores serve both consumers and professional builders. Technical trade is B2B trade.

Car trade

The car trade division comprises the businesses of new cars, used cars, services and leasing. The car trade division includes sports trade. The car trade division operates mainly in the Finnish market.

For more information on the operating activities of the different divisions, their financial information and the geographical breakdown of net sales, see note 2.2 Segment information in the consolidated financial statements.

In 2025, Kesko employed a total of 18,991 people. The number of personnel in Kesko's operating countries is disclosed in section S1 Own workforce of the sustainability statement.

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Kesko business model and value chain

Upstream

Raw material sourcing and product manufacturing

- Primary food production and agriculture
- Sourcing and processing of raw materials
- Product manufacturing, assembly, and packaging

Services

- Warehousing
- Logistics to central warehouses or directly to customers
- IT services
- Expert services

Real estate

- Property-related services: design, construction, renovation, and maintenance

Own operations

Grocery trade | Building and technical trade | Car trade

Sourcing and chain operations

- Sourcing and selection management
- Own brands
- Retail and chain concepts
- Services for retailers

Sale of products and services

- Wholesale to retailers
- Kesko's own retail stores
  - B2B sales
  - Consumer sales
- Service sales to customers

Logistics and warehousing

- Warehousing
- Preparation for transport
- Transport and distribution

Real estate

- Use and management of own and leased premises
- Leasing premises to other operators
- Management of property projects: new construction, extensions, and renovations

Downstream

Retail sales to customers

- K-retailers' store operations: K-food stores, building and home improvement stores, and part of sports retail
- Car dealers

Use and consumption

- Consumption and use of sold products
- Consumption of services
- Use of properties and retail premises by retailers and other tenants

End-of-life management

- Waste management and recycling
- Loss management
- Sale of used products
- Maintenance and repair

Impacts, risks and opportunities

Climate change

Biodiversity and ecosystems | Resource use and circular economy

Workers in the value chain | Own workforce | Consumers and end-users

Business conduct

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Interests and views of stakeholders (SBM-2)

Dialogue with stakeholders is vital for the development of operations. Effective and active dialogue enables us to understand stakeholders' perspectives, concerns and ideas for improving our operations. Our communication with stakeholders is active and transparent. Stakeholder views are communicated to the Board of Directors, its Committees and the Company's management as needed, for example as part of the double materiality assessment process.

The table below contains descriptions of Kesko's main stakeholders, forms of cooperation, the most important sustainability topics for stakeholders and their impact on our operations.

Stakeholder	Forms of cooperation	Key sustainability topics	Meeting stakeholder expectations
Consumers and end-users	• Daily customer encounters • Customer service channels and applications • Customer surveys • K-Kylä customer community • Social media	• Healthiness of products • Product safety • Origin of products and sustainable supply chains • Circular economy solutions and waste reductions • Promoting sustainability at local level	• Increasing transparency on origin and production • Returning purchase data to the customer • Innovative foods using food waste • K-retailers' sustainability actions
B2B customers	• Customer meetings • Supplier trainings and trade fairs	• Origin of products and sustainable supply chains • Products' carbon footprint data	• Increasing transparency on origin and production • Carbon footprint data and calculators
Own workforce	• Personnel surveys and performance and development reviews • Personnel events • Cooperation with personnel representatives • SpeakUp reporting channel	• Employee wellbeing • Occupational health and safety • Diversity, equity and inclusion • Good leadership and opportunities for personal development	• Wellbeing solutions for employees • Occupational health services and measures to reduce work-related accidents • DEI action plan, target setting and developing diversity-supporting recruitment • Measures and coaching to support development and leadership
K-retailers	• Retailer events and meetings • Electronic communication channels and trade magazines • SpeakUp channel	• Circular economy, waste and packaging • Sustainable products and certifications • Supporting customers in making sustainable choices • Local sustainability initiatives	• Measures to promote the circular economy, monitoring of evolving regulation, and related support • Increasing transparency on product origin and production, and certifications • Selections planning, providing customers with feedback based on purchase data, and sustainability-related communications • K Group-wide initiatives, for example to promote physical activity among children and young people
Investors, shareholders, analysts and other representatives of capital markets	• General Meeting • Financial reporting and press conferences • Investor websites and social media channels • Investor and analyst meetings • Surveys and assessments	• Greenhouse gas emissions and transition plan for reducing emissions • Biodiversity, soil health and water • Sustainable supply chains • Employee-related social responsibility • Governance and remuneration	• Transition plan and emission reduction measures • Assessments on biodiversity loss and water use and measures in the value chain • Verification of sustainable procurement through due diligence processes • Measures to improve wellbeing, safety at work and diversity • Verification of good governance and linking sustainability to remuneration
Suppliers, service providers and supply chain workers	• Meetings with suppliers and business partners • Business partner events • Organisations and purchasing alliances	• Human rights in the supply chain • Measures for reducing emissions • Sustainable products and services	• Human rights commitments, assessments and audits • Challenging partners to set climate targets (CDP) • Cooperation to introduce sustainable products into the selection
NGOs and corporate advocacy activities in organisations	• Dialogue with NGOs • Corporate advocacy - activities in organisations	• Origin of products and supply chain working conditions • Value chain's environmental impacts • Development of regulation on sustainability	• Increasing transparency on origin and production • Cooperation with NGOs on key sustainability issues • Anticipation of and preparation for regulatory changes

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Material impacts, risks and opportunities and their interaction with strategy and business model (SBM-3)

Kesko has updated the double materiality assessment first published in 2024 for the 2025 reporting period.

As an outcome of the updated double materiality assessment, Kesko identified material impacts related to seven ESRS standards and their respective sub-topics. The material impacts, risks and opportunities are presented in a table, including a description of each impact, risk or opportunity, its location in the value chain, and the time horizon over which it is expected to materialise.

ESRS standards		Material sustainability topics
Environment		
E1	Climate change	Climate change mitigation Energy
E4	Biodiversity and ecosystems	Land-use change, fresh water-use change and sea-use change
E5	Resource use and circular economy	Resource outflows related to products and services: Packaging Waste Food waste
Social		
S1	Own workforce	Working conditions Equal treatment and opportunities for all
S2	Workers in the value chain	Working conditions Child labour and forced labour
S4	Consumers and end-users	Health and safety Privacy
Governance		
G1	Business conduct	Corporate culture Protection of whistleblowers Management of relationships with suppliers Corruption and bribery

Non-material ESRS standards	
E2	Pollution
E3	Water and marine resources
S3	Affected communities

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Material impacts, risks and opportunities identified in the double materiality assessment

Topic	Impact, risk or opportunity	Value chain	Time horizon	Description
E1 Climate change				
Climate change mitigation	Actual negative impact	Own operations	Short-, medium- and long-term	Kesko's own operations generate greenhouse gas (GHG) emissions (scope 1 and 2). The most significant source of scope 1 emissions are the fuel emissions of transportation and logistics. The most significant source of scope 2 emissions are district heating consumption emissions.
Climate change mitigation	Actual negative impact	Upstream and downstream	Short-, medium- and long-term	Kesko's value chain generates GHG emissions (scope 3). Most of the value chain emissions arise during the life cycle of purchased and sold products, from their production, use, and end-of-life treatment. Additionally, emissions are generated from the manufacturing of capital goods and upstream transportation.
Energy	Actual negative impact	Own operations	Short-, medium- and long-term	The consumption of fossil energy sources in properties owned and managed by Kesko and in transport and logistics generates GHG emissions.
E4 Biodiversity and ecosystems				
Land-use change, fresh water-use change and sea-use change	Actual negative impact	Upstream	Short-, medium- and long-term	Kesko's value chain contributes to biodiversity loss. Kesko's product range includes high-impact commodities that have significant nature-related impacts, primarily through land-use and sea-use change linked to production activities, such as agriculture, forestry, mining and fishing.
E5 Resource use and circular economy				
Resource outflows related to products and services: Packaging	Actual negative impact	Own operations	Short-, medium- and long-term	The logistics chain of products includes several types of packaging, from logistics packaging to individual product retail packaging.
Waste	Actual negative impact	Own operations	Short-, medium- and long-term	Waste is generated in Kesko's operations, especially in warehouse operations, logistics and in own retail operations.
Food waste	Actual negative impact	Own operations	Short-, medium- and long-term	Food waste is generated in Kesko's warehouse operations, logistics and cash-and-carry outlets.
Food waste	Actual negative impact	Downstream	Short-, medium- and long-term	Food waste is generated in K-food retailers' store operations.
S1 Own workforce				
Working conditions: Adequate wage	Potential positive impact	Own operations	Short-, medium- and long-term	Kesko is committed to providing all employee groups with an adequate wage, which is based on national pay levels and covers at least the basic needs of employees and their families.
Working conditions: Social dialogue and collective bargaining	Actual positive impact	Own operations	Short-, medium- and long-term	Social partners engage in continuous dialogue to take employees' expectations into account. This ensures fair working conditions for employees and terms of employment are in line with local legislation and labour market practices.
Working conditions: Health and safety	Actual negative impact	Own operations	Short-, medium- and long-term	Although measures and management models to promote health, work capacity and occupational safety are systematically implemented, work-related accidents may still occur and employees may become ill.
Equal treatment and opportunities for all: Gender equality	Potential positive impact	Own operations	Short-, medium- and long-term	The experience of gender equality has a significant impact on employee experience and job satisfaction. Adhering to principles that promote gender equality fosters fairness and equality in the workplace.
Equal treatment and opportunities for all: Diversity	Potential positive impact	Own operations	Short-, medium- and long-term	Diverse and inclusive work community creates the conditions for innovation and strengthens employee wellbeing.
Equal treatment and opportunities for all: Prevention of violence and harassment	Potential positive impact	Own operations	Short-, medium- and long-term	In our work community, everyone can perform their work without fear of violence, threats or harassment. Preventing violence is part of a day-to-day safety culture that supports wellbeing and productivity.
Equal treatment and opportunities for all: Training and skills development	Actual positive impact	Own operations	Short-, medium- and long-term	Continuous learning, career development and systematic performance management are key elements of competence development and a positive employee experience. Competent personnel are also ensured through business-driven recruitment.

Topic	Impact, risk or opportunity	Value chain	Time horizon	Description
S2 Workers in the value chain				
Working conditions	Potential negative impact	Upstream	Short-, medium- and long-term	Inadequate working conditions weaken value chain workers' wellbeing and quality of life.
Child labour and forced labour	Potential negative impact	Upstream	Short-, medium- and long-term	Infringements of labour rights affecting value chain workers cause suffering for the affected workers and their families.
Working conditions Child labour and forced labour	Risk	Upstream	Short-, medium- and long-term	A breach of the supplier agreement between the supplier and Kesko and conduct that violates the K Code of Conduct may affect Kesko's reputation and lead to disruptions in business operations if the business relationship with the supplier has to be terminated.
S4 Consumers and end-users				
Health and safety: Enabling healthy choices	Potential positive impact	Downstream	Short-, medium- and long-term	Kesko has the opportunity to influence the health of consumers and end-users by offering healthier products that contain less salt, sugar or saturated fat.
Health and safety: Product safety	Potential negative impact	Downstream	Short-, medium- and long-term	Deficiencies in the safety of the products sold by Kesko can have significant negative impacts on the health and safety of consumers and end-users.
Health and safety: Product safety	Risk	Downstream	Short-, medium- and long-term	The realisation of product safety risk may cause reputational damage and may result in liability for damages for Kesko.
Privacy: Data protection	Potential negative impact	Downstream	Short-, medium- and long-term	Kesko processes large amounts of data related to consumers' personal data in its operations. Deficiencies in Kesko's data protection principles and personal data processing procedures can expose consumers to misuse of their personal data.
Privacy: Data protection	Risk	Downstream	Short-, medium- and long-term	The realisation of data protection risk may cause reputational damage and may result in liability for damages for Kesko.
G1 Business conduct				
Corporate culture	Potential positive impact	Value chain	Short-, medium- and long-term	The K Code of Conduct supports the principles of ethical corporate culture. Kesko has two versions of the K Code of Conduct: a K Code of Conduct that covers the entire K Group and a separate K Code of Conduct for business partners. Both support the principles of an ethical corporate culture throughout the value chain.
Corporate culture	Risk	Own operations	Short-term	Increasing sustainability regulation may lead to changes in the business model and require investments to meet legislative requirements.
Protection of whistleblowers	Potential positive impact	Value chain	Short-, medium- and long-term	Kesko has a confidential SpeakUp channel that is open to personnel, customers, suppliers and other stakeholders. Kesko has anti-discrimination and anti-harassment principles, which, in line with the absolute prohibition of retaliation, ensure that the reporting of incidents or suspected incidents does not adversely affect the reporter or their employment relationship.
Corruption and bribery	Potential negative impact	Own operations, downstream	Short-, medium- and long-term	Potential cases of corruption and bribery have a negative impact on society and undermine trust throughout the value chain. Kesko has a zero-tolerance approach to corruption and bribery. Prevention of corruption and bribery is an integral part of the K Code of Conduct and contributes to creating a more ethical value chain.
Relationships with suppliers and service providers	Potential positive impact	Downstream	Short-, medium- and long-term	Kesko's requirements for suppliers and service providers, such as commitment to the K Code of Conduct for business partners, promote an ethical and sustainable value chain.

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Changes to the material impacts, risks and opportunities compared to the previous reporting period

Kesko updated its double materiality assessment for the 2025 reporting period. The update is based primarily on the material impacts, risks and opportunities identified in the 2024 double materiality assessment, as a full-scale process for identifying and assessing impacts, risks and opportunities was not carried out in 2025. For the purposes of 2025 reporting, Kesko reviewed the sustainability matters identified as material in the double materiality assessment and the related impacts, risks and opportunities, and confirmed their materiality. No significant changes in Kesko's business operations or operating environment were assessed to have occurred that would affect the impacts, risks or opportunities identified.

The most significant change compared with the information presented in 2024 relates to ESRS E4 Biodiversity and ecosystems, where an impact connected to land-use change and changes in the use of freshwater and marine resources was identified and assessed as a material impact in the upstream value chain. In the 2024 double materiality assessment, Kesko had already identified topics related to this standard as requiring specific analysis and monitoring in the process of updating the double materiality assessment in the coming years.

In addition to the change related to ESRS E4, updates to the double materiality assessment were made in relation to ESRS E1 Climate change and ESRS S1 Own workforce. Regarding ESRS E1, climate-related risks were reassessed during 2025. Based on this review, the risk assessed as material in the 2024 double materiality assessment was not considered, in the 2025 review, to give rise to a material financial effect for Kesko. As a result, ESRS E1 Climate change is associated only with material negative impacts in Kesko's own operations and value chain, particularly in relation to greenhouse gas emissions.

Furthermore, in the update of the double materiality assessment for ESRS S1 Own workforce, a potential positive impact related to the sub-sub-topics working time and work-life balance within the working conditions sub-topic was assessed to remain below the materiality threshold.

Impacts, risks and opportunities

Environment

In Kesko's business model, the material climate- and nature-related sustainability impacts are primarily associated with the products sold by Kesko across all business divisions. Climate- and nature-related impacts in Kesko's own operations and value chain are actual negative impacts.

A significant share of the identified impacts arises in the upstream value chain from the manufacturing of products, or in the downstream value chain from the use of products. Most greenhouse gas emissions arise from the production and use of products, and most food waste is generated in K-food retailers' store operations. Product-related impacts on biodiversity also arise primarily in the upstream value chain in connection with product manufacturing. In Kesko's own operations, the key impacts relate in particular to greenhouse gas emissions generated by operations, resource outflows in the form of packaging materials, and waste and food waste generated in operations.

Social

Kesko has 18,991 employees under employment contracts, and Kesko's operations are connected to their employment, wellbeing, health and safety. Through its own actions, Kesko can contribute positively to employee wellbeing by ensuring equal treatment and by providing training and development opportunities. Negative impacts have been identified in relation to health and safety, as occupational accidents and illnesses occur despite preventive measures and operating models. Through extensive supply chains, Kesko is connected to value chain workers, and a risk has been identified related to potential breaches of Kesko's K Code of Conduct guidelines.

Consumers are a key customer group in Kesko's business model. With regard to consumers and end-users, potential negative impacts have been identified in particular in relation to the safety of products sold by Kesko and to data protection. In both cases, the potential negative impacts are, by nature, limited to individual cases.

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Promoting an ethical corporate culture and ensuring compliance with business principles form the foundation of Kesko's operations. They guide decision-making, support management and create the prerequisites for long-term and sustainable business.

The positive impacts of an ethical corporate culture relate to how operating principles strengthen trust among customers, partners, employees and other stakeholders. They also support the integration of sustainability considerations across the value chain. Breaches of laws or operating principles may result in financial and legal consequences for Kesko, weaken stakeholder trust and adversely affect the company's reputation.

Resilience of strategy and business model

Kesko's strategy implementation and business model, consisting of three divisions, is not critically dependent on individual customers, supply chains or product categories. Overall, Kesko's business model is assessed to adapt well in relation to the individual material sustainability matters identified. For the reasons described above, Kesko has not prepared a separate analysis on the resilience of its strategy and business model in addressing material sustainability matters. Kesko has also not identified a need to make changes to its strategy or business model.

In Kesko's business model, the most significant sustainability impacts are associated with products purchased by Kesko and sold onwards to customers. The key climate- and nature-related impacts arise either in the upstream value chain from the manufacturing of products or in the downstream value chain from the use and consumption of products. Kesko's business model depends on functioning supply chains, which highlights, particularly in the upstream value chain, effective supplier relationships and the implementation of ethical operating principles within those business relationships.

The range of products sold is constantly changing as manufacturers develop new products and discontinue older products from their assortments. Sustainability considerations are an increasingly important part of product development and the introduction of new products to the market. As a trading sector operator, Kesko's role is to actively make new products available to customers, understand how demand develops and respond to customers' changing requirements. These requirements are also influenced by sustainability considerations. In addition, legislation related to products, raw materials and sustainability information is continuously evolving.

Kesko operates between suppliers and customers. The product offering is shaped by products introduced to the market by suppliers and by customer demand. Kesko's strategy and business model adapt between these two factors.

Kesko has identified a strategic development initiative in particular to reduce greenhouse gas emissions generated in the value chain. In 2025, approximately 96% of Kesko's value chain greenhouse gas emissions arose from the manufacturing of purchased products and the use of sold products. Kesko will start preparing a transition plan to reduce value chain greenhouse gas emissions in 2026.

Sustainability-related risks in Kesko's business model are primarily associated with evolving and tightening sustainability regulation, the safety of products sold, and data protection. In addition, through its business relationships, Kesko is connected to value chain workers, which involves a risk of breaches of the K Code of Conduct and of human rights violations affecting workers. Such breaches may cause reputational damage and disruptions to business operations, and may lead to a need to identify alternative suppliers.

As at the end of the reporting period, Kesko had not identified any financial impacts arising from sustainability risks on the Group's financial position, financial performance or cash flows that would have required recognition or disclosure in the consolidated financial statements. On the basis of the transitional provisions, Kesko does not include in the sustainability statement information on the financial effects of material impacts, risks and opportunities. The use of the transitional provisions is described in more detail in the section General information, Basis for preparation.

Kesko has set sustainability targets, and further information on the setting of the targets and progress made is provided in connection with each topical section. The targets have been set as part of Kesko Group's sustainability strategy, division-specific sustainability strategies or the HR strategy. The target related to improving energy efficiency is part of Kesko's energy strategy. The sustainability statement includes those targets that contribute to addressing the material impacts, risks and opportunities identified in the double materiality assessment. Key stakeholders have not been significantly involved in the target-setting process.

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Impact, risk and opportunity management

Identification and assessment of material impacts, risks and opportunities (IRO-1)

Kesko has conducted a double materiality assessment in accordance with the requirements of ESRS 1 General Requirements. The purpose of this assessment is to identify sustainability-related impacts, risks and opportunities. The material impacts, risks and opportunities identified through the assessment determine the disclosures presented in the sustainability statement.

The double materiality assessment includes an impact assessment, which evaluates how Kesko's operations affect the environment, people and society. In the assessment of financial materiality, Kesko identifies sustainability topics that pose risks to, or create opportunities for, the business, and which may have an effect on Kesko's financial performance and position.

Kesko has updated its double materiality assessment for the 2025 reporting period. The material impacts, risks and opportunities identified in the double materiality assessment, as well as changes in material impacts, risks and opportunities compared to the previous reporting period, are described in the sustainability statement section Material impacts, risks and opportunities and their interaction with strategy and business model (SBM-3).

The double materiality assessment for 2025 is primarily based on the material impacts, risks and opportunities identified in the 2024 assessment, as a full-scale process for identifying and assessing impacts, risks and opportunities was not conducted in 2025.

For the 2025 reporting period, the sustainability matters identified as material in the double materiality assessment, as well as their related impacts, risks and opportunities, were reviewed and their materiality was confirmed. No significant changes were assessed to have occurred in Kesko's business operations or operating environment that would affect the impacts, risks or opportunities assessed as material in the previous assessment.

The updated double materiality assessment for the 2025 reporting period was presented to the Group Management Board in September 2025 and to the Audit Committee in October 2025. The update related to climate-related risks was presented to the Audit Committee in December 2025.

In the 2024 double materiality assessment process, impacts were identified in topic-specific workshops and scored to achieve preliminary prioritisation. After the workshops, the impact scores were reviewed to ensure consistency and to avoid over- or underestimation of any impact. Impacts were assessed based on their severity and likelihood. The severity of an impact is determined by its scale, scope and, in the case of negative impacts, its remediability.

The identification and assessment of risks and opportunities was conducted as part of Kesko's risk management process, which follows the methodology of the COSO Enterprise Risk Management model. The assessment of risks and opportunities was carried out by division, after which a Group-level assessment was formed. The sustainability risk assessment was also reviewed alongside other risks identified in the Group's risk assessments. Risks and opportunities were evaluated based on their financial impact and likelihood. The assessment examined potential risks or opportunities arising from identified impacts. Potential negative impacts related to value chain employees, product safety and data protection also carry the risk of negative financial impacts for Kesko. The same scale, commonly used in Kesko's risk management process, was applied in the risk assessment. No material opportunities were identified in the assessment.

The majority of the assessment of impacts, risks and opportunities was conducted internally within the Group. Experts from all three of Kesko's divisions and common functions participated in this work. In the impact assessment, topic-specific workshops included a broad range of Kesko personnel, including representatives from sustainability and sourcing functions in the divisions, as well as staff from finance, risk management, legal affairs and HR. The assessment of risks and opportunities involved the sustainability directors and finance directors of the divisions. Kesko's risk management unit was responsible for coordinating the process.

Stakeholder consultations were conducted through separate interviews, with a focus on financial market participants, suppliers and B2B customers. Through these interviews, information was gathered on how stakeholders view the key impacts, risks and opportunities of Kesko's operations across various sustainability topics. The interviews also served to

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validate the existing view of material sustainability topics for Kesko. The results of the internally conducted double materiality assessment and the stakeholder interviews supported each other, and no changes to the identified material impacts, risks or opportunities were deemed necessary based on stakeholder feedback. Kesko's double materiality assessment did not include consultations with communities directly affected by the company's impacts.

Identification and assessment of topic-specific impacts, risks and opportunities

Environment

E1 Climate change

Kesko's impacts on climate change arise from greenhouse gas emissions generated both in its own operations and in the value chain. Kesko has identified the key sources of emissions in its own operations. The largest source of scope 1 emissions is the emissions from fuel usage in transportation and logistics operations. The largest source of scope 2 emissions is emissions from district heating consumption. Most of the value chain emissions arise during the life cycle of purchased and sold products, from their production, use and end-of-life treatment. In addition, emissions are generated from the manufacture of fixed assets, logistics transport and K-retailers' store operations.

The emission sources described above represent so-called energy and industrial emissions. In addition to these, Kesko's operations generate land use-related emissions. Land use-related emissions from Kesko's own operations arise from land-use change, when forest or other natural land on land areas owned by Kesko is converted into built land. The majority of land use-related emissions arise in the value chain, primarily in the primary production of food products. Kesko has identified land use-related emissions as a significant source of emissions in addition to energy and industrial emissions.

During 2025, Kesko carried out a division-specific review of climate-related risks. In the review, each of Kesko's three divisions conducted its own assessment of the most significant climate-related risks relevant to the division. In addition, a separate review was carried out for Kesko's real estate operations. Climate scenarios were not used in the identification and assessment of climate-related risks. Based on this review, no material climate-related risks were identified at Group level in Kesko's operations.

E2 Pollution

Pollution-related potential negative impacts in Kesko's own operations and in the product value chain did not, in the double materiality assessment, exceed the materiality threshold and therefore did not emerge as material impacts.

In Kesko's own operations, potential negative impacts were identified in relation to pollution of soil in properties owned and leased by Kesko. However, the nature of Kesko's operations does not pose a significant risk of pollution of soil and the potential impacts are limited to a small geographical area. Based on historical data, there may have been a few isolated cases each year where soil has been decontaminated at Kesko sites. As part of the double materiality assessment process, Kesko has not conducted a separate review of its assets or operations specifically to identify pollution-related impacts.

In addition to pollution of soil, impacts were identified in relation to microplastics and to products in Kesko's product range classified as substances of concern. In the product value chain, negative impacts were identified in particular in primary food production and the manufacturing industry.

E3 Water and marine resources

Potential negative impacts related to water and marine resources in Kesko's own operations and in the product value chain did not, in the double materiality assessment, exceed the materiality threshold and therefore did not emerge as material impacts.

In Kesko's own operations, water consumption is not significant. The municipal water supply is mainly used for water consumption in operations and the municipal sewer system for wastewater treatment. Kesko's operations do not involve water withdrawal from ground or surface water. As part of the double materiality assessment process, Kesko has not conducted a separate review of its assets or operations specifically to identify impacts related to water consumption.

Negative impacts related to water were identified in the upstream value chain of products in primary production, particularly through products originating in areas suffering from water scarcity or through products whose production processes require significant volumes of water. Issues related to water use are considered when making selection and sourcing decisions on products and product categories with identified water-related impacts.

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However, given the breadth of Kesko's product range, the negative impacts identified in the product value chain did not exceed the threshold for a material impact.

Kesko's product selection includes fish and shellfish, and a negative impact was identified in relation to the exploitation and use of marine resources. The fish and shellfish selection is managed to ensure it does not include endangered species. The share of fish and shellfish products in Kesko's operations is not significant and therefore did not exceed the materiality threshold.

E4 Biodiversity and ecosystems

Kesko's product assortment includes products that have significant nature-related impacts. The most material impact identified relates specifically to the direct drivers of biodiversity loss. Land-use and water-use changes occur within Kesko's value chain particularly in primary production, such as agriculture, forestry, mining and fishing.

Kesko assessed the risks and geographical scope of land-use change in its supply chains based on the LEAP (Locate, Evaluate, Assess and Prepare) methodology. The assessment also utilised the Science Based Targets for Nature (SBTN) High Impact Commodity (HIC) list to identify product groups with significant environmental impacts. The assessment covered product categories across all Kesko divisions. Risks were mapped by product category by identifying the key product categories with biodiversity impacts, as well as their nature-related risks and dependencies using the ENCORE tool. The supply chains of the identified key product categories were studied at country level, for the largest supply countries in each of the supply chains examined. The method enabled us to identify the key countries in Kesko's global supply chains, and in those countries the key biomes for which the land-use change risk was assessed using the WWF Risk Filter tool. The assessment was initiated in 2024 and completed in 2025.

Transition risks associated with nature-related dependencies are most relevant for divisions whose raw materials are highly dependent on agriculture. Kesko's value chain is extensive and consists of diverse product categories, which limits the impact of any single physical or transition risk on the business as a whole. No material nature-related physical or transition risks were identified in the assessment.

The assessment also covered the mapping of nature-related impacts in Kesko's own operations. In Kesko's own operations, the assessment focused on identifying nature-related impacts at Kesko's sites. During 2024, Kesko examined the scale and significance of land-use change related to its construction activities and property portfolio, based on the LEAP methodology. As part of this analysis, the land-use categories of Kesko's owned and leased properties were identified through geospatial analysis using land-use datasets. The significance of land-use change was assessed by calculating the share of vegetated areas in the immediate vicinity of the properties' coordinate points and by using values from WWF's Risk Filter tool to evaluate risks related to land-use change.

In Finland, 80% of the sites surveyed were located in areas where they are not expected to have negative impacts on protected areas. Of the sites, 19% were located in the vicinity of protected area under Finland's Nature Conservation Act and 1% in the immediate vicinity. The distances of the sites from habitats of special importance under the Forest Act were also examined. Based on this, 97% of the sites were located in areas where they are not expected to have impacts on important habitats. Of the sites, 3% were located in the vicinity of important habitats. No Kesko sites were located in the immediate vicinity of important habitats.

For sites in the other operating countries, the distance to the areas in the World Database on Protected Areas (WDPA), and to the areas in the database of European protected sites maintained by the EU's Environmental Environment Agency (EEA), was determined. Of all the operating countries' sites 11% were located in the vicinity of a protected area. Of the sites, 89% were located at a distance from the protected area where they are not expected to have negative impacts on the protected area.

Construction is highly regulated, and Kesko complies with all statutory requirements and authority-mandated obligations in its construction projects. Kesko primarily builds retail sites and other properties on areas zoned for business use. Required nature assessments and other environmental reviews are carried out during the permitting processes of construction projects. In Kesko's large logistics centre projects, environmental impact assessments (EIA), for example, have been required.

Based on the assessment, Kesko's own operations do not entail material impacts on biodiversity or ecosystems.

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E5 Resource use and circular economy

In terms of resource use, resource outflows are generated particularly from packaging. The product's logistical chain includes several packages, from logistics packaging to the sales packaging of a single product.

Material negative impacts on the environment arise from the waste generated by Kesko's operations, particularly as part of warehousing and logistics operations and retail trade operations. The largest waste fraction in Kesko's operations is cardboard, which is generated from packaging used during the transportation and storage of products. The waste generated by Kesko's operations is mainly non-hazardous waste, and the amount of hazardous waste in Kesko's operations is low. As part of the double materiality assessment process, Kesko has not conducted a separate review of its assets or operations specifically to identify waste-related impacts.

As a food industry operator, preventing food waste also plays a key role in Kesko's operations. Food waste is generated as part of warehousing and logistics operations and in wholesale operations in Kesko's grocery trade division. However, the most significant aspect in preventing food waste is the prevention of food waste in the downstream value chain in K-food retailers' store operations, where most of the food waste is generated.

People, society and governance

S1 Own workforce and S2 Workers in the value chain

With regard to the own workforce, both actual and potential positive impacts were identified. Actual negative impacts were identified in relation to health and safety. With regard to workers in the value chain, potential negative impacts were identified related to working conditions and to the risk of child labour and forced labour. The review was carried out using a risk-based approach, taking into account both countries classified as high-risk and, more broadly, different geographical areas. The risk of breaches of the K Code of Conduct has been assessed to be highest in countries classified as high-risk, however, negative impacts affecting value chain workers have also come to Kesko's attention in other geographical areas. The risk has typically been found to arise from a combination of geographical location and certain product categories or raw materials.

S3 Affected communities

The nature of Kesko's business, where operations are spread across numerous locations within its operating area and the operating area is concentrated in Northern Europe, does not result in impacts that would, in relation to the topics covered by the standard, be considered material for the communities concerned.

G1 Business conduct

Ensuring ethical and transparent business conduct, as well as compliance with laws and regulations, is essential in Kesko's operations. The prevention of corruption and bribery, together with the whistleblower protection provided through the SpeakUp channel, supports the implementation of an ethical business culture across the value chain. In Kesko's operations, the areas identified as presenting specific risks related to corruption and bribery include real estate and store site operations, the sourcing of goods and services, participation in public procurement processes, operations in new geographical and business areas, interactions with public officials, and corporate transactions. Impacts related to corporate culture, the prevention of corruption and bribery, and the functioning of whistleblower protection were assessed as material in Kesko's operating environment.

Kesko has defined K Code of Conduct guidelines for its suppliers of goods and services, with the aim of promoting ethical business practices in the procurement chain and supporting responsible conduct throughout the value chain.

Increasing sustainability-related regulation and the potential changes it may require to Kesko's business model, as well as possible future investment needs to ensure compliance with regulatory requirements, were identified as a risk which, if realised, may influence Kesko's resource allocation.

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ENVIRONMENTAL INFORMATION

EU TAXONOMY

Kesko's reporting on EU Taxonomy complies with Regulation (EU) 2020/852 of the European Parliament and of the Council (18 June 2020). The EU Taxonomy is a classification system for sustainable financing, designed to help companies and investors assess whether an economic activity can be considered environmentally sustainable. The Taxonomy defines a set of criteria for a business activity that enables companies to assess to what extent the company's activities support the attainment of environmental and climate objectives.

Companies shall disclose information on how and to what extent their activities can be deemed environmentally sustainable in the manner referred to in the EU Taxonomy based on six climate and environmental objectives:

- Climate change mitigation
- Climate change adaptation
- The sustainable use and protection of water and marine resources
- The transition to a circular economy
- Pollution prevention and control
- The protection and restoration of biodiversity and ecosystems

Key performance indicators are presented for Taxonomy-eligible activities and Taxonomy-aligned activities. These indicators are the proportion of the company's net sales (turnover), capital expenditure (CapEx), and operating expenditure (OpEx) as defined in the Taxonomy.

Currently, the Taxonomy does not specifically mention activities that are typical of the trading sector, meaning that trading sector companies report on Taxonomy-eligible activities if they engage in them. It is likely that the Taxonomy will include an expanding number of activities, and that assessment criteria will be established consequently also for the trading sector and possibly for its different product segments.

Taxonomy-eligible activities and assessing Taxonomy alignment

Kesko has identified the car leasing operations and sales of used cars in its car trade division and the owning, leasing and construction of properties for own business needs as Taxonomy-eligible activities in its operations. In addition, logistics operations in Denmark are identified as a Taxonomy-eligible activity.

With each Taxonomy-eligible activity, Kesko has assessed its Taxonomy alignment. Taxonomy alignment has been determined by assessing whether an activity significantly contributes to at least one of the climate and environmental objectives. The assessment of Taxonomy alignment is made based on the technical screening criteria applied for each activity. In addition to meeting said criteria, Kesko has confirmed that the activity does not cause significant harm to the other climate and environmental objectives referred to in the Taxonomy Regulation, using the separate DNSH ('Does Not Significantly Harm') criteria, and that minimum safeguards under the Taxonomy Regulation are met.

Kesko has examined the implementation of minimum safeguards in relation to human rights, corruption and bribery, fair competition, and taxation. As a result of the review, Kesko concludes that the minimum safeguards are being met in all of the four areas in Kesko's operations.

The following table presents the activities identified by Kesko as Taxonomy-eligible, and Kesko's assessments of their Taxonomy alignment.

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Taxonomy activity		Activity description	Assessment of Taxonomy alignment	Performance indicators		
				Turnover	CapEx	Opex
Objective: Climate change mitigation (CCM)						
CCM 6.5	Transport by motorbikes, passenger cars and light commercial vehicles	Purchase, financing, renting, leasing and operation of vehicles designated as category M1, N1 or L. The activity includes leasing operations in the car trade division.	The significant contribution criterion is met if the vehicle's emissions are below 50 g CO_2/km. This criterion is met by fully electric vehicles and hybrids. The activity is subject to 'do no significant harm' criteria. However, the data required to assess alignment is not available, and alignment of the vehicles with the classification system cannot be verified. Vehicles in the leasing business are classified as Taxonomy-eligible but not Taxonomy-aligned.	√	√	√
CCM 6.6	Freight transport services by road	Purchase, financing, renting, leasing and operation of vehicles designated as category N1, N2 or N3 for freight transport serivces by road. Activity includes vehicles used in logistics operations of in Davidsen Koncernen A/S in Denmark.	To meet the Taxonomy criteria, the vehicles must be low-emission or zero-emission vehicles. The vehicles are also not dedicated for the transportation of fossil fuels. Additionally, the vehicles must comply with the 'do no significant harm' criteria set for the activity. The logistics vehicles are classified as Taxonomy-eligible but not Taxonomy-aligned.		√	√
CCM 7.1	Construction of new buildings	The construction of buildings for residential and non-residential use. The activity includes building projects developed by Kesko for its own use. These are mainly new store and logistics properties.	For new buildings, an energy efficiency rating (E-value) is defined during the planning phase, which must be at least ten percent lower than the nationally set threshold. An assessment of the building's Taxonomy alignment is made during the planning phase. The realisation of the E-rating is verified upon the building's completion. Energy efficiency must be certified with an Energy Performance Certificate. Additionally, the activity sets criteria for buildings over 5,000 m² regarding air-tightness and thermal integrity of the building. The activity also includes detailed 'do no significant harm' criteria. The criteria for Taxonomy alignment are considered already during the planning phase of the building, when the decision to construct the building in accordance with the criteria is made.		√	
CCM 7.2	Renovation of existing buildings	Extensive repairs to existing buildings. Major refurbishments or extensions in properties owned by Kesko, as well as in leased premises where Kesko is responsible for refurbishments.	Building renovations comply with the requirements applied to major renovations. Alternatively, the renovations lead to a reduction of primary energy demand of at least 30 %. The activity also includes detailed 'do no significant harm' criteria. Large renovations have not been deemed Taxonomy-aligned, as the 'do no significant harm' criteria for Taxonomy alignment related to activity 7.2 have not been met.		√	
CCM 7.3	Installation, maintenance and repair of energy efficiency equipment	Individual renovation measures related to energy efficiency equipment, such as energy efficient replacements for external doors and windows, installing energy efficient light sources, and the installation, maintenance, repair and replacement of ventilation equipment with efficient technologies. The activity mainly includes the above-mentioned renovation measures in Kesko store sites where Kesko is the lessee.	The information available is not detailed enough to assess compliance with the criteria applicable to the activity, and Taxonomy alignment cannot therefore be determined. Investments related to the activity are classified as Taxonomy-eligible, but not Taxonomy-aligned.		√	

Taxonomy activity		Activity description	Assessment of Taxonomy alignment	Performance indicators		
				Turnover	CapEx	Opex
Objective: Climate change mitigation (CCM)						
CCM 7.4	Installation, maintenance and repair of charging stations for electric vehicles in buildings	The installation, maintenance and repair of charging stations for electric vehicles in buildings and parking spaces attached to buildings. The activity covers Kesko's K-Lataus stations in Finland and charging stations installed at store sites in Kesko's other operating countries.	All investments related to the activity have been classified as Taxonomy-aligned.		√	
CCM 7.5	Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	The installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings. The activity covers the aforementioned capital expenditures in properties where Kesko is a lessee.	When the activity consists of individual measures listed in the Taxonomy Regulation, all investments related to the activity have been classified as Taxonomy-aligned.		√	
CCM 7.6	Installation, maintenance and repair of renewable energy technologies	Individual measures related to renewable energy sources, where the technology is installed on-site as part of the building's technical systems. The activity covers the aforementioned capital expenditures in properties where Kesko is a lessee.	When the activity consists of individual measures listed in the Taxonomy Regulation, all investments related to the activity have been classified as Taxonomy-aligned.		√	
CCM 7.7	Acquisition and ownership of buildings	Buying real estate and exercising ownership of that real estate. The activity includes properties acquired during the reporting period, and the amounts of right-of-use assets recognised in the balance sheet based on lease agreements for properties. Moreover, capital expenditure in properties owned by Kesko in line with the above-mentioned activities 7.3 and 7.5 and activity 7.6 have been included in activity 7.7 'Acquisition and ownership of buildings'.	For buildings built after 2020, the assessment of Taxonomy alignment has been made based on the climate change mitigation substantial contribution criteria of activity 7.1. 'Construction of new buildings'. A building built during or before 2020 must have at least a category A energy certificate, or the building must be in the top 15% in the region in terms of primary energy demand. The assessment method is mainly applied to leased properties. A climate risk assessment is also conducted for the buildings.		√	√
Objective: Circular economy (CE)						
CE 5.4	Sale of second-hand goods	The sale of second-hand goods that have been used for their intended purpose before by a customer. In Kesko, the sale of second-hand goods includes the used car business in the car trade division.	For used cars, the information needed to reliably assess Taxonomy alignment of the vehicles under the classification system is not available. Used cars are classified as Taxonomy-eligible but not Taxonomy-aligned.	√		

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Kesko's Taxonomy-eligible turnover comprises the car leasing business and sales of used cars to customers in the car trade division.

Kesko owns and leases properties in all operating countries for business purposes. The Group uses some 1,600 owned or leased retail, logistics and office properties. The Group's Taxonomy-eligible capital expenditure includes investments in new store sites and logistics properties, investments in building improvement measures, and investments in lighting, machinery and equipment to improve the energy efficiency of buildings, and automation for measuring and monitoring energy efficiency. In addition, Taxonomy-eligible CapEx includes charging equipment for electric vehicles and investments in vehicles for the leasing operations of the car trade division. Land areas are not classified as Taxonomy-eligible CapEx.

In addition, Taxonomy-eligible CapEx includes charging equipment for electric vehicles, investments in vehicles for the leasing operations of the car trade division, and investments in logistics vehicles for the building and home improvement trade business in Denmark.

Operating expenditure under the Taxonomy Regulation in Kesko Group is in particular related to expenses for the use, maintenance and repair of properties. Taxonomy-eligible expenses include expenses for servicing of the leasing car fleet and the logistics vehicles fleet in Denmark.

Kesko does not have Taxonomy activities related to gas or nuclear power.

Activities related to nuclear power and fossil gas

Nuclear energy related activities		
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO

Fossil gas related activities		
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

EU Taxonomy performance indicators

Kesko presents the performance indicators for turnover, capital expenditure (CapEx) and operating expenditure (OpEx) in accordance with the tables determined for non-financial undertakings in the Taxonomy Regulation. The tables for the performance indicators disclose the proportion of turnover, capital expenditure and operating expenditure attributable to Taxonomy-eligible and Taxonomy-aligned economic activities.

Accounting policies

Turnover

When calculating the performance indicator for turnover, Kesko applies the same IFRS accounting principles as it does in the consolidated financial statements. The accounting principles for revenue recognition are presented in Note 2.1 of the consolidated financial statements.

The net sales figure used in calculating the turnover performance indicator is the Kesko Group net sales presented in the income statement. The Taxonomy-eligible turnover is the share of total Group net sales that comes from Taxonomy-eligible activities. In Kesko's business operations, car leasing operations and used car sales in the car trade division have been identified as Taxonomy-eligible activities that generate net sales.

Kesko's primary operations which generate net sales are the sales of products and services to customers and retailers. Product sales are currently not a Taxonomy-eligible activity, with the exception of used car sales.

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Capital expenditure (CapEx)

Capital expenditure (CapEx) as defined in the Taxonomy Regulation includes additions to tangible and intangible assets during the financial year, before depreciation, amortisation and any re-measurements. Capital expenditure also includes additions to tangible and intangible assets resulting from business combinations. In accordance with the Taxonomy Regulation, Kesko includes in its CapEx calculation investments in tangible and intangible assets and the aggregate sum of additions to the right-of-use assets recognised in the balance sheet based on lease agreements. Goodwill recorded in acquisitions is not included in the Taxonomy CapEx definition. Additions to property, plant and equipment are presented in Note 3.2, additions to intangible assets in Note 3.3, and additions to right-of-use assets related to leases in Note 3.4 of the consolidated financial statements.

The Taxonomy definition of CapEx differs from the definition of the 'capital expenditure' performance indicator reported by Kesko. In Kesko's definition, the performance indicator includes investments in tangible and intangible assets and subsidiary shares. The indicator does not include additions to right-of-use assets related to leases recognised in the balance sheet. Group capital expenditure in 2025 totalled €735.7 million (€675.9 million).

The following table details the capital expenditure items used to calculate the Taxonomy CapEx indicator.

Capital expenditure (CapEx) under EU Taxonomy

€ million	2025	2024
Property, plant and equipment - Additions (Note 3.2)	536.7	494.9
Property, plant and equipment - Acquisitions (Note 3.2)	92.8	94.4
Intangible assets - Additions (Note 3.3)	10.4	16.2
Intangible assets - Acquisitions excluding goodwill (Note 3.3)	7.2	39.7
Right-of-use assets - Additions (Note 3.4)	459.4	457.5
Right-of-use assets - Acquisitions (Note 3.4)	2.9	12.3
Total	**1,109.4**	**1,115.1**

Operating expenses (OpEx)

Operating expenditure (OpEx) as defined in the Taxonomy Regulation includes direct non-capitalised costs that relate to research and development, building renovation measures, maintenance and repair, and any other direct expenditure relating to the servicing of assets of property, plant and equipment by the undertaking or a third party to whom activities are outsourced that are necessary to ensure the continued and effective functioning of such assets.

In Kesko Group's income statement, operating expenditure as defined in the Taxonomy Regulation is included under 'Other operating expenses', which are presented in Note 2.5 of the consolidated financial statements.

Operating expenditure under the Taxonomy Regulation in Kesko Group is in particular related to expenses for the use, maintenance and repair of properties – which in the financial statements are included in 'Property and store site maintenance expenses' – the total sum of which was €196.2 million (€198.5 million) in 2025. In addition to property maintenance and repair costs, the figure includes expenses related to e.g. heating, electricity and water consumption, and waste management, which are not included in the Taxonomy definition of operating expenditure. In addition, Taxonomy-eligible expenses include expenses for servicing of the leasing car fleet and the logistics vehicles fleet in Denmark.

In Kesko's business model, operating expenditure is not material in the transition to more sustainable activities, but instead, building renovation measures, such as those related to improving energy efficiency, are capital expenditure by nature.

Proportion of turnover from products or services associated with Taxonomy-aligned economic activities 2025

Financial year 2025		2025		Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic activities	Code	Turnover	Proportion of turnover, year 2025	Climate change mitigation	Climate change adaption	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaption	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of Taxonomy aligned (A1) or eligible (A2) turnover, year 2024	Category enabling activity)	Category transitional activity
		€ million	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0.0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%							Y	0.0%		
Of which Enabling		0.0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%							Y	0.0%	E	
Of which Transitional		0.0	0.0%	0.0%												Y	0.0%		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Transportation by motorbikes, passenger cars and light commercial vehicles	CCM 6.5 CCA 6.5	32.2	0.3%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.2%		
Sale of second-hand goods	CE 5.4	404.8	3.2%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								2.7%		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		436.9	3.5%	0.3%	0.0%	0.0%	0.0%	3.2%	0.0%								2.9%		
A. Turnover of Taxonomy eligible activities (A.1+A.2)		436.9	3.5%	0.3%	0.0%	0.0%	0.0%	3.2%	0.0%								2.9%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		12,037.8	96.5%																
Total		12,474.7	100.0%																

Codes:
Climate change mitigation: CCM
Climate change adaptation: CCA
Circular economy: CE

Y – Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective
N – No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective

EL – Taxonomy-eligible activity for the relevant objective
N/EL – Taxonomy-non-eligible activity for the relevant objective

Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities 2025

Financial year 2025		2025		Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic activities	Code	CapEx	Proportion of CapEx, year 2025	Climate change mitigation	Climate change adaption	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaption	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of Taxonomy aligned (A1) or eligible (A2) CapEx, year 2024	Category enabling activity)	Category transitional activity
		€ million	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Construction of new buildings	CCM 7.1 CCA 7.1 CE 3.1	107.4	9.7%	Y	N	N/EL	N/EL	N	N/EL		Y	Y	Y	Y	Y	Y	9.1%		
Installation, maintenance and repair of charging stations for electric vehicles in buildings	CCM 7.4 CCA 7.4	7.2	0.6%	Y	N	N/EL	N/EL	N/EL	N/EL		Y					Y	0.8%	E	
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5 CCA 7.5	0.1	0.0%	Y	N	N/EL	N/EL	N/EL	N/EL		Y					Y	0.0%	E	
Installation, maintenance and repair of renewable energy technologies	CCM 7.6 CCA 7.6	0.2	0.0%	Y	N	N/EL	N/EL	N/EL	N/EL		Y					Y	0.0%	E	
Acquisition and ownership of buildings	CCM 7.7 CCA 7.7	42.4	3.8%	Y	N	N/EL	N/EL	N/EL	N/EL		Y					Y	5.7%		
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		157.3	14.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		Y	Y	Y	Y	Y	Y	15.6%		
Of which Enabling		7.5	0.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%								0.8%	E	
Of which Transitional		0.0	0.0%	0.0%													0.0%		T

Codes:
Climate change mitigation: CCM
Climate change adaptation: CCA
Circular economy: CE

Y – Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective
N – No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective

EL – Taxonomy-eligible activity for the relevant objective
N/EL – Taxonomy-non-eligible activity for the relevant objective

Financial year 2025		2025		Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic activities	Code	CapEx	Proportion of CapEx, year 2025	Climate change mitigation	Climate change adaption	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaption	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of Taxonomy aligned (A1) or eligible (A2) CapEx, year 2024	Category enabling activity)	Category transitional activity
		€ million	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Transportation by motorbikes, passenger cars and light commercial vehicles	CCM 6.5 CCA 6.5	86.8	7.8%	EL	EL	N/EL	N/EL	N/EL	N/EL								4.7%		
Freight transport services by road	CCM 6.6 CCA 6.6	1.9	0.2%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.4%		
Construction of new buildings	CCM 7.1 CCA 7.1 CE 3.1	28.3	2.5%	EL	EL	N/EL	N/EL	EL	N/EL								2.4%		
Renovation of existing buildings	CCM 7.2 CCA 7.2 CE 3.2	80.5	7.3%	EL	EL	N/EL	N/EL	EL	N/EL								9.2%		
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3 CCA 7.3	1.6	0.1%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.3%		
Acquisition and ownership of buildings	CCM 7.7 CCA 7.7	446.8	40.3%	EL	EL	N/EL	N/EL	N/EL	N/EL								43.2%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		645.9	58.2%	60.3%	0.0%	0.0%	0.0%	0.0%	0.0%								60.3%		
A. CapEx of Taxonomy eligible activities (A.1+A.2)		803.2	72.4%	75.9%	0.0%	0.0%	0.0%	0.0%	0.0%								75.9%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		306.2	27.6%																
Total		1,109.4	100.0%																

Codes:
Climate change mitigation: CCM
Climate change adaptation: CCA
Circular economy: CE

Y – Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective
N – No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective

EL – Taxonomy-eligible activity for the relevant objective
N/EL – Taxonomy-non-eligible activity for the relevant objective

Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities 2025

Financial year 2025		2025		Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic activities	Code	OpEx	Proportion of OpEx, year 2025	Climate change mitigation	Climate change adaption	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaption	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of Taxonomy aligned (A1) or eligible (A2) OpEx, year 2023	Category enabling activity)	Category transitional activity
		€ million	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0.0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%							Y	0.0%		
Of which Enabling		0.0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%							Y	0.0%	E	
Of which Transitional		0.0	0.0%	0.0%												Y	0.0%		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Transportation by motorbikes, passenger cars and light commercial vehicles	CCM 6.5 CCA 6.5	1.9	2.9%	EL	EL	N/EL	N/EL	N/EL	N/EL								2.8%		
Freight transport services by road	CCM 6.6 CCA 6.6	1.4	2.2%	EL	EL	N/EL	N/EL	N/EL	N/EL								1.4%		
Acquisition and ownership of buildings	CCM 7.7 CCA 7.7	63.3	95.0%	EL	EL	N/EL	N/EL	N/EL	N/EL								95.8%		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		66.6	100.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%								100.0%		
A. OpEx of Taxonomy eligible activities (A.1+A.2)		66.6	100.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%								100.0%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities		0.0	0.0%																
Total		66.6	100.0%																

Codes:
Climate change mitigation: CCM
Climate change adaptation: CCA
Circular economy: CE

Y – Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective
N – No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective

EL – Taxonomy-eligible activity for the relevant objective
N/EL – Taxonomy-non-eligible activity for the relevant objective

Taxonomy eligibility and alignment per environmental objective

	Proportion of turnover / Total turnover	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0.0%	0.3%
CCA	0.0%	0.0%
WTR	0.0%	0.0%
CE	0.0%	3.2%
PPC	0.0%	0.0%
BIO	0.0%	0.0%

	Proportion of CapEx / Total CapEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	14.2%	58.2%
CCA	0.0%	0.0%
WTR	0.0%	0.0%
CE	0.0%	0.0%
PPC	0.0%	0.0%
BIO	0.0%	0.0%

	Proportion of OpEx / Total OpEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0.0%	100.0%
CCA	0.0%	0.0%
WTR	0.0%	0.0%
CE	0.0%	0.0%
PPC	0.0%	0.0%
BIO	0.0%	0.0%

CCM: Climate change mitigation
CCA: Climate change adaptation
WTR: Water and marine resources
CE: Circular economy
PPC: Pollution prevention and control
BIO: Biodiversity and ecosystems

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E1 CLIMATE CHANGE

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Material impacts, risks and opportunities (ESRS 2 SBM-3)

Material impacts, risks and opportunities

Topic	Description	Management
Climate change mitigation	**Actual negative impact:** Kesko's own operations generate greenhouse gas (GHG) emissions (scope 1 and 2). The most significant source of scope 1 emissions are the fuel emissions of transportation and logistics. The most significant source of scope 2 emissions are district heating consumption emissions.	• Kesko has set climate targets for reducing the emissions from its own operations (scope 1 and 2). The Science Based Targets initiative validated Kesko's climate targets in January 2026. • The most significant investments to reduce energy and industrial emissions are related to the electrification of the logistics fleet and improving energy efficiency by installing energy recycling systems.
Climate change mitigation	**Actual negative impact:** Kesko's value chain generates GHG emissions (scope 3). Most of the value chain emissions arise during the life cycle of purchased and sold products, from their production, use, and end-of-life treatment. Additionally, emissions are generated from the manufacturing of capital goods and upstream transportation.	• Kesko has set new near-term and long-term climate targets for its value chain (scope 3). The Science Based Targets initiative validated Kesko's climate targets in January 2026. • Preparatory work to build transition plan for Kesko's value chain emissions (scope 3) started at the end of 2025. • Suppliers are encouraged to set their own science-based emission reduction targets.
Energy	**Actual negative impact:** The consumption of fossil energy sources in properties owned and managed by Kesko and in transport and logistics generates GHG emissions.	• Reducing the consumption of fossil energy sources by electrifying transport, improving energy efficiency, and increasing the share of renewable and emission-free energy sources in energy consumption.

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Climate risks and resilience assessment

Kesko has assessed the financial impacts of climate change on its operations. No material climate-related risks have been identified in the Group's operational risk map, where the review period is 12 months.

In assessing sustainability-related risks, it is essential to consider medium- and long-term risk horizons. The medium- and long-term periods used in the risk assessment correspond to the definitions used by ESRS, where the medium term extends five years from the end of the short term, and the long term is from five years onwards. Climate scenarios were not used in the identification and assessment of climate risks.

Physical risks

Physical climate risks associated with operations were particularly identified in relation to the effects of extreme weather events in properties owned and leased by Kesko, as well as in the product supply chain, such as disruptions in product availability.

Kesko owns and manages a significant number of properties under lease agreements in all operating countries. These properties are exposed to physical risks related to climate change. In the future, increasing extreme weather events may increase the strain on properties and the costs associated with maintenance and repairs. Individual assets may be subject to damage risks or investment needs due to extreme weather events. The most significant extreme weather events in Kesko's operating countries are linked to chronic climate risks, such as heat stress and changes in rainfall patterns and types. Acute risks are related to heatwaves, storms, heavy rains, and floods. Future weather conditions are modelled, for example, using forward-looking weather data, and the risks are considered in real estate project planning guidelines.

At the time of the assessment, Kesko has not identified material climate risks related to assets that could lead to asset impairment or have significant impacts on business continuity. Annually, Kesko's retail locations may experience, for example, floods or leaks in property structures caused by heavy rainfall, but these disruptions have not caused significant impacts or interruptions to business operations in the affected locations.

Extreme weather events, such as drought, heavy rainfall, and cold spells, may lead to disruptions in product availability. Intensified storms, increased rainfall, sudden floods, and prolonged droughts particularly affect agriculture and the production of raw materials and food. Increasing extreme weather events raise the risk of disruptions in global supply chains. The impacts may be seen on product availability, quality, and price. Managing these risks includes anticipating potential global changes in prices, suppliers and product quality across the value chain.

In the short term, disruptions to availability caused by extreme weather events are already part of business operations. Identifying and assessing risks, and using climate scenario analysis in medium- and long-term assessments, are key means of preparing for these risks.

Physical risk related to extreme weather events in the supply chain for products and raw materials has been identified in all three of Kesko's divisions. The risk has not been incorporated into the operational risk maps for any of the divisions, where the review period is 12 months. Going forward, these risks will need to be assessed more thoroughly also in the medium and long term. In the double materiality assessment, the risk was not considered to exceed the materiality threshold at the time of the assessment.

Transition risks

With regard to climate-related transition risks, a key risk identified relates to responding to evolving and increasingly stringent legislation. In the double materiality assessment, Kesko has also identified a broader risk associated with tightening regulation across several sustainability topics. This risk has been included under ESRS G1 Business conduct, as it relates to ensuring compliance across different areas of sustainability regulation.

Kesko has not assessed business activities and assets that could be subject to possible transition risks as part of its transition risk mapping.

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Business resilience

The resilience assessment is based on the assessment of climate-related risks in Kesko's own operations. Kesko's business model, which consists of three different divisions, reduces exposure to climate-related risks affecting an individual division. In the grocery trade and in the building and technical trade, the diversification of supply chains and the diversity of product categories support resilience and reduce related risks, and these risks are not considered to have a significant impact on the financial position or business continuity of the Kesko Group.

Climate-related risks related to properties are also not considered to be a significant risk to the continuity of Kesko's business operations. The main risks to business continuity relate to the supply reliability of Kesko's central warehouses and the functionality of critical systems.The geographical diversification of Kesko's retail locations also supports resilience and reduces the risks associated with individual sites. Risks related to individual retail locations are not significant for business continuity.

In general, the resilience of Kesko's business model to various climate-related risks is good. However, the greatest impacts related to climate change arise in Kesko's value chain. In the medium and long term, reducing GHG emissions in the value chain and adapting business operations to the requirements of a low-carbon business model are essential.

Transition plan for climate change mitigation (E1-1)

During 2025, Kesko set new near- and long-term climate targets. The company has also committed to reducing GHG emissions across its entire value chain to net-zero by 2050. The new climate targets were approved by Kesko's Board of Directors in October 2025, after which they were submitted for validation to the Science Based Targets initiative (SBTi). The validation process for these targets was still ongoing at the end of the reporting period on 31 December 2025. Kesko received confirmation that the SBTi validation process had concluded and the targets had been approved after the reporting period ended, in January 2026.

Kesko's climate targets are set in line with the SBTi criteria and are consistent with limiting global warming to 1.5°C in line with the Paris Agreement. Kesko is not subject to the exclusion criteria applied in EU Paris-aligned Benchmarks.

In 2024, Kesko prepared a transition plan for reducing energy and industrial emissions from its own operations (scope 1 and 2). The plan was reviewed by the Group Management Board and formally approved by the Board of Directors. The transition plan covers the years 2025–2034. The plan was updated during 2025, as the near-term target level was raised as part of broader climate target updates.

The transition plan sets out the measures to reduce emissions from Kesko's own operations in order to achieve its near-term climate target. Key measures for reducing emissions in Kesko's own operations include electrifying logistics and switching to biofuels, phasing out oil and gas heating, improving energy efficiency and increasing the use of renewable energy.

In our assessment, the amount of locked-in emissions is limited and does not threaten the achievement of near-term emission reduction targets. Potential locked-in emissions are particularly associated with electricity-related emissions in Poland and the Baltics, district heating use, and possible constraints on the electrification of logistics, which could maintain the use of fossil fuels. The development of locked-in emissions largely depends on progress in property technology, energy generation, and transport electrification.

At the end of 2025, Kesko's scope 1 and 2 GHG emissions totalled 74,204 tCO_2eq. The reduction from the 2024 base year was 19%. The most significant actions taken in 2025 to achieve emission reductions were increasing the number of electric and gas vehicles in the logistics fleet, as well as switching purchased electricity to zero-emission sources, particularly in parts of operations in Denmark, Sweden and Norway.

In preparing the transition plan for energy and industrial emissions from own operations (scope 1 and 2), Kesko assessed the level of investments required to implement the plan. Investment decisions and their execution are part of strategy work and annual planning. The investments required to implement Kesko's transition plan are not expected to constitute a significant share of the Group's total investments. Kesko did not have an internal carbon pricing mechanism in place during the reporting period.

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In Kesko's own operations, capital expenditure under the Taxonomy Regulation is mainly related to owning, leasing and construction of properties for the needs of its own business. Kesko's principle is that new properties are constructed in accordance with the technical screening criteria set out in the Taxonomy Regulation. Kesko does not have CapEx plans as defined by the Taxonomy Regulation, by which properties owned by Kesko would become Taxonomy-aligned.

At the end of the reporting period in 2025, Kesko had not prepared a transition plan according to the ESRS E1 Climate Change standard for reducing energy and industrial emissions in the value chain or land use-related FLAG (Forest, Land and Agriculture) emissions. During 2026, Kesko will prepare a transition plan for reducing these emissions, extending to 2034. The transition plan will be reviewed by the Group Management Board, and formally approved by the Board of Directors.

Kesko has not participated in projects to remove or store GHG emissions, nor has it financed such projects by purchasing carbon credits. The need for neutralisation to achieve long-term climate targets has been identified, but options and quantities have not yet been investigated.

Further information on Kesko's climate change mitigation actions and their link to financial planning and access to finance is provided in the Actions section (E1-3). Kesko's new climate targets set in 2025 are described in the Targets and progress towards targets section (E1-4).

Policies (E1-2)

Kesko's sustainability policy guides Kesko's climate work. In this policy, Kesko is committed to the goals of international climate summits for the mitigation of global warming and to reducing emissions from its own operations and across the value chain. The sustainability policy has been approved by Kesko's Board of Directors, and its implementation is overseen by Executive Vice President, Legal and Sustainability of Kesko Group, who is a member of the Group Management Board.

At the end of 2025, the Board of Directors approved an updated sustainability policy, which will take effect on 1 January 2026. The revised sustainability policy considers a broader range of principles related to reducing GHG emissions and improving energy efficiency compared to the previous policy.

Deforestation is one of the most critical drivers behind the rise in global GHG emissions. As part of setting land use-related emissions targets, company must commit, in line with SBTi criteria, to no deforestation across its primary deforestation-linked commodities, by the end of 2025. Kesko is committed to fulfilling this commitment.

Kesko's energy strategy guides energy procurement and sets the principles for improving energy efficiency. The energy strategy sets targets for improving energy efficiency and for sourcing renewable electricity. The energy strategy has been approved by Kesko Group Management Board, and its implementation is overseen by Kesko Group's Energy Director.

Kesko's K Code of Conduct for business partners sets out the expectations for its business partners on sustainability-related matters, and is generally included in procurement agreements. K Code of Conduct requires business partners to encourage sustainable business practices throughout their supply chains. Kesko's partners must also ensure that subcontractors and providers of goods or services follow the same principles and standards laid out in the K Code of Conduct for business partners.

Key internal stakeholders have participated in the formation of the sustainability policy and the K Code of Conduct. The most current versions of the policies are publicly available on Kesko's website.

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Actions (E1-3)

Reducing GHG emissions in own operations

The most significant measures to support decarbonisation in Kesko's own operations are the electrification of logistics, switch to biofuels, phase-out of oil and gas heating, improving energy efficiency, and increased use of renewable energy. These measures support Kesko's target to reduce absolute scope 1 and 2 GHG emissions by 58.8% by 2034 from the 2024 base year.

Electrification of logistics and transition to biofuels

The most significant emission source in Kesko's own operations is the consumption of fossil fuels in transportation and logistics operations. Emissions from fossil fuel use are expected to decrease as logistics is increasingly electrified and the use of biofuels increases. We estimate that around 30% of logistics transport will use alternatives to fossil fuels by 2030, and approximately 40% by 2034.

At the end of 2025, Kesko had a total of 34 electric vehicles in operation, with an additional six vehicles expected to be deployed at the beginning of 2026 due to delays in commissioning. In addition, Kesko had a total of 23 gas-powered vehicles in operation at the end of 2025. The emission reduction achieved through the increase in electric and gas-powered vehicles during the year was approximately 2,400 tonnes. The emission reduction expected to be achieved through fleet changes by the end of 2034 is approximately 25,000 tonnes.

Use of renewable energy

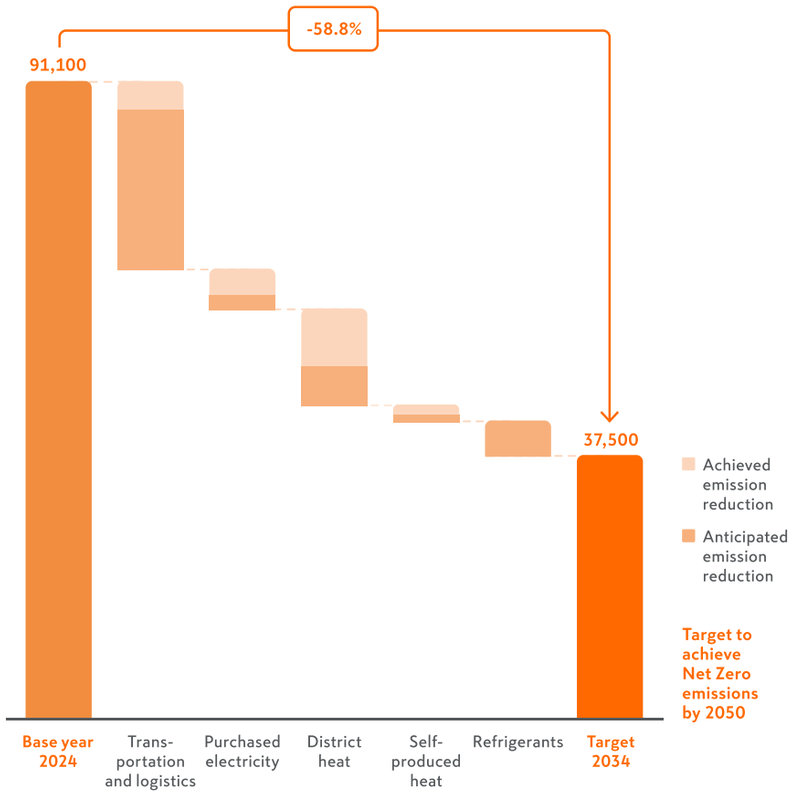
Kesko uses renewable and emission-free electricity in Finland, Sweden and Norway. During 2025, the Danish operations transitioned to using emission-free electricity in the operations of Davidsen Koncernen A/S. In addition, in Norway and Sweden, all electricity consumption has been entirely renewable and emission-free since the beginning of 2025.

For businesses acquired in Denmark in 2025, the switch to emission-free electricity will occur from the start of 2026. After this, electricity-related emissions will come from electricity purchased for properties in the Baltics and Poland. For purchased electricity in Poland, the plan is to switch largely to renewable or emission-free electricity in 2026.

The measures implemented reduced Kesko's electricity consumption-related emissions by approximately 3,800 tonnes.

In 2025, 97% of the purchased electricity consumed by Kesko was produced using renewable energy sources and 1% using emission-free nuclear power. The exact origin of the remaining portion cannot be determined.

Transition plan to reduce scope 1 and 2 emissions between 2025–2034



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Improving energy efficiency

Improving energy efficiency in properties and retail sites owned or leased by Kesko is a key measure for reducing emissions from its own operations. The most significant energy efficiency action is the installation of energy recycling systems that utilise waste heat from store refrigeration systems, which reduces district heating consumption in these properties by an average of up to 50% compared to the consumption level before. In addition, energy savings are achieved by optimising setpoints and making use of analytics services to analyse energy consumption.

During 2025, we implemented energy efficiency measures totalling approximately 17.6 GWh. The most notable actions included installing energy recycling systems that utilise waste heat in nine properties, which is estimated to have reduced district heating consumption in these properties by around 3.5 GWh. In total, we carried out about 730 energy efficiency improvement measures recorded in our information system during 2025.

The emission reduction expected from energy efficiency measures implemented in 2025 is approximately 900 tonnes, representing the measures' calculated annual emission reduction. Emissions related to district heating consumption are assumed to decrease by a total of 60% by the end of 2034, of which around 25 percentage points are estimated to result from own actions and approximately 35 percentage points due to the green transition in heat production.

Transitioning away from oil and gas heating

During 2025, Kesko had a total of 81 properties using fossil fuels for heating. Most of these properties are located in Poland and the Baltic countries. Kesko's target is to replace the heating solutions with zero-emission alternatives or district heating by 2029. The Group uses some 1,600 owned or leased retail, logistics and office properties.

In 2025, we replaced the heating system in five oil- or gas-heated properties with district heating or a heat pump solution. In addition, due to changes in the site network, a total of 18 oil-heated properties were removed from Kesko's network, which also contributed to reducing emissions. The emission reduction achieved in 2025 was approximately 1,400 tonnes. The planned emission reduction by the end of 2034 is 1,300 tonnes.

Refrigerant leakages

To reduce emissions caused by refrigerant leakages, we will renew our refrigeration systems to use natural refrigerants by 2030, in accordance with the requirements of the F-gas Regulation. After 2030, refrigerant leakages will no longer lead to significant GHG emissions. The anticipated total emission reduction is approximately 4,000 tonnes by the end of 2030.

Reducing emissions in the value chain

Over 99% of Kesko's GHG emissions are generated within the value chain (scope 3). Reducing these emissions primarily requires collaboration with supply chain partners, as the value chain emissions originate from the activities of Kesko's suppliers and service providers.

Since the beginning of 2021, Kesko has encouraged suppliers to set science-based emission reduction targets for their own operations, and cooperation with goods and service providers will play an increasingly important role in achieving Kesko's climate targets in the future.

In addition to collaboration with actors in the supply chain, key areas for development in reducing emissions across Kesko's value chain include ensuring and improving data accuracy as well as developing emission calculations so that we can monitor emission trends more precisely.

The new Construction Act, which entered into force at the beginning of 2025, requires that from 1 January 2026, large new buildings must be designed and constructed to be low-carbon. The project developer must present a climate report at the final inspection, which includes calculations for the building's carbon footprint and carbon handprint. This obligation requires precise, project-specific emissions data, potentially down to the product level.

To meet these requirements, Kesko has developed the reporting of emissions data for its building and technical trade selections. Providing product-specific emissions data supports customers' statutory obligations and improves the accuracy of value chain emissions (scope 3, category 1) reported in Kesko's sustainability statement for purchased products in the building and technical trade.

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Investments and financing related to the action plans

Investments aimed at reducing GHG emissions are related to the electrification of logistics fleet, improving energy efficiency in properties, and replacing oil and gas heating with alternative heating solutions.

Energy efficiency investments are made as part of the maintenance of properties, which means the investment relates both to the maintenance needs of the property and to the reduction of emissions in the properties as the property's energy efficiency improves. Expected investment needs for the electrification of logistics fleet are particularly related to investments in charging infrastructure for heavy-duty vehicles.

The investments required for measures to reduce emissions from Kesko's own operations are not expected to constitute a significant share of the Group's total investments. Investment decisions and their implementation form part of the annual strategy work and annual planning process.

Kesko has not identified any climate change-related capital expenditure or climate change-driven impairments of assets that could have a material impact on Kesko's financial position at the reporting date.

Kesko has a €300 million unsecured senior green bond issued under the Green Finance Framework, the proceeds of which have been used to finance capital expenditure meeting the framework criteria. At the end of 2025, the interest margins of two bilateral loans, totalling €200 million, incorporated sustainability-linked targets relating to the reduction of greenhouse gas emissions and food waste. For the four bilateral loans amounting to €600 million refinanced during 2025, the sustainability-linked targets will be negotiated once the new climate targets have been approved by the Science Based Targets initiative.

Taxonomy-aligned investments

Kesko does not have CapEx plans, as defined by the Taxonomy Regulation, based on which Kesko's owned properties or logistics vehicles would become Taxonomy-aligned. For existing properties, this would mean that improvements to the properties would result in at least a 30% reduction in primary energy demand. For the logistics fleet, the vehicles would need to be zero-emission vehicles.

Kesko's principle is that new properties are constructed in accordance with the technical screening criteria set out in the Taxonomy Regulation. In 2025, Kesko had 20 (9) construction projects underway in Finland, in which properties are being built in accordance with the technical screening criteria of the Taxonomy. All new construction projects ongoing in 2025 do not meet the Taxonomy criteria, as the planning and construction decisions were made before the technical screening criteria were published and adopted at Kesko.

Targets and progress towards targets (E1-4)

Update of climate targets

During 2025, Kesko set new, updated climate targets. The targets were approved by Kesko's Board of Directors in October 2025. Kesko received confirmation that the SBTi validation process had concluded and the targets had been accepted after the reporting period ended, in January 2026.

Kesko's climate targets are set in line with the SBTi criteria and are consistent with limiting global warming to 1.5°C in line with the Paris Agreement. The SBTi requires that near-term targets for scope 1 and 2 are set at the 1.5°C level and scope 3 targets at least at the "well below 2°C" level. The minimum level for long-term targets is 1.5°C. Kesko's near-term emission reduction targets for scope 1 and 2 comply with the 1.5°C level, and the scope 3 target has been set at the "well below 2°C" level. The updated targets include near-term targets for energy and industrial emissions as well as FLAG emissions extending to 2034, and long-term targets extending to 2050. Additionally, Kesko has set a net-zero target for 2050.

In the 2024 sustainability statement, Kesko reported that Kesko had set scope 1 and 2 climate targets extending to 2034. As part of the SBTi target validation process, the targets were updated to align with SBTi target criteria. In 2024, we reported a target to reduce GHG emissions from Kesko's own operations by 50% by 2034 compared with the 2024 base year. The new target is to reduce the corresponding scope 1 and 2 GHG emissions by 58.8% by 2034 compared with the 2024 base year.

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The 2025 update of targets follows the SBTi criteria, which require setting a target for land-use related FLAG (Forest, Land, and Agriculture) emissions if at least 20% of the company's total emissions are from this source. FLAG emissions arise from forestry, land use, and agriculture. In Kesko's value chain, these emissions originate primarily from the primary production of food products.

The table provides a summary of Kesko's climate targets and commitments validated by the SBTi in January 2026. In addition to these targets, Kesko also has targets related to engaging suppliers of goods and services and an energy efficiency target, which are not included in the set of targets validated by the SBTi.

Kesko's climate targets and commitments validated by the SBTi

Time frame	Target
Near-term	Kesko Corporation commits to reduce absolute scope 1 and 2 GHG emissions 58.8% by 2034 from a 2024 base year.
	Kesko Corporation also commits to reduce absolute scope 3 GHG emissions from purchased goods and services and use of sold products 35.0% by 2034 from a 2024 base year.
	Kesko Corporation commits to reduce absolute scope 1 FLAG GHG emissions 42.4% by 2034 from a 2024 base year.
	Kesko Corporation also commits to reduce absolute scope 3 FLAG GHG emissions 42.4% by 2034 from a 2024 base year.
Long-term	Kesko Corporation commits to reduce absolute scope 1, 2 and 3 GHG emissions 90.0% by 2050 from a 2024 base year.
	Kesko Corporation commits to reduce absolute scope 1 and 3 FLAG GHG emissions 72.0% by 2050 from a 2024 base year.
Net-zero	Kesko Corporation commits to achieve net-zero greenhouse gas emissions across the value chain by 2050.

Kesko has prepared a transition plan for reducing scope 1 and 2 GHG emissions in accordance with the set near-term climate target. The emission reduction actions taken are described in the section Actions (E1-3). For other targets, Kesko had not prepared a transition plan or defined decarbonisation measures by the end of the reporting period. The transition plan is described in the section Transition plan for climate change mitigation (E1-1).

In 2025, Kesko recalculated the base year for its climate targets and presents the restated 2024 base year figures. A reconciliation between the previously published 2024 figures and the restated 2024 base-year figures is provided in Greenhouse gas emissions (E1-6). In the recalculation, the coverage of emissions data was improved by adding previously missing information and correcting errors identified after the completion of the 2024 sustainability statement. These corrections affected all emission categories. More detailed information on the recalculation is provided in the sustainability statement section Basis for preparation, Changes in preparation and presentation of sustainability information.

According to the Greenhouse Gas Protocol calculation standard, recalculating base year emissions is necessary when significant structural changes occur that materially impact emissions or the scope of the emissions inventory. Such situations include, for example, corporate restructuring, changes in calculation methodology, or improved data accuracy that significantly alter base year emissions. The purpose of the recalculation is to ensure comparability and consistency in monitoring targets over the years.

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Progress towards targets

	Base year		2025	%	Target		
					Year	Value	%
Near-term climate targets							
Scope 1 and 2 GHG emissions, market-based, tCO_2eq [1]	2024	91,135	74,204	-19	2034	37,548	-59
Scope 3 GHG emissions, purchased goods and services and use of sold products, tCO_2eq [1]	2024	6,941,006	7,768,187	+12	2034	4,511,654	-35
Scope 1 FLAG emissions, tCO_2eq [1]	2024	2,696	2,542	-6	2034	1,553	-42
Scope 3 FLAG emissions, tCO_2eq [1]	2024	3,323,927	3,188,670	-4	2034	1,914,582	-42
Suppliers and service providers set science-based emission targets, %	2024	47	47	-	2026	67	-
Long-term climate targets							
Scope 1, 2 and 3 GHG emissions, market-based, tCO_2eq [1]	2024	7,362,415	8,155,224	+11	2050	736,241	-90
Scope 1 and 3 FLAG emissions, tCO_2eq [1]	2024	3,326,623	3,191,212	-4	2050	931,454	-72
Energy							
Energy efficiency measures, GWh	2024	-	38.5	-	2030	95.0	-

[1] Science Based Targets initiative validated Kesko's climate targets in January 2026.

Near-term climate targets

Kesko's near-term climate targets include targets to reduce energy and industrial emissions as well as FLAG emissions by 2034. The scope of the targets is based on the coverage validated by SBTi, using 2024 as the base year for emissions.

Of Kesko's own operations (scope 1 and 2), around 60% of the energy and industrial emissions reduction target relates to scope 1 emissions and about 40% to scope 2 emissions. Kesko's near-term target for energy and industrial emissions in the value chain (scope 3) includes the emissions categories purchased goods and services (category 1) and the use of sold products (category 11). These categories cover 95% of the scope 3 emissions in the base year 2024.

In addition to climate targets extending to 2034, Kesko presents an interim target for 2030 in accordance with ESRS.

By the end of 2025, Kesko had achieved a 19% reduction in energy and industrial emissions (scope 1 and 2) in its own operations compared to the base year 2024. The actions taken by Kesko in 2025 to reduce emissions are described in the section Actions (E1-3).

By the end of 2025, energy and industrial emissions in the value chain (scope 3) had increased by 12%, while FLAG emissions had decreased by 4%. Kesko had not developed a transition plan to reduce the specified emission categories by the end of 2025. Information about the transition plan is provided in section (E1-1).

Kesko targets that 67% of its suppliers and service providers will have set science-based emission reduction targets by the end of 2026. The original base year, 2020, was updated to 2024 following revised calculations to align with Kesko's other climate targets. In 2024, 47% of suppliers had set science-based targets, and the share remained 47% in 2025. This target is not included in the climate targets validated by the SBTi in January 2026.

Information on suppliers' emission reduction targets is collected from the SBTi target dashboard and Kesko's CDP Climate Change responses. The percentage is calculated by comparing Kesko's annual purchases from suppliers and service providers with the total purchases included in emission accounting. These include purchases of goods and services, covering IT, marketing, real estate services, and other operating expenses. The percentage is based on purchases from the previous financial year.

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Long-term climate targets

Kesko's long-term climate targets include targets to reduce energy and industrial emissions as well as FLAG emissions by 2050.

The long-term target for energy and industrial emissions includes the most significant emission categories for Kesko's own operations and resulting emissions: Purchased goods and services (category 1), Capital goods (category 2), Upstream transportation and distribution (category 4), Use of sold products (category 11), End-of-life treatment of sold products (category 12), and K-retailers (franchising, category 14). Approximately 99% of the total base year 2024 emissions under the energy and industrial emissions target are value chain emissions. The majority of the long-term energy and industrial emission reduction target is focused on value chain (scope 3) emissions.

The target for value chain (scope 3) FLAG emissions includes only emissions from food products, which cover 99% of scope 3 FLAG emissions in the base year 2024.

In addition, Kesko has set a net-zero target for the entire value chain, in accordance with SBTi criteria, extending to 2050. The SBTi net-zero standard requires that emissions across the value chain are reduced to zero or to a residual level consistent with the 1.5 °C target. From the target year onwards, any residual emissions must be neutralised through permanent carbon removals.

Energy efficiency target

Kesko's energy strategy aims to improve energy efficiency by 10% between 2024 and 2030. The realised energy efficiency measures and their energy saving impacts are monitored based on measures recorded in Kesko's information system, together with the electricity and heat savings reported for each measure. To achieve the target, Kesko must implement energy efficiency actions totalling 95 GWh.

By the end of 2025, Kesko had implemented energy efficiency measures totalling 38.5 GWh from the 2024 base year. Energy efficiency measures implemented in 2025 amounted to 17.6 GWh (20.9 GWh).

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Metrics

Energy consumption and mix (E1-5)

Energy consumption

MWh	2025	2024
Energy consumption from non-renewable sources	**265,889**	**310,960**
Share of fossil sources in total energy consumption, %	36	40
Fuel consumption from coal and coal products	-	-
Fuel consumption from crude oil and petroleum products	176,606	192,424
Fuel consumption from natural gas	6,524	6,098
Fuel consumption from other fossil sources	1,653	1,853
Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources	81,107	110,585
Energy consumption from nuclear sources	**5,186**	**305,500**
Share of consumption from nuclear sources in total energy consumption, %	1	39
Energy consumption from renewable sources	**457,785**	**160,695**
Share of renewable sources in total energy consumption, %	63	21
Fuel consumption for renewable sources	17,531	3,327
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	431,475	148,341
The consumption of self-generated non-fuel renewable energy	8,780	9,027
Total energy consumption	**728,861**	**777,155**

Energy intensity

MWh / Net sales, € million	2025	2024
Energy intensity from activities in high climate impact sectors based on net sales	58	65

Accounting policies

Energy consumption data are based on purchased energy, self-generated heating and electricity, and the calculated energy consumption of transportation, logistics and company cars, by energy source and fuel type. The data cover properties owned and controlled by Kesko, across all divisions and operating countries.

Purchased energy data for properties are based on metered consumption and maintained in an operational information system. Energy managers monitor consumption and make corrections when necessary, based on error alerts. For some sites, consumption is based on invoices. For properties without metered data, consumption is estimated primarily based on floor area, and secondarily on estimated area. 5% of purchased electricity and 6% of district heating are calculated based on estimated consumption.

Oil and gas consumption includes properties where the heating system used oil or gas fully or partially during the reporting period.

Estimated energy consumption for transport and logistics operations is primarily based on fuel consumption.

Kesko's business operations can mainly be classified as a high climate impact sector. Among the products and services offered by Kesko, only the car leasing business is not classified as having a high climate impact. The net sales generated from the leasing business represent only a minor portion of the Group's total reported net sales. The energy consumption of the leasing business cannot be separated from other energy consumption.

Energy intensity is calculated by dividing total energy consumption by the amount of net sales reported in the consolidated financial statements.

The comparative year figures have been restated due to refinements in the calculation. Further details on the restatement are provided in the sustainability statement section Basis for preparation, Changes in preparation and presentation of sustainability information.

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Greenhouse gas emissions (E1-6)

Kesko's GHG emissions consist of energy and industrial emissions as well as FLAG (Forest, Land and Agriculture) emissions. These emissions are divided into scope 1 (direct emissions from Kesko's own operations), scope 2 (indirect GHG emissions from purchased energy), and scope 3 (indirect GHG emissions from the value chain).

Kesko's own operational emissions (scope 1 and 2)

Energy and industrial emissions from Kesko's own operations in scope 1 include emissions from fuels consumed by transport, logistics operations, and company cars, emissions from fuels used for self-produced heating, and emissions arising from refrigerant leakages. Scope 2 emissions cover Kesko's purchased energy, i.e., emissions from purchased electricity, district heating, and district cooling.

Kesko's energy and industrial emissions from its own operations (scope 1 and 2, market-based) totalled 74,204 tCO_2eq. The share of Kesko's own operations in energy and industrial emissions is less than 1%.

Kesko's FLAG emissions from its own operations (scope 1) are generated from land use changes on land owned by Kesko, for example, converting forest or other natural land to developed land.

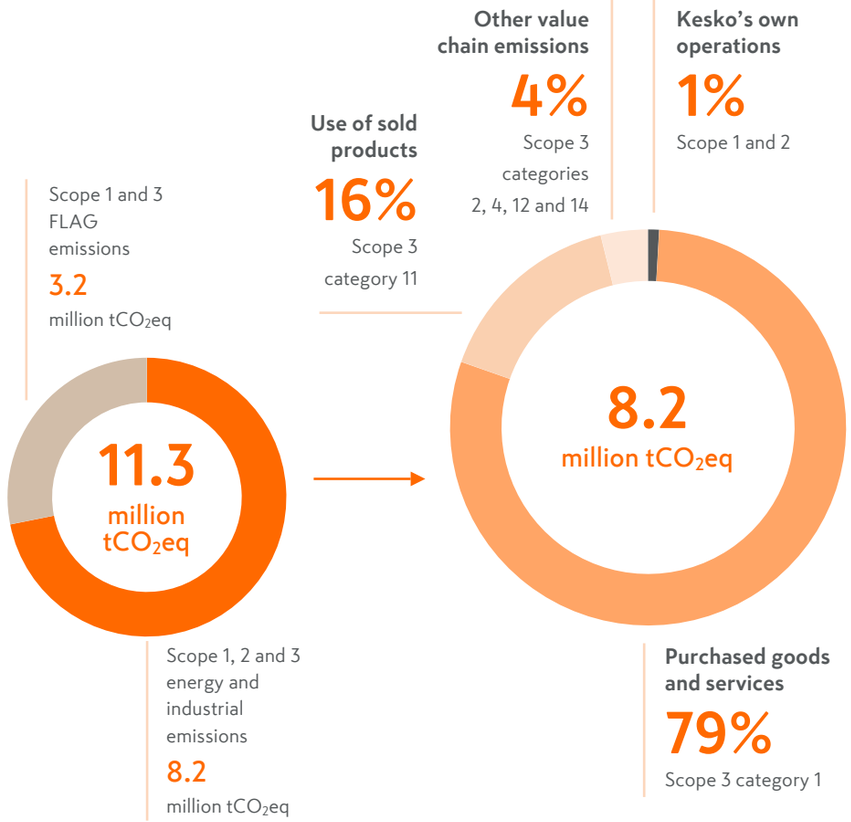
Value chain emissions (scope 3)

Energy and industrial emissions in the value chain (scope 3) mainly arise from the production of products and services purchased by Kesko (category 1) and from the use of sold products (category 11).

FLAG emissions in the value chain (scope 3) mainly originate in the primary production of food products.

We have calculated Kesko's own operational and value chain FLAG emissions for the first time for 2024, and starting from 2025, FLAG emissions will be presented separately as part of the total GHG emissions in the sustainability statement.

Breakdown of GHG emissions



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Bridge calculation for scope 1, 2 and 3 GHG emissions

tCO_2eq	Reported 2024	Restated 2024	%
Scope 1 GHG Emissions			
Gross scope 1 GHG emissions	56,637	59,750	+5
Scope 2 GHG Emissions			
Gross location-based scope 2 GHG emissions	42,950	43,167	+1
Gross market-based scope 2 GHG emissions	27,939	31,385	+12
Significant scope 3 GHG emissions			
Total gross indirect scope 3 GHG emissions	7,122,142	7,271,280	+2
1 Purchased goods and services	6,108,778	5,844,593	-4
2 Capital goods	144,096	88,735	-38
3 Fuel and energy-related activities that are not included in scope 1 or scope 2 GHG emissions	8,372	-	-
4 Upstream transportation and distribution	90,076	87,055	-3
5 Waste generated in operations	9,488	-	-
6 Business travelling	1,774	-	-
7 Employee commuting	9,140	-	-
9 Downstream transportation	87,713	-	-
11 Use of sold products	505,950	1,096,413	+117
12 End-of-life treatment of sold products	126,873	124,791	-2
14 K-retailers (Franchising)	29,881	29,692	-1
Total GHG emissions			
Total GHG emissions, location-based	7,221,729	7,374,196	+2
Total GHG emissions, market-based	7,206,718	7,362,415	+2

Kesko has recalculated the comparative data for 2024, which is also the base year for the new climate targets. The bridge calculation for scope 1, 2 and 3 GHG emissions presents both the information published in the 2024 sustainability statement and the newly recalculated comparative data for 2024. More detailed information about the recalculation can be found in the sustainability statement section Basis for preparation, Changes in preparation and presentation of sustainability information.

According to ESRS, the company reports scope 3 GHG emissions for each significant scope 3 category. As part of the recalculation of GHG emissions, Kesko has identified the most significant scope 3 emission categories from its perspective. The combined share of categories excluded from reporting is less than 1% of the total scope 3 energy and industrial emissions, based on the 2024 emissions inventory assessment.

Categories that are excluded but were previously reported include category 3 Fuel and energy-related activities that are not included in scope 1 or scope 2, category 5 Waste generated in operations, category 6 Business travelling, category 7 Employee commuting, and category 9 Downstream transportation.

Kesko has not previously reported scope 3 categories 8 Upstream leased assets, 10 Processing of sold products, 13 Downstream leased assets, or 15 Investments.

Scope 1 and 2 energy and industrial emissions by emission sources

tCO_2eq	2025	2024
Direct scope 1 GHG emissions	**55,237**	**59,750**
Transportation, logistics and company cars	47,130	51,086
Self-produced heat	1,925	3,410
Refrigerant leakages	6,182	5,254
Indirect scope 2 GHG emissions		
Location-based	**34,721**	**43,167**
Purchased electricity	13,270	13,230
District heat	21,451	29,937
District cooling	-	-
Market-based	**18,967**	**31,385**
Purchased electricity	3,977	8,126
District heat	14,990	23,260
District cooling	-	-

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Gross scopes 1, 2, 3 and total GHG emissions

	Retrospective				Interim target and target years			
	Restated		Restated		Interim target	Target year	Target year	
tCO_2eq	Base year 2024	2025	2024	Change, %	2030	2034	2050	Average annual emission reduction, %
Scope 1 GHG Emissions								
Gross scope 1 GHG emissions	59,750	55,237	59,750	-8	-	-	-	-
Percentage of scope 1 GHG emissions from regulated emission trading scheme, %	-	-	-	-	-	-	-	-
Scope 2 GHG Emissions								
Gross location-based scope 2 GHG emissions	43,167	34,721	43,167	-20	-	-	-	-
Gross market-based scope 2 GHG emissions	31,385	18,967	31,385	-40	-	-	-	-
Total gross scope 1 and 2 emissions, market-based	**91,135**	**74,204**	**91,135**	**-19**	**58,983**	**37,548**	**-**	**-5.88**
Significant scope 3 GHG emissions								
Total gross indirect scope 3 GHG emissions [1]	7,271,280	8,081,021	7,271,280	+11	5,681,559	4,841,928	-	-3.50
1 Purchased goods and services	5,844,593	6,481,456	5,844,593	+11	-	-	-	-
2 Capital goods	88,735	144,227	88,735	+63	-	-	-	-
4 Upstream transportation and distribution	87,055	96,507	87,055	+11	-	-	-	-
11 Use of sold products	1,096,413	1,286,731	1,096,413	+17	-	-	-	-
12 End-of-life treatment of sold products	124,791	43,977	124,791	-65	-	-	-	-
14 K-retailers (Franchising)	29,692	28,122	29,692	-5				
Total GHG emissions (scope 1, 2 and 3)								
Total GHG emissions, location-based	7,374,196	8,170,978	7,374,196	+11	-	-	-	-
Total GHG emissions, market-based	7,362,415	8,155,224	7,362,415	+11	5,740,541	-	736,241	-3.46
Scope 1 FLAG emissions								
FLAG scope 1 emissions	2,696	2,542	2,696	-6	2,010	1,553	-	-4.24
Scope 3 FLAG emissions								
FLAG scope 3 emissions	3,323,927	3,188,670	3,323,927	-4	2,478,320	1,914,582	-	-4.24
Total gross FLAG emissions	**3,326,623**	**3,191,212**	**3,326,623**	**-4**	**2,480,330**	**-**	**931,454**	**-2.77**
Total GHG emissions (scope 1, 2, 3 and FLAG)								
Total GHG emissions, location-based	10,700,819	11,362,190	10,700,819	+6	-	-	-	-
Total GHG emissions, market-based	10,689,037	11,346,436	10,689,037	+6	-	-	-	-

[1] Near-term target includes scope 3 category 1 Purchased goods and services and category 11 Use of sold products.

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GHG intensity

tCO_2eq / Net sales, € million	2025	2024
Total gross scope 1, 2 and 3 emissions		
GHG emission intensity per net sales, location-based	655	619
GHG emission intensity per net sales, market-based	654	618
Total gross scope 1, 2 and 3 and FLAG emissions		
GHG emission intensity per net sales, location-based	911	898
GHG emission intensity per net sales, market-based	910	897

Biogenic emissions

Kesko has calculated its biogenic emissions for the first time for the year 2025. Biogenic emissions have also been calculated retrospectively for the base year 2024. The majority of Kesko's biogenic emissions arise from the use of biofuels in its operations.

According to the Greenhouse Gas Protocol calculation standard, biogenic emissions are so-called out-of-scope emissions, which are reported separately from other GHG emissions.

Biogenic emissions

tCO_2eq	2025	2024
Scope 1 biogenic emissions	4,993	3,976
Scope 2 biogenic emissions, market-based	33,304	40,643
Scope 3 biogenic emissions [1]	245,315	228,518

[1] Includes biogenic emissions of categories 4, 11 ja 14.

Accounting policies

Kesko follows the Greenhouse Gas Protocol standards: Corporate Accounting and Reporting Standard, Corporate Value Chain (scope 3) Accounting and Reporting Standard, and Land Sector and Removals Guidance (draft version, September 2022).

The principle of financial control is applied to emissions reporting, whereby emissions are reported for the companies in which Kesko has control (subsidiary) or joint control (joint venture). Associates are not included in the emissions calculation.

Emission calculation data are collected from Kesko's internal systems, external service providers, and in some cases directly from partners. The data period primarily follows the sustainability statement period, but due to data delays, some data represent the most recent rolling 12-month period or the available months of 2025 extrapolated to cover the reporting period. For energy and industrial emissions (market-based), less than 1% of data is calculated using a non-calendar period.

Scope 3 energy and industrial emissions, FLAG emissions, and biogenic emissions include significant estimates and assumptions, and therefore involve high uncertainty. Results should be interpreted as high-level estimates of actual climate impacts.

Kesko reports its emissions in carbon dioxide equivalents (tCO_2eq) in accordance with the Greenhouse Gas Protocol accounting standard. CO_2eq is a universal unit of measurement used to describe the global warming potential (GWP) of the greenhouse gases listed in the Kyoto Protocol, expressed as the GWP value of a single unit of CO_2.

Energy and industrial emissions

Scope 1

Transportation emissions in Finland are calculated using vehicle-type specific average fuel consumption and mileage. For logistics operations in Finland, customer test drives and replacement cars in car trade, and transportation and logistics operations of other operating countries emissions are calculates based on fuel consumption. Company car emissions are primarily based on fuel consumption. For benefit cars in Finland, calculation is based on mileage and average consumption.

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The emissions from self-generated heat have been calculated based on fuel consumption or the amount of energy produced with fuel.

Emissions from refrigerant leakages include leakages from refrigeration equipment, property refrigeration systems, and temperature-controlled logistics equipment. The emission calculation of refrigeration equipment leakages is based on the measured quantities of refrigerant refilled. For property refrigeration systems, leakage amounts are based on the measured refill quantities from individual properties, from which average leakage amounts for all properties have been calculated based on floor area. The volume of refrigerant leakages from temperature-controlled logistics equipment is determined based on the number of units, an assumption regarding the most likely refrigerant, and average leakage amounts based on research data.

The most significant data sources used for emission factors and other data in scope 1 emission calculations are, for fuels: Statistics Finland's Fuel Classification 2025 and the Department for Energy Security & Net Zero: Greenhouse gas reporting: conversion factors 2025, and for refrigerants: SFS-EN 378-1:2016 + A1:2020 standard.

Scope 2

Both location-based and market-based GHG emissions are calculated for purchased energy.

Location-based emissions from purchased electricity are calculated using national average emission factors. Market-based emissions are calculated based on the energy contracts used by Kesko and the Guarantees of Origin acquired. The share of purchased electricity covered by Guarantees of Origin is calculated as zero emissions. Other market-based purchased electricity is calculated using the national residual mix emission factors.

The location-based emissions of district heating are calculated for Finland, Sweden, and Denmark using national average factors. For other operating countries, the emission factors are based on the production mix of district heating, using a calculated emission factor. Market-based emissions for district heating are calculated only for Finland. For emissions calculations, the emission calculator for district heating, maintained by Finnish Energy, is utilised, providing location-specific emission factors for district heating consumption. The calculation applies factors derived from the energy method.

Of the purchased electricity consumed by Kesko, 97% (i.e. 330,011 MWh) is covered by Guarantees of Origin for renewable energy, and 1% (i.e. 4,521 MWh) by Guarantees of Origin for nuclear energy. The share of consumption covered by Guarantees of Origin is calculated as zero for market-based emissions, resulting in a 0% share of market-based electricity consumption emissions.

The market-based emission share of district heating consumed by Kesko is 95% (i.e. 14,219 MWh).

No emissions are generated from the consumption of district cooling, as the production of district cooling is based on renewable energy sources.

The most significant sources of data used for emission factors and other data in scope 2 emission calculations are the electricity and heat production statistics of Statistics Finland, the district heating emission calculator of Finnish Energy, AIB's European Residual Mix 2024, energy statistics from The International Energy Agency (IEA), Nowtricity, and Ecoinvent 3.12.

Scope 3

Kesko's value chain energy and industrial emissions are reported for the most significant emission categories, which are categories 1, 2, 4, 11, 12, and 14. Together, these categories accounted for over 99% of Kesko's scope 3 energy and industrial emissions based on the base year 2024 emissions inventory. Categories 3, 5, 6, 7, 9, 13, and 15 are excluded from the calculation. The total emissions of these categories in the base year 2024 were less than 1%, and it can be assumed that they will be at a similar level in 2025 as well. Kesko has no emissions in categories 8 and 10.

94% of Kesko's scope 3 emissions have been calculated based on activity data, and 4% based on supplier-specific (primary) data.

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The most significant sources of data used for emission factors and other data in scope 2 emission calculations are the Natural Resources Institute Finland emission estimates for food products, Ecoinvent 3.11, the Finnish Environment Institute's CO2data service, the U.S. Environmental Protection Agency, Statistics Finland's Fuel Classification 2025, the Department for Energy Security & Net Zero: Greenhouse gas reporting: conversion factors 2025, and the 2006 IPCC Guidelines for National Greenhouse Gas Inventories.

Category 1 – Purchased goods and services: The emission calculation for grocery trade is based on the weights of sold products.

For the building and technical trade, the calculation is based on the weights of purchased products, and for products where weight information is not available, on the purchase value in euros.

In the car trade, the calculation is based on the number of sold cars. Emissions are calculated only for new cars, as we assume that the manufacturing emissions of used cars have already been accounted for by the car's first registrant. The emission factors are based on segment-specific emission factors provided by the supplier, determined by the vehicle's assembly and power source. In addition, the car trade's calculation includes spare parts based on sales euros, tires based on weight, and oils used in maintenance operations, as well as purchased products in sports trade based on the number of items.

The emission calculation for services is based on the amount of expenditure recorded for service procurement. Some of the emission factors used are based on coefficients reported by service providers, and the calculated average of these is used for estimating emissions for all similar services.

Emissions from the production of clean water consumed by Kesko are calculated based on measured consumption. In Finland, 77% of the total area is included in the consumption data, and in other operating countries, slightly more than half of the properties by number are included. The calculation does not account for missing consumption, as its impact on emissions is considered negligible. For all operating countries, the emission calculation is based on the emission factor for clean water production provided by the Helsinki Region Environmental Services Authority.

Category 2 –Capital goods: The calculation includes emissions from new buildings owned by Kesko that were completed during the reporting period. The emissions consider the building's lifecycle stages A1–A5. The emissions are mainly based on climate assessments carried out for the respective construction project. For two sites, the calculation uses estimated average emissions from climate assessments between 2023 and 2025.

The emissions calculation for tangible assets is based on the amount of investment recorded for the acquisitions.

The manufacturing emissions of K-Auto leasing vehicle investments are calculated based on the number of new leased vehicles purchased during the reporting period. The emission factors are based on segment-specific emission factors provided by the supplier, determined by the vehicle's assembly and power source.

Category 4 – Upstream transportation and distribution: Logistics emissions in the grocery trade and the building and technical trade are determined using the weight of transported goods and an emission factor calculated specific to the corresponding flow of goods and total weight for the year 2024. Some transports within building and technical trade are calculated based on tonne-kilometres derived from the mode of transport and route information. The calculation method is based on the ISO 14083:2023 standard and the GLEC Framework V3.1.

The emissions from direct deliveries by the largest suppliers in the grocery trade and the car trade, as well as postal service emissions in Finland, are mainly based on emission data provided by suppliers. A small portion of direct deliveries in Finland and transportation emissions in other operating countries, are calculated based on fuel consumption.

Emissions from external warehousing operations are primarily based on electricity and heating consumption figures allocated to Kesko, or on consumption estimates based on surface area. A small share of the resulting emissions has been obtained directly from suppliers.

Emissions from refrigerant leakages in temperature-controlled transport and warehousing operations have not been reported due to lack of data.

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Category 11 – Use of sold products: Product categories in the building and technical trade that emit emissions during use have been identified. The use-phase emissions for these product categories are calculated based on the share of use-phase emissions in the total life cycle emissions, as found in environmental product declarations and research data.

The use-phase emissions of sold cars are calculated for new and leased cars based on the assumed total life cycle mileage by power source. The use-phase emissions of leased cars are included in Category 11 emissions, since vehicles are typically sold after the leasing period, and thus the calculation is consistent with the use-phase emissions of other sold cars. For used cars sold, the use-phase emissions are calculated according to the assumed mileage remaining in their life cycle by power source. The calculation of emissions utilises the public calculation tool provided by the Finnish Central Organization for Motor Trades and Repairs. The use-phase emissions of sports products sold have not been calculated due to lack of data.

The use-phase emissions of fuels sold by Kesko, such as charcoal, firewood, and lighter gases, are calculated based on the weight of the products sold. Refuelling of sold cars is calculated based on the amount of fuel.

Category 12 – End-of-life treatment of sold products: For the building and technical trade, the calculation is based on the weights of purchased products, and for products where weight information is not available, on the purchase value in euros and average, category-specific end-of-life scenarios.

In the car trade, the calculation is based on the number of cars sold. The calculation of emissions utilises the public calculation tool provided by the Finnish Central Organization for Motor Trades and Repairs. For sports trade, emissions from the end-of-life treatment of sold products have not been calculated due to lack of data.

For the grocery trade, emissions resulting from the end-of-life treatment of food waste are determined by referencing the total national volume of food waste and Kesko's market share. The calculation assumes that food waste ends up in anaerobic recycling.

For the grocery trade and the building and technical trade, emissions from the end-of-life treatment of product packaging are calculated based on the weight of packaging materials. The calculation assumes that the packaging is correctly sorted by material and that the material is fully recycled. The calculation includes only Kesko's own brands, and there are certain deficiencies in the data. The emissions share from the end-of-life treatment of missing packaging cannot be reliably assessed.

Category 14 – K-retailers (Franchising): The emissions from the energy consumption of properties rented and owned by independent K-retailers are calculated based on the floor area or the estimated floor area. The specific consumption rates are assumed to be the same as those used in Kesko's own retail operations.

The emissions from the electricity supplied by Kesko to retailers are calculated for the portion of electricity consumption that is not covered by guarantees of origin.

In properties managed by Kesko, where refrigeration equipment is the responsibility of the retailers, the calculation of emissions from refrigerant leakages is based on the measured amount of refrigerant refills. For refrigeration equipment in owned and rented properties of retailers, the emissions are estimated based on the average, site-specific refrigerant emissions.

FLAG emissions

Scope 1

The calculation is based on the land-use change area of the Onnela logistics center construction project. The assessment utilized the Hiilikartta tool developed by the Natural Resources Institute Finland and Avoin ry, designed for evaluating the climate impacts of urban planning. According to the tool, the land-use change implemented in 2022 resulted in a reduction of the area's vegetation and soil carbon stock by a total of 30,808 tCO_2eq. In accordance with the Greenhouse Gas Protocol Land Sector and Removals Guidance (draft version, September 2022), the emission from the land-use change is distributed using the default 20-year assessment period from the year of occurrence. A linear discount approach has been used for this distribution. The calculation for Kesko was performed by an external calculation partner.

It is assumed that land-use changes, resulting in related emissions, have also occurred in other construction projects by Kesko. Due to lack of data, these projects are not included in the calculation, and the missing emissions cannot be reliably estimated.

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Scope 3

The calculation of FLAG emissions is based on the weight of products sold as well as the origin countries of the products and their raw materials. For raw materials where the country of origin is unknown, Kesko's external calculation partner's data system is used to estimate the country of origin.

Reported emissions include only the emissions from food products of the grocery trade, which, based on the 2024 base year calculation, cover approximately 99% of Kesko's scope 3 FLAG emissions.

Biogenic emissions

Kesko's scope 1 and 2 biogenic emissions arise from the use of biofuels in transportation, logistics operations, company cars, as fuel for self-produced energy, and from the biofuel share in purchased energy production.

The calculation of scope 3 biogenic emissions includes biogenic emissions from categories 4, 11, and 14. Biogenic emissions from categories 3, 6, 7, and 13 are excluded from reporting, and categories 1, 2, 5, 9, 12, and 15 do not generate biogenic emissions.

The accounting policies for preparing biogenic emissions correspond to those used for energy and industrial emissions.

GHG intensity

GHG intensity is calculated by dividing total GHG emissions by the net sales reported in the consolidated financial statements. Intensity is calculated both for energy and industrial emissions as well as for total GHG emissions, which include energy and industrial emissions and FLAG emissions. For scope 3 energy and industrial emissions, the most significant emission categories 1, 2, 4, 11, 12, and 14 are included.

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E5 RESOURCE USE AND CIRCULAR ECONOMY

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Material impacts, risks and opportunities (ESRS 2 SBM-3)

Material impacts, risks and opportunities

Topic	Description	Management
Resource outflows related to products and services: Packaging	**Actual negative impact:** The logistics chain of products includes several types of packaging, from logistics packaging to individual product retail packaging.	• Favouring renewable packaging materials. • In wood-based retail packages, favouring solutions of sustainable origins or recycled materials. • Increasing the use of packaging made from recycled plastic and cardboard. • Avoiding excessive use of packaging materials and controlled reduction of plastic use.
Waste	**Actual negative impact:** Waste is generated in Kesko's operations, especially in warehouse operations, logistics and in own retail operations.	• Developing separate collection of waste. • Ensuring staff competence in waste sorting.
Food waste	**Actual negative impact:** Food waste is generated in Kesko's warehouse operations, logistics and cash-and-carry outlets.	• Preventing waste through assortment management, forecasting and needs planning. • Utilising edible fruit and vegetable waste in waste-based products.
Food waste	**Actual negative impact:** Food waste is generated in K-food retailers' store operations.	• Preventing waste through assortment management, forecasting and needs planning. • Discounted prices as the best before or use-by date approaches.

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Policies (E5-1)

In its sustainability policy, Kesko is committed to reducing food waste in its own operations and in cooperation with stakeholders, such as independent K-food retailers operating downstream in Kesko's value chain. In addition, Kesko is committed to reducing the use of packaging materials, especially plastics, and to promoting the recyclability of packaging materials in its private label products. The principles of packaging for Kesko's private label products and logistics packaging are addressed in a separate packaging guideline.

Kesko's sustainability policy does not include the waste hierarchy or prioritise avoiding or minimising waste over recycling.

The sustainability policy covers the operations of Kesko Group. The policy has been approved by Kesko's Board of Directors, and its implementation is overseen by Executive Vice President, Legal and Sustainability of Kesko Group, who is a member of the Group Management Board.

At the end of 2025, Kesko's Board of Directors approved an updated sustainability policy, which will take effect on 1 January 2026. The revised sustainability policy takes into account circular economy principles more broadly compared to the previous policy.

Kesko has a packaging guideline that covers retail packaging of Kesko's private label products and packaging used in own production or warehouses. In the packaging guideline, Kesko is committed to favouring renewable packaging materials, and in wood-based retail packaging, solutions with sustainable origins or recycled materials. In addition, the use of packaging made from recycled plastic and cardboard is being increased, excess packaging material is avoided, and the use of plastic is being reduced in a controlled manner.

The current packaging guideline was renewed in 2025 and it replaced previous separate packaging and plastic guidelines. The revised guideline takes into account the entire lifecycle of packaging, from the procurement of raw materials to disposal as waste.

The packaging guideline has been approved by the Group's sustainability management team. Monitoring the principles of the guideline is the responsibility of the sustainable procurement steering group in grocery trade, the commerce management team in building and technical trade, and the sustainability steering group in car trade.

Key internal stakeholders have been involved in the creation of the sustainability policy and the packaging guideline. The most current versions of the policies are publicly available on Kesko's website.

Actions (E5-2)

Kesko's most important actions to promote circular economy principles are linked to improving waste recycling rates and reducing the amount of food waste.

In 2025, Kesko and Koskisen Oyj piloted a solution in which wood packaging generated in Kesko's building and technical trade division was utilised as raw material for chipboard. There has not previously been an industrial-scale recycling solution for wood waste in Finland, and most of it has ended up being incinerated as mixed waste.

The piloting was carried out at Onninen's central warehouse, where wood packaging such as pallets and plastic pipe support frames that were being decommissioned were successfully tested in chipboard production at Koskisen's chipboard factory. Based on the results, the operating model was adopted as a regular part of production during 2025. After regular operations began at the end of 2025, a total of about 108 tonnes of wood packaging supplied by Kesko were utilised as raw material for chipboard. Prior to this solution, the wood would have ended up incinerated as mixed waste. The new operating model improves the recycling rate of waste in the building and technical trade division in Finland.

Kesko has implemented a loss-prevention model for non-food products in all K-Citymarket stores. The primary aim is to prevent the creation of waste. Key actions include preventing losses through efficient assortment planning, discount pricing and the use of outlet areas in selected K-Citymarket stores. Unsold products are donated to charity, and disposal as waste is used only as the final step. Based on the realised non-food loss levels in 2025, more detailed action plans will be developed, and store-specific loss-reduction targets will be set.

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Continuous actions to improve recycling rates include the development of separate collection of waste. This increases the amount of waste that is diverted from disposal and reduces the amount waste directed to disposal. The development of recycling rates is guided by various recycling and collection equipment concepts, which define the waste fractions to be collected and the collection equipment, as well as circular economy manager site visits to optimise waste management. Effective sorting and improving recycling rates also depend on staff sorting skills, which are continuously developed through training.

The most important ongoing actions for preventing food waste are the development of an automatic ordering system and assortment management actions carried out in Kesko, K-food stores and Kespro wholesalers, as well as price reductions as best before or use-by dates approach.

In 2025, assortment management of waste-sensitive product groups, such as fruit, vegetables and bread, was strengthened by system development, which allows more precise and timely monitoring of product groups. In addition, at the beginning of the year, a centre of excellence was established in the grocery trade division, in whose training activities for stores, food waste is one of the significant focus areas, considering various perspectives such as assortment, operating methods, pricing and displays.

Kesko renewed its packaging guideline in 2025. The new guideline replaced previous separate packaging and plastic guidelines. The revised guideline considers the entire lifecycle of packaging, from raw material procurement to disposal as waste.

Targets and progress towards targets (E5-3)

Kesko has set targets for improving the recycling rate of waste and reducing food waste in its own operations and in the retail operations of K-food stores.

	Base year		2025	2024	Target	
Waste recycling rate, %	2024	67	66	67	2030	73
Food waste in Kesko's warehousing and logistics operations, %	2019	0.44	0.40	0.45	2030	0.22
Food waste in K-food retailers' store operations, %	2019	2.12	1.58	1.68	2030	1.06

Recycling rate of waste

Kesko aims to improve the recycling rate of waste by six percentage points by the end of 2030 compared to the baseline in 2024. The target is linked to the waste hierarchy level 'recycling'. External stakeholders have not been involved in setting the target.

The target has been set voluntarily and is not science-based. Kesko aims to improve recycling in line with the EU Waste Framework Directive and Finland's Waste Act, which require businesses to promote waste prevention, material efficiency, and recycling. The target for increasing the recycling rate covers the waste generated in Kesko's retail operations as well as warehouse and logistics operations.

The recycling rate fell from the 2024 level and was 66% in 2025. In Finland, the recycling rate of waste fell slightly compared to 2024. Finland's share of the total amount of waste is 58%. In Norway, the recycling rate fell the most in relative terms.

Progress towards the target is monitored at the division level, and monitoring is the responsibility of each divisions's sustainability steering group. The steering groups are tasked with monitoring the development of the recycling rate, setting and guiding actions to improve the recycling rate, and reporting progress to the Group sustainability management team.

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Food waste

The grocery trade division of Kesko is committed to halving the food waste percentage by the end of 2030 compared to the baseline in 2019. The halving target covers Kesko's warehouse and logistics operations that serve K-food stores and Kespro's foodservice customers, as well as the retail operations of independent K-food retailers. The target is linked to the waste hierarchy level 'prevention of waste generation'. External stakeholders have not been involved in setting the targets.

Kesko reports on the target of reducing food waste in the retail operations of K-food retailers, as this is one of the targets of Kesko's grocery trade division and one of the metrics for Kesko's sustainability-linked loans. This target differs from Kesko's other sustainability targets because its progress depends on the operations of independent K-retailers at the downstream end of the value chain.

The target has been set voluntarily and is not science-based. In Finland, waste legislation requires food industry operators to monitor food waste and food losses as part of the national system managed by the Natural Resources Institute Finland. Kesko reports food waste to the Natural Resources Institute. EU and national targets aim for a significant reduction in food waste by 2030, and Kesko's target is aligned with these objectives.

The food waste percentage of Kesko's warehouse and logistics operations was 0.40% at the end of 2025 and has decreased since 2024. Kesko's warehouse and logistics operations cover those serving K-food stores and Kespro's foodservice customers. In the retail operations of K-food retailers, the food waste percentage was 1.58% at the end of 2025 and has also decreased since 2024. Progress towards the target is estimated to be on track.

The combined food waste percentage from logistics operations serving K-food retailers and K-food stores was 1.74% (1.84%) in 2025. The percentage is calculated by comparing the total amount of food waste generated in logistics operations serving the stores and in the K-food stores to the amount of food sold in kilograms by the stores.

The food waste management steering group monitors the targets for reducing food waste in the grocery trade division. The task of the steering group is to ensure the achievement of the annual targets of the food waste roadmap.

Accounting policies

The recycling rate for waste is calculated by comparing the amount of recycled waste to the total amount of waste generated.

Food waste is recorded in warehouses and grocery stores using reason codes. Products designated as waste are scanned, and these entries are saved in Kesko's information system, which is also used in the K-food stores. The reported food waste is based on the waste entries made by warehouses and stores. Waste quantities are collected from reports generated by the information systems.

The food waste percentage includes both the donation of edible food to food aid and non-edible bio-waste. The waste percentage is calculated by comparing the total amount of food waste generated to the total kilogrammes of food sold.

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Metrics

Resource outflows (E5-5)

Recyclability of packaging

At the end of 2025, 97% (97%) of the packaging materials for Kesko's private label products were recyclable. The reported percentage of recyclable packaging in 2025 covers retail packaging of private label products throughout the Group, excluding Danish operations. The comparative figure for 2024 covers retail packaging for private label products in Finland. The figure indicates the recyclability of the packaging material, but not whether the packaging is correctly sorted by the end user. Materials classified as recyclable are those that can be sorted by consumers. Packaging materials that are non-recyclable and sorted as mixed waste include rubber, wood in consumer packaging, ceramics and porcelain.

Waste

Waste is generated particularly in Kesko's own retail operations and in warehouse and logistics operations. The largest waste fraction in Kesko's own operations is cardboard, which results from packaging during product transport and storage. The second largest fraction is energy waste, from which heat and electricity are produced by incineration.

In the grocery trade division, biowaste constitutes a significant waste stream. It includes former animal-based food products (category 3 by-products), such as meat and fish products that are no longer suitable for human consumption, as well as by-products generated during the storage, handling, and preparation of food. Waste streams in the building and technical trade division include especially wood waste, mixed waste and various construction product wastes. In the car trade division, in addition to cardboard, metal and steel waste and hazardous waste are generated, for example from batteries, paints and oils replaced during maintenance and repairs.

In 2025, Kesko collected data for the first time on construction and demolition waste related to construction projects, limited to projects where the Construction Act requires a report on the waste generated. In 2025, data was only obtained from selected projects. Based on the available information, it is not possible to comprehensively estimate the total amount of construction and demolition waste, as waste reports were not collected from all projects. According to the data collected, Kesko's construction projects generated a total of about 41,700 tonnes of construction and demolition waste during 2025.

Amount of waste generated and its classification into non-hazardous and hazardous waste

Tonnes	2025	2024
Total non-hazardous waste	**24,757**	**27,177**
Waste diverted from disposal	24,048	26,430
Preparation for reuse	102	-
Recycling	16,333	18,470
Other recovery operations	7,613	7,959
Waste directed to disposal	709	747
Incineration	-	210
Landfill	693	531
Other disposal operations	16	6
Total hazardous waste	**1,319**	**782**
Waste diverted from disposal	1,234	762
Preparation for reuse	46	2
Recycling	792	384
Other recovery operations	396	376
Waste directed to disposal	86	21
Incineration	13	9
Landfill	7	2
Other disposal operations	66	9
Total non-recycled waste	**8,951**	**9,105**
Percentage of non-recycled waste from total waste, %	34	33
Total waste	**26,076**	**27,959**

A total of 14 kg (141 kg) of radioactive waste was generated from the nuclear electricity purchased by Kesko in 2025.

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Accounting policies

Packaging

Private label products are those whose trademark is owned by Kesko or products for which Kesko is identified on the packaging as the contact information. The percentage of recyclable packaging is calculated by comparing the total weight of recyclable product packaging sold during the reporting period with the total weight of all product packaging sold during the same period.

Packaging data is collected from product suppliers and maintained in Kesko's internal information systems. In recent years, significant focus has been directed toward ensuring the accuracy and reliability of packaging data collection. However, deficiencies remain in data maintenance, as packaging information is not consistently updated within the system for all products. The comprehensiveness of packaging data has also been improved.

Waste

The amount of waste covers waste generated at Kesko's own sites and in outsourced warehousing services.

Information on waste amounts is obtained from the databases of waste management partners and from invoices or lessors. Individual sites have been assessed based on available information if the amount of waste attributable to Kesko's operations is not directly available. Such sites include, for example, premises located in shopping centres where Kesko does not have its own waste management contract. In addition, waste amounts in outsourced warehousing services and in some K-Citymarket department stores are estimates of the amount of waste attributable to Kesko. The coverage of primary data in determining the amount of waste is 80%.

Incineration with energy recovery has been assumed in all operating countries as another form of utilisation in accordance with Annexes 1 and 2 of European Parliament Directive 2008/98. Incineration without energy recovery is classified as incineration. Hazardous waste is classified according to Annex 3 of European Parliament Directive 2008/98. The remaining waste is classified as ordinary waste.

The final treatment of waste is classified according to the waste treatment methods of each operating country. There may be differences in treatment methods between countries.

The amount of radioactive waste is calculated for all electricity purchased by Kesko. For the share of purchased electricity not covered by guarantees of origin, the amount of nuclear waste is calculated based on the share of nuclear power in the country-specific electricity production mix.

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SOCIAL INFORMATION

S1 OWN WORKFORCE

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Material impacts, risks and opportunities (ESRS 2 SBM-3)

Material impacts, risks and opportunities

Topic	Description	Management
Working conditions: Adequate wage	**Potential positive impact:** Kesko is committed to providing all employee groups with an adequate wage, which is based on national pay levels and covers at least the basic needs of employees and their families.	Total remuneration consists of the base salary and other tangible and intangible elements. The base salary can be either a monthly salary or an hourly wage. We ensure that the pay is determined either by job evaluation or by the collective agreement applicable to the job.
Working conditions: Social dialogue and collective bargaining	**Actual positive impact:** Social partners engage in continuous dialogue to take employees' expectations into account. This ensures fair working conditions for employees and terms of employment are in line with local legislation and labour market practices.	Kesko's well-functioning cooperation practices enable employees to influence matters affecting them. Practices also promote a collaborative culture through ongoing dialogue.
Working conditions: Health and safety	**Actual negative impact:** Although measures and management models to promote health, work capacity and occupational safety are systematically implemented, work-related accidents may still occur and employees may become ill.	We anticipate and minimise health and occupational safety impacts through an occupational safety management model and best practices in occupational health and work capacity. Management measures vary in different units and age groups.
Equal treatment and opportunities for all: Gender equality	**Potential positive impact:** The experience of gender equality has a significant impact on employee experience and job satisfaction. Adhering to principles that promote gender equality fosters fairness and equality in the workplace.	We ensure gender equality and non-discrimination through our cooperation groups, various plans, common principles of remuneration and practices governing total remuneration.
Equal treatment and opportunities for all: Diversity	**Potential positive impact:**A diverse and inclusive work community creates the conditions for innovation and strengthens employee wellbeing.	The DEI programme focuses on the recruitment process, manager training, targeted training for employees, supporting women's career development, as well as identifying and addressing the needs of special groups.
Equal treatment and opportunities for all: Prevention of violence and harassment	**Potential positive impact:** In our work community, everyone can perform their work without fear of violence, threats or harassment. Preventing violence is part of a day-to-day safety culture that supports wellbeing and productivity.	The management of impacts is ensured through best HR practices, actions promoting equality, the prevention of violence and harassment, zero tolerance for inappropriate behaviour, manager training, clear guidelines and investigation processes, and the SpeakUp channel.
Equal treatment and opportunities for all: Training and skills development	**Actual positive impact:** Continuous learning, career development and systematic performance management are key elements of competence development and a positive employee experience. Competent personnel are also ensured through business-driven recruitment.	A business-oriented approach underpins both recruitment and competence development. During performance and development discussions, we agree on measures for competence development. Kesko offers a range of in-person and online training for employees, which is communicated to the personnel.

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Material impacts, risks and opportunities and their interaction with strategy and business model

Material impacts, risks and opportunities relating to own workforce have been assessed by Kesko's HR management, and material impacts and changes have been discussed by the Group's employee representative committee. Strategic considerations relating to personnel are taken into account when drawing up business strategies. Kesko's common HR strategy is based on these business strategies. Personnel-related policies are an integral part of Kesko's strategy.

Own workforce includes all Kesko employees who are in an employment relationship with Kesko. The types of employment relationships are set out in more detail in the Metrics section of Characteristics of the undertaking's employees (S1-6). In some of Kesko's business areas, personnel are employed through employment agencies, but non-employees account for only around 0.5% of the total workforce; therefore, reporting is not considered material to Kesko's operations.

Kesko has identified positive impacts on its own workforce in the following areas: collective bargaining coverage and social dialogue, adequate wages, equal treatment and inclusion, and training and skills development. The positive impacts of collective bargaining coverage and social dialogue are particularly relevant for employees in Finland, Sweden, Norway and Denmark, as the Baltic countries and Poland do not have collective agreements or social partners comparable to those in the Nordic countries. The positive impacts of the other areas apply to all Kesko employees. Kesko's actions are described in more detail in the Measures section (S1-4).

We have identified an actual negative impact in the area of health and occupational safety in relation to work-related accidents. Work-related accidents are usually individual accidents, and mainly minor. The highest number of work-related accidents take place among logistics workers, car mechanics and store employees. In Finland, work-related accidents among young adults occur at a higher rate than in other age groups. Nevertheless, there has been improvement among those aged 20–25. The overall trend in sickness absence days has been declining. Data on diagnosed causes of sickness absences is available for Finland only. Musculoskeletal disorders account for the largest number of diagnosed sickness absences, while mental health disorders remain a major cause, among employees in stores and, particularly, young employees.

Based on our current risk assessment, Kesko has not identified any operations in its countries of operation that would be considered particularly high-risk, such as those involving significant risks of forced labour or child labour within its own workforce. The S2 Workers in the value chain section also covers the risk of forced labour and child labour. Kesko has not identified any material impacts on its own workforce related to the green transition.

Management of impacts

Kesko's HR management conducts an HR risk analysis quarterly. Risk assessments and the necessary mitigation measures are an integral part of all operations and decision-making related to Kesko's own workforce. Kesko carries out separate, systematic monitoring of occupational safety, occupational health and wellbeing using data, and plans further measures in cooperation between the Group and the business areas. We compile occupational safety and health risk mitigation measures by division and country, and monitor their implementation through the Occupational Safety Steering Group and the Group's occupational safety committee, which includes employee representatives.

To manage and mitigate negative impacts, we work closely with insurance companies and occupational health service providers, and in Finland also with Kesko's own occupational health service. The responsible persons in the Group's and divisions' HR, Legal Affairs and Sustainability units and the responsible persons and managers in the business areas are the key parties responsible for managing the identified material impacts. Extensive cooperation is carried out with employees and their representatives across the different areas, as described in more detail in the Engagement with own workforce section (S1-2).

Material impacts identified in relation to Kesko's own workforce have been taken into account in Kesko's sustainability and HR strategies, as well as in the related targets when they apply across all operating countries.

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Policies (S1-1)

Goal-driven actions related to employees are steered and supported by the Group's people policy and the K Code of Conduct, as well as the sustainability and HR strategies. The people policy sets out guidelines and principles for the following areas: recruitment, competence, leadership, compensation, equality and non-discrimination, and safety and wellbeing. During 2025, we updated Kesko's people policy that covers all operating countries. The people policy was approved by Kesko's Board of Directors and will enter into force on 1 January 2026. The update does not contain any significant changes to the key principles. Social dialogue and collective bargaining are conducted in accordance with national laws and practices and are not formally addressed in the people policy. In addition to these guiding principles, we have established principles for health and occupational safety, equal treatment, and training and skills development. The health and occupational safety principles were previously approved by Kesko's occupational safety committee. The most senior role that has responsibility for implementation of the policies concerning personnel is the Executive Vice President, HR, who is a member of the Group Management Board.

During 2025, we updated our people principles guiding our employees, which are: Customer always first, Sales and growth in mind, Positive get things done attitude, Stronger together and Fair play. These principles were approved by the President and CEO in October and came into effect during 2025. They are also part of Kesko's strategy and people policy.

In line with the K Code of Conduct, we do not accept the use of child labour, any form of forced labour, or human trafficking or any other forms of modern slavery. The people policy, the K Code of Conduct and the occupational health and safety principles cover the entire own workforce and they are available on Kesko's intranet and external website.

Section G1 Business Conduct lists Kesko's own guidelines and operating models relating to corporate culture, business conduct and respect of human rights, as well as the international principles and declarations to which Kesko is committed in all its operations. In addition to these, Kesko complies with the ILO Declaration on Fundamental Principles and Rights at Work and is committed to the UN Women's Empowerment Principles to promote gender equality and professional development for women.

Our operations are based on non-discrimination and equal opportunities. We ensure safe and healthy working conditions in accordance with local laws, international occupational safety standards and best practices. Kesko's engagement with employees is based on openness, inclusion and continuous dialogue. The principles relating to remuneration and adequate wages are set out more detail in the policies on equal treatment.

Kesko protects the personal data and privacy of employees both during and after the employment relationship. Employee data is processed securely and responsibly. In addition to internal control, external parties regularly conduct audits on operations.

Policies related to the health and occupational safety

Occupational health and safety management is based on legal requirements, the identification of material risks and the implementation of good practices. Our occupational safety management model defines responsibilities at different levels of the organisation. Occupational safety risks are assessed and analysed within the Group in accordance with its approved risk assessment system. In the building and technical trade division, occupational safety is promoted both through internal audits and external ISO 45001 certification in the building and technical trade in all operating countries. The principles of the certification are also applied elsewhere at Kesko. At Group level, we monitor wellbeing and psychosocial load regularly as part of the K Voices employee engagement survey.

Kesko's occupational safety steering group is responsible for defining strategic targets, specifying the division of responsibilities at different organisational levels, coordinating measures and monitoring their effectiveness. Management models vary according to the countries of operation and local legislation.

Employees can present observations related to occupational safety in the manner agreed at the site and identify the resources that support wellbeing and to address factors and situations that threaten health and work capacity. The managers have operational responsibility for occupational safety in their units and the occupational safety managers coordinate cooperation in their area of responsibility. Services that support employees' occupational health, such as work capacity and mental health, are organised in accordance with the practices and legislation of each country. We are committed to promoting the continued employment of employees with partial work capacity through various measures.

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Policies related to equal treatment

In accordance with Kesko's people policy and the K Code of Conduct, we are committed to promoting non-discrimination, equality and fairness in all our operations. We are committed to ensuring there is no discrimination based on gender, ethnicity, nationality, skin colour, religion, political views, marital status, sexual orientation, gender identity, age, disability, or any other personal characteristic at the workplace. Competence, education, and motivation are emphasised in our recruitment process. We promote and coordinate equality through the Group's Employee Equality and Non-Discrimination Group, Kesko's common operating principles, and the K Code of Conduct. Discrimination is prevented through a zero-tolerance policy and an operating model to address harassment and inappropriate behaviour. Potential cases of discrimination are managed through investigation processes. Statutory equality and non-discrimination plans form the foundation for development, while processes supporting equality and equity are adapted to national practices.

Diversity and inclusion are promoted through a programme that supports DEI targets, with a focus on building a diverse and inclusive workplace, equal remuneration and gender equality at all levels of the organisation. Kesko is committed to the UN Women's Empowerment Principles to strengthen the position and career development of women. The priorities for supporting vulnerable groups vary by country.

Kesko's core principles of remuneration are competitive, performance-based total remuneration and the fair and equitable treatment of employees, which we are committed to promoting under our equality and non-discrimination plan. Our remuneration practices include regular reviews of base salaries, performance-based bonuses linked to Group and business goals, and common employee benefits. The purpose of remuneration is to encourage strong performance and to commit employees to the company and its strategic targets. Kesko's job evaluation system enables the comparison of salaries in comparable jobs. We promote gender pay equality as part of our remuneration practices.

Kesko is committed to providing its employees with a salary that corresponds to the demands of the position and ensures a decent standard of living. Remuneration is based either on collective agreements or on a role-specific job evaluation system. The total remuneration package, which includes a base salary, performance bonuses and spot rewards, is designed to support employee motivation, performance and financial security. Kesko recognises the impact of part-time work on livelihood and seeks to promote opportunities for full-time employment. Pay levels are assessed annually using external market data and internal comparisons. An annual pay gap review is also carried out. In the 2025 pay review, strong performance and competitiveness were taken into account, and pay increases were negotiated with employee representatives. Kesko is preparing for the entry into force of the EU Pay Transparency Directive. The Directive will introduce new obligations related to pay reporting and employees' right to information. If any unjustified pay differences between genders are identified, Kesko will initiate a joint pay assessment with employee representatives and take action to correct any unjustified differences.

Policies related to training and skills development

In accordance with Kesko's people policy, competence development is based on strategy and business objectives. Kesko draws up plans outlining priorities and measures for competence development as part of the annual planning process, both at Group level and within the business units. The training plan includes competence development actions in the following areas: leadership and management, interaction and work life skills, and various areas of professional expertise. Group HR and responsible persons in business areas work closely on competence development and systematically monitor the implementation of the plans.

A sufficient level of competence ensures success and wellbeing at work and offers opportunities for professional development and career advancement. Competence development is promoted through training and on-the-job learning. Progress is discussed and actions are agreed as part of the performance management process and in other discussions with individuals.

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Processes for engaging with own workforce and their representatives (S1-2)

Actual and potential impacts on own workforce are addressed through close cooperation between employer and employee representatives in Kesko's operating countries where such representation exists. Kesko takes the views of its employees into account in its decision-making, which helps the company to better understand the potential risks and impacts related to its workforce.

Kesko has multiple employee forums where there is regular dialogue between employees and the employer. The dialogue is conducted directly with employees, their representatives and managers. Cooperation models vary by country, depending on the local legislation. These employee forums monitor the impact on employees and their development: Kesko's cooperation group meets twice a year, employee representative committee meets monthly, the HR management groups for each business area meet monthly or at least quarterly, and the equality and non-discrimination group meets twice a year. The person with the most senior role that has operational responsibility for ensuring engagement of and cooperation with employee representatives is the Executive Vice President, HR, who is a member of the Group Management Board.

In Finland, there is an agreement on the organisation of employee representation. At Kesko, we have also drawn up a European Works Council (EWC) statement to deepen our cooperation and dialogue. The next EWC meeting is planned for 2026. The effectiveness of employee inclusion is measured by the amount of dialogue, the topics discussed, the continuous feedback provide by employee representatives at the bi-annual Group cooperation meeting. In addition, dialogue with employees is maintained through events hosted by the President and CEO in connection with the publication of the interim reports.

In 2025, we conducted a K Voices employee engagement survey on the entire workforce, with the exception of Denmark, to gather views and experiences on a broad scale. In addition, the Let's K survey was conducted twice during the year in Finland to gain insight into current employee sentiment and jointly develop everyday work practices. Discussions have also been held with language minority employees about their work experiences and expectations in Finland. Kesko's actions are described in the Measures section (S1-4). In addition to the common employee engagement survey, various other surveys and assessments are conducted in our operating countries, such as country-specific wellbeing, job satisfaction, culture and operating environment surveys, which enable employees to share their views.

Kesko respects employees' freedom of association and collective bargaining in accordance with local legislation. Regarding issues related to working conditions, wages and collective agreements, we provide employees with channels to influence the decisions that affect them. Kesko applies several collective agreements, including collective agreements for the retail sector, the automotive trade and repair sector, and salaried employees. The agreements are applied by unit and by division, and local agreements complement the national agreements.

Dialogue with the social partners takes place at various levels. In 2025, discussions focused, among other things, on the impacts of the EU Pay Transparency Directive, updates to collective agreements, the reliability of remuneration systems based on collective agreements, working time arrangements, wellbeing at work and social protection.

At Group level during the year, sustainability reporting requirements were discussed twice. In addition, updates to the people policy and risk management were discussed. The continuity of employee representation was ensured by supporting the organisation of elections for employee and labour protection representatives. Occupational safety in Finland and other operating countries was strengthened by reviewing labour protection practices under a new management model and by updating the risk mapping every six months.

Processes to remediate negative impacts and channels for own employees to raise concerns (S1-3)

We organise employee forums and regular dialogue sessions where employees can present their views on potential challenges related to working conditions, occupational health and safety, or discrimination. These discussions may lead to concrete changes in our practices, helping us to manage potential negative impacts.

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Kesko is committed to ensuring a fair and safe working environment for all employees. We involve employees and occupational safety representatives in the assessment of workplace risks. Employee participation enables more effective identification of both current and potential risks.

We handle employees' concerns appropriately and efficiently based on the following principles: we communicate clearly, investigate issues promptly and systematically, and follow a fair process that provides protection to the employee when necessary. We actively monitor the effectiveness of corrective actions and implement additional measures when required. The following sections describe the various monitoring mechanisms we use.

Kesko collaborates closely with representatives of the personnel, such as employee representatives and trade unions. At regular discussion events employees can raise their concerns and discuss them directly with management. At these events, we discuss topical issues and seek solutions together. Discussions have included the company's remuneration practices and local employee benefits. In addition, a wide range of topics related to the development of working life, cooperation, representation and wellbeing have been discussed with employee representatives.

Employees are informed about the available reporting channels and how to use them, for example at intranets and screens at sites. Employees and consultants should report suspected misconduct primarily to their manager or responsible person at K Group. When for some reason the information cannot be delivered to the persons in charge, the reporter can use the SpeakUp reporting channel, where all reports are handled confidentially. The employees of the company maintaining the SpeakUp channel are bound by strict confidentiality obligations. The reports to be investigated by Kesko are handled by Kesko´s Governance, Compliance & Ethics Group function. Other experts or authorities may be needed in investigations on a case-by-case basis. The SpeakUp channel is described in more detail in section G1 Business Conduct, Whistleblower protection.

In addition to the SpeakUp channel, representatives of Kesko's employees, occupational health and safety representatives or employee representatives, are available to the employees locally. For example, in Finland, the Task Force approach can be used to investigate more extensive or serious reports from employees. In addition, various surveys, such as the operating countries' own wellbeing, employee satisfaction or culture surveys, allow employees to express their views and wishes anonymously. Cases and internal investigations other than those submitted through the SpeakUp channel are part of the normal HR work and employment law and are not reported. The business HR and employee representatives address the challenges and concerns of employees and monitor the effectiveness of implemented measures.

Actions (S1-4)

Health and occupational safety

In 2025, we compiled a Group-wide occupational safety risk map based on country-level risk mapping and developed country-specific improvement plans accordingly. Kesko implemented several measures to strengthen its occupational safety culture and its systematic and proactive practices. For example, in Sweden, a working environment committee was established; in Norway, internal audits focused on key risks; in Poland, health and safety audits were conducted in stores and terminal areas; and in Lithuania, training was provided for new health and occupational safety representatives.

In 2024, the majority of Kesko's occupational diseases occurred in the car trade. Therefore, the 2025 focus in the car trade was on preventing occupational diseases. Areas of improvement were identified especially in work related to vehicle tyres. Measures included training for managers, systematic on-the-job instruction, occupational hygiene measurements and corrective actions based on those results, such as optimising the use of personal protective equipment.

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In Finland in 2025, we piloted a self-assessment tool of psychosocial load in development discussions. A total of approximately 6,600 employees assessed their own psychosocial load. According to self-assessment, under 6% of respondents reported experiencing frequent or constant psychosocial load. We trained managers to use the new psychosocial load operating model. We also developed a process for the early identification and support of employees experiencing harmful levels of psychosocial load. In Finland, we supported mental wellbeing through training and communication, focusing on the identified mental health challenges among young age groups, in particular.

At Kesko, we prevent potential negative impacts on occupational health, safety and wellbeing by fulfilling legal requirements, identifying, preventing and mitigating material risks and implementing good occupational health and safety practices. The business areas are mainly responsible for occupational safety, employees' wellbeing at work, and related measures. Key measures include occupational safety induction and job training, opportunity to make safety observations and a comprehensive risk assessment process, as well as guidance on how to investigate work-related accidents that result in absence from work.

Occupational safety experts and representatives play a key role in the planning and developing of operations. We develop cooperation with employees and employee representatives in accordance with national laws and practices. We ensure the management of impacts through concrete action plans and the monitoring of their implementation, and through effective processes and human resources planning. In 2025, occupational health and safety issues were discussed at Group level in the occupational safety committee three times.

The Group's occupational safety unit reports on key occupational safety indicators and measures to the division and Group management every six months. In addition, business area managers and HR review occupational health and safety topics every six months, monitor the development of indicators and decide on the necessary measures for occupational safety and wellbeing at work. Kesko's units prepare an annual action plan covering development topics, and HR monitors its implementation. In 2025, the Divisional and Group Management also took measures to improve safety management based on the bi-annual reporting.

Absences, accidents and occupational diseases are prevented at Kesko through systematic operating models and close cooperation between the Group, the divisions and employee representatives. Examples of this include the work capacity and occupational safety management model and, in Finland, developing the competence of HR partners and managers in work capacity management. At Kesko, we actively support employees in individual situations where their work capacity is reduced, for example by modifying their work. Work-related accidents are systematically recorded in the accident reporting systems, which occupational safety managers used to monitor investigations.

Managers are responsible for the induction of occupational health and safety topics to new employees, and employees are also provided with occupational safety training. The manager, together with occupational health specialists and HR partners, also assesses the employee's work capacity and wellbeing, if necessary.

Equal treatment and inclusion

Awareness of diversity and equality is promoted through the 'Diversity and inclusion' online training, which was updated in 2025 to be more comprehensive and to include more language versions. Diversity and equity matters are part of the Leader@K training for new managers at Kesko. In addition, all logistics managers in Finland attended a training on the topic in 2025.

A diversity pledge has been added to job advertisements, and the application form emphasizes that applicants do not need to state their age or gender, nor include personal information unrelated to the role on their CV.

We aim to attract an increasing number of talents with international backgrounds to Kesko. For this reason, a buddy programme was established at K-Kampus to support the orientation of employees who use English as their working language. In Finland, the grocery trade's programme for people with an immigrant background combines on-the-job training with training and, where possible, employment in a store after the on-the-job training period.

Kesko aims to increase the number of women in the top management as well as middle management positions. The Group HR management team and the Group sustainability management team regularly monitor the progress of the DEI programme targets. The Group's HR department is responsible for the progress of the DEI programme.

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Training and skills development

In 2025, competence development focused on leadership and management, as well as supporting professional growth and development. We strengthened this support by introducing a new common K Learning environment in Finland and the Baltic countries. The K Learning environment will be extended to other operating countries in the coming years. In Finland, we implemented the 'Manager supporting growth and development' training to support employees' career progression.

We continued to strengthen skills in influencing, collaboration and self-management, and supported the adoption of AI tools with new training. In the stores, the focus was on strengthening sales and customer interaction as well as service and product competence.

Store employees in Finland have also started using the new K Learning environment, which provides them with a broad selection of professional training courses, including chain-specific training, eLearning courses and opportunities to complete vocational qualifications.

Targets and progress towards targets (S1-5)

	Base year		2025	Target	
Total Recordable Injury Frequency (TRIF), own workforce	2024	25.9	25.0	2030	22.0
Wellbeing index	2024	83	85	2030	86
Diversity and inclusion index	2024	87	88	2030	89
Top management, underrepresented gender proportion, %	2024	27.7	27.8	2030	40.0
Middle management, underrepresented gender proportion, %	2024	32.8	28.2	2030	45.0
Opportunities for development and growth	2024	68	70	2030	75

The occupational health and safety management system covers 100% of the entire own workforce.

Kesko has set targets for the following own workforce subtopics: health and safety, gender equality, diversity, and training and skills development. The base year for all targets is 2024, and the target level has been set for 2030.

The setting of the targets has been extensively discussed with various internal stakeholders. Targets have been reviewed together with the employee representative committee, the equality and non-discrimination group, the occupational safety steering group and the Group occupational safety committee. External stakeholders have also been involved in defining the targets. In particular, targets have been discussed in cooperation with occupational health partners and insurance companies. These parties have had the opportunity to contribute their views on both the targets and the related measures.

The Group Management Board regularly monitors targets related to Kesko's own employees. HR and sustainability management, HR business partners, steering and working groups, as well as employee representatives, monitor the achievement of the targets.

The total recordable incident frequency (TRIF) was 25.0 and decreased from 2024 towards the target level of 22.0. The wellbeing index based on the employee engagement survey improved from 2024 and reached 85 in 2025. Progress in health and safety is assessed to be on track.

The diversity and inclusion index based on the employee engagement survey increased from 2024 and reached 88 in 2025. The already high result improved even further. The proportion of the underrepresented gender, referring to women, in top management remained at the same level as in 2024. However, the proportion of women in middle management declined from the baseline.

The target related to employee competence development is presented for the first time for 2025. The target was set in 2024 as part of the HR strategy. The target level is 75 by 2030. Progress improved from the 2024 baseline, reaching 70 in 2025.

Accounting policies

In defining the target levels, industry-specific benchmarks or average levels have been taken into account where available and relevant. In addition, the baseline and the realistic likelihood of achieving the targets in a diverse and evolving operating environment have been considered. Target definitions also take into account that retail sector benchmarks often distinguish between retail, wholesale and logistics; at Kesko, these areas have been combined for the purpose of setting and monitoring overall targets. Where the metric is based on the employee engagement survey, the expertise of the survey partner has been

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utilised in evaluating the metric, assessing progress, and determining the statistical significance of changes.

More detailed accounting principles for the total recordable incident frequency are described in the section on Health and Safety Metrics (S1-14).

The wellbeing index and the diversity and inclusion index are based on indices constructed from questions included in the K Voices employee engagement survey. The wellbeing index consists of 12 statements, and the diversity and inclusion index of five statements. Both indices use a 0–100 scale, and the result represents the percentage of favourable responses among all respondents. The metric describing employee competence development and growth is based on the K Voices survey statement: 'I believe I have opportunities for personal development and growth in K Group if I want', and the result is the percentage of favourable responses.

Employees in Denmark were not included in the K Voices employee engagement survey in 2024–2025, and therefore they are not included in the targets based on the employee engagement survey results. Denmark currently uses its own separate personnel survey.

In the context of senior and middle management, the underrepresented gender refers to women at Kesko. The proportion of women is calculated as a percentage of the total number of employees in the respective group. Gender-balanced representation is monitored using the data from Kesko's HR master data system.

Metrics

Characteristics of employees (S1-6)

Employee head count by gender

	2025	2024
Male	11,440	10,853
Female	7,536	7,444
Other	15	12
Not reported	-	-
Total	**18,991**	**18,309**

The average number of Group personnel converted to full-time equivalent employees by segment is presented in the Note 2.5 Operating expenses and geographical breakdown in the Note 2.2 Segment information of the consolidated financial statements.

Employee head count in countries where there are at least 50 employees representing at least 10% of the total number of employees

	2025	2024
Finland	12,598	12,555
Norway	1,918	2,091

Employee turnover

	2025	2024
Number of employees who have left undertaking	3,807	4,161
Employee turnover, %	16.4	18.5

Employee head count by contract type and gender

	2025					2024				
	Female	Male	Other	Not reported	Total	Female	Male	Other	Not reported	Total
Employees	7,536	11,440	15	-	**18,991**	7,444	10,853	12	-	**18,309**
Permanent	6,634	9,738	9	-	**16,381**	6,528	9,183	10	-	**15,721**
Temporary	662	886	6	-	**1,554**	659	896	1	-	**1,556**
Non-guaranteed hours	240	816	-	-	**1,056**	257	774	1	-	**1,032**
Full-time	3,866	8,990	5	-	**12,861**	3,845	8,533	4	-	**12,382**
Part-time	3,670	2,450	10	-	**6,130**	3,599	2,320	8	-	**5,927**

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Employee head count by contract type and operating country

2025	Finland	Norway	Sweden	Denmark	Estonia	Latvia	Lithuania	Poland	China[1]	Total
Number of employees	12,598	1,918	1,283	1,862	185	95	94	941	15	**18,991**
Permanent	10,821	1,565	1,118	1,769	179	94	94	726	15	**16,381**
Temporary	846	353	40	93	6	1	-	215	-	**1,554**
Non-guaranteed hours	931	-	125	-	-	-	-	-	-	**1,056**
Full-time	7,707	1,450	1,007	1,382	183	89	93	935	15	**12,861**
Part-time	4,891	468	276	480	2	6	1	6	-	**6,130**

2024	Finland	Norway	Sweden	Denmark	Estonia	Latvia	Lithuania	Poland	China[1]	Total
Number of employees	12,555	2,091	1,458	893	181	93	88	935	15	**18,309**
Permanent	10,862	1,711	1,224	825	172	93	87	732	15	**15,721**
Temporary	794	380	101	68	9	-	1	203	-	**1,556**
Non-guaranteed hours	899	-	133	-	-	-	-	-	-	**1,032**
Full-time	7,746	1,554	1,084	699	179	88	87	930	15	**12,382**
Part-time	4,809	537	374	194	2	5	1	5	-	**5,927**

[1] Kesko's building and technical trade has a purchasing office in Shanghai, serving all operating countries in purchasing.

Accounting policies

Key figures related to own workforce cover Kesko Group employees in all operating countries. The own workforce figure used in the calculations is expressed as the number of employees as at the last day of the year. This figure also includes people who are not actively working, such as those on family leave.

The gender distribution of the workforce by number of employees is as follows: male, female, other or not reported by the employee.

Employee turnover includes all employees who left the Group during the year divided by the average number of employees during the year. The average number of employees for the year is calculated as the average of the average number of employees over the reporting months.

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Collective bargaining coverage and social dialogue (S1-8)

Coverage of collective bargaining and social dialogue

	Collective Bargaining Coverage		Social Dialogue
Coverage Rate	Employees – EEA	Employees – Non-EEA	Workplace representation (EEA only)
0-19%			
20-39%			
40-59%			
60-79%	Finland		
80-100%	Norway		Finland, Norway

for countries with >50 employees representing >10% total employees

Employees covered by collective bargaining agreements

	2025	2024
Total employees covered by collective bargaining agreements, %	75.8	75.6

Accounting policies

The number of employees who are covered by collective agreements and in an employment relationships is set in proportion to the number of employees with an employment relationship.

In Finland, Norway and Denmark, blue-collar and white-collar employees are covered by collective agreements, excluding senior salaried employees in Finland for whom a separate local agreement has been drawn up concerning representation, working time arrangements and pay adjustments. In Sweden, all employees are covered by collective agreements, excluding the country director, who is covered by a separate agreement. There are no collective agreements in Estonia, Latvia, Lithuania and Poland.

Diversity metrics (S1-9)

Age distribution of employees

	Number		Percentage, %	
	2025	2024	2025	2024
Under 30 years	5,169	4,763	27.2	26.0
30-50 years	8,739	8,547	46.0	46.7
over 50 years	5,083	4,999	26.8	27.3

Gender distribution of top management

	Number		Percentage, %	
	2025	2024	2025	2024
Women	27	26	27.8	27.7
Men	70	68	72.2	72.3
Other or unknown	-	-	-	-

Accounting policies

The age distribution of employees is reported as a number and percentage of employees in three age groups.

The gender distribution of the top management is reported as a number and percentage. At Kesko, the top management level consists of directors with a director agreement.

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Adequate wages (S1-10)

Kesko is committed to paying all employees a competitive salary that meets or exceeds the legal minimum requirements and is sufficient to cover basic living costs. Salaries are based on the level defined in the applicable collective agreement. In countries where collective agreements are not used, employees are entitled to at least the statutory minimum wage. A related description can be found in the section Collective bargaining coverage and social dialogue (S1-8).

An employee's base salary is compared with the applicable reference salary, which depends on the national practices and is either the wage defined in the collective agreement or the statutory minimum wage. In the Nordic countries, an employee's base salary is compared with the collective agreement wage. In Estonia, Latvia, Lithuania and Poland, an employee's base salary is compared with the national minimum wage.

Training and skills development metrics (S1-13)

Performance and development discussions and performance review discussions are a systematic part of Kesko's performance management model. In 2025, 75.2% (63.5%) of own workforce participated in performance management discussions and reviews in accordance with the common operating approach. The discussions were broadened by developing a model based on the needs of logistics employees in Finland.

Performance management and competence development

	2025	2024
% of employees that participated in regular performance and development discussions	**99.6**	**92.7**
Male	99.6	88.1
Female	99.8	97.4
Other or unknown	100.0	100.0
The average number of training hours per employee	**4.6**	**4.4**
Male	5.1	5.5
Female	4.0	3.2
Other or unknown	1.3	1.6

Accounting policies

The percentages of performance management discussions displayed in the table represent the performance management discussions (target setting and development discussions and performance review discussions) conducted in accordance with Kesko's common operating approach. The ratio of performance management discussions is calculated on the basis of the number of people with the opportunity to have performance and development discussions in accordance with Kesko's common operating approach (target setting and development discussions and performance evaluation review). These discussions are documented in the HR master data system. In situations such as long absences or when an employment relationship starts near the end of the year, the development discussion is not conducted during the same calendar year. For individuals working in certain jobs, such as in grocery stores, team-, department- or store-level targets are set and discussions are held regularly, but these discussions are not reported according to Kesko's common model.

The number of training hours, for both internal and external training, is calculated by the reported training hours. For online training, the duration of one training session is estimated to be 15 minutes.

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Health and safety metrics (S1-14)

Work-related accidents, cases of work-related ill health and fatalities

	2025	2024
Number of recordable work-related accidents	674	714
Rate of recordable work-related accidents (TRIF)	25.0	25.9
The number of cases of work-related ill health	-	4
The number of fatalities as a result of work-related accidents and work-related ill health	-	-
The number of days lost to work-related accidents and fatalities	3,400	2,147

Occupational health and safety management system covers 100% of Kesko's own workforce.

Accounting policies

Work-related accidents, occupational diseases, fatalities due to work-related accidents and occupational diseases, number of days lost due to work-related accidents and fatalities are reported for own workforce. The number of work-related accidents refers to the number of work-related accidents that have been reported to the employer from all countries.

The work-related accident frequency is calculated by multiplying the number of work-related accidents by one million hours worked and dividing by the number of hours actually worked (TRIF). The figure includes all approved work-related accidents and work-related pain cases.

Occupational diseases include confirmed cases of occupational diseases according to the ILO List of Occupational Diseases.

The days lost due to work-related diseases and fatalities are calculated in calendar days, including the whole absence period from the first full day of absence. The number includes days lost due to work-related accidents. The number of fatalities due to work-related accidents and occupational diseases are added together. The figures for work-related accidents, occupational diseases and fatalities do not include data on non-employees, such as recruitment agency employees.

Compensation metrics (pay gap and total compensation) (S1-16)

At Kesko in 2025, the remuneration ratio between genders is 2.7% (2.2%). The comparability of the average total remuneration figures between women and men was affected by the acquisitions made in Denmark during 2025, as well as changes in personnel numbers due to organisational restructurings in different operating countries and refinements made to job classifications. Among employees in Finland, the average gender pay gap narrowed slightly. The ratio between the annual total remuneration of the highest paid individual and the median annual total remuneration (excluding the highest paid person) was 47 (33).

Accounting policies

The remuneration figures are based on employees in active employment on the last day of the year. The average pay gap between the total remuneration of women and men is calculated as the weighted average of the number of people working in the same operating country and between women and men in comparable jobs. The difference in total remuneration is defined by employee group in the table.

The ratio of the highest-paid individual's annual total remuneration has been calculated by comparing it to the median of annual total remuneration. The median is calculated excluding individuals who started after the beginning of the reporting year, who have been absent for more than three months during the reporting year, and the remuneration of the highest paid individual.

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Incidents, complaints and severe human rights impacts (S1-17)

Through the SpeakUp channel, we received a total of 36 (15) reports concerning the working conditions, terms of employment and other work-related rights of Kesko's own employees. Cases reported through other channels are part of the routine investigations carried out by HR partners and employment law specialists, and they are not recorded on a case-by-case basis. In 2025, based on an estimate, Kesko had approximately 15 (around 10–15) discrimination and harassment reports concerning its own employees. This estimate includes uncertainties; for example, it does not include reports that do not meet the criteria of the inappropriate conduct operating model or reports which, after investigation, are found to be other types of employment-related disagreements.

In 2025, no severe human rights violations were identified at Kesko. Kesko has not been fined or subjected to other sanctions for the cases discussed above, or for cases from previous years.

Accounting policies

The number of reports received through the SpeakUp channel includes those reports that concern Kesko's own employees and potentially inappropriate behaviour occurring in the workplace. This figure does not include discrimination or harassment reports, as they are reported separately. The total number of discrimination and harassment reports concerning Kesko's own employees is presented as an estimate by HR partners and employment law specialists in the operating countries. Discrimination and harassment reports submitted through the SpeakUp channel have been added to the estimate.

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S2 WORKERS IN THE VALUE CHAIN

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Material impacts, risks and opportunities (ESRS 2 SBM-3)

Material impacts, risks and opportunities

Topic	Description	Management
Working conditions	**Potential negative impact:** Inadequate working conditions weaken value chain workers' wellbeing and quality of life.	• The K Code of Conduct for business partners and the amfori BSCI Code of Conduct as part of the contracts with suppliers and service providers include requirements on respecting working conditions and human rights. • We require social responsibility audits and corrective actions where necessary from our direct suppliers in risk countries.
Child labour and forced labour	**Potential negative impact:** Infringements of labour rights affecting value chain workers cause suffering for the affected workers and their families.	
Working conditions Child labour and forced labour	**Risk:** A breach of the supplier agreement between the supplier and Kesko and conduct that violates the K Code of Conduct may affect Kesko's reputation and lead to disruptions in business operations if the business relationship with the supplier has to be terminated.	• We engage in dialogue with our suppliers and act in accordance with our escalation process. • We require social responsibility audits and corrective actions where necessary from our direct suppliers in risk countries.

Material impacts, risks and opportunities and their interaction with strategy and business model

Kesko has identified potential negative impacts related to workers in the value chain. The identified potential negative impacts are mainly individual cases: However, supply chains of certain products sold by Kesko involve also more systemic problems. Potential impacts on value chain workers concern employees who work upstream in Kesko's value chain, in companies with which Kesko has a business relationship.

The procurement of goods is a core element of Kesko's business model, and Kesko has business relationships with a large number of suppliers of goods and services. Through these relationships, Kesko is also connected to a large number of workers employed by these companies. Workers in global value chains may be exposed to potential negative impacts in the manufacturing of products sold by Kesko and the production of raw materials required for those products.

Kesko has identified potential negative impacts related to the working conditions of value chain workers and the use of child and forced labour in its supply chains. The risk of inadequate working conditions is particularly linked to workers at Kesko's suppliers involved in the manufacturing or primary production of goods in countries classified as risk countries. The country risk classification used for sourcing is based on the World Bank Worldwide Governance Indicators. Among the risk countries, Kesko's largest sourcing volumes come from China, Thailand, Türkiye, India and Greece.

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Kesko has identified the risk of child and forced labour related to its value chain workers in certain product categories included in Kesko's product selection. Especially forced labour risks are identified also outside of risk countries. Examples of systemic level impacts include forced labour risk associated with seasonal work in primary agricultural production and textile industry. Kesko has also identified a financial risk related to workers in the value chain. If serious violations of workers' working conditions or human rights, or incidents of child or forced labour, occur within Kesko's value chain, Kesko may face various negative financial impacts. Negative impacts may relate to reputational damage for Kesko or business disruptions caused by the termination of a supplier relationship.

Kesko has not identified material impacts on workers downstream in its value chain.

Policies (S2-1)

Kesko's principles on human rights issues and working conditions in supply chains are defined in Kesko's sustainability policy and the K Code of Conduct for business partners. Kesko pays special attention to human rights issues and working conditions in supply chains in countries where the risks of human rights violations are the highest. Our policy is to collaborate only with risk country suppliers that are included in the scope of social responsibility audits. Division Presidents are responsible for the execution of the policy and supplier selections. The implementation of the principles of the sustainability policy is the responsibility of the Executive Vice President, Legal and Sustainability of Kesko Group.

Kesko's Board of Directors approved the updated sustainability policy effective 1 January 2026. No significant changes were made regarding principles guiding Kesko's activities toward value chain workers.

Kesko has published a statement of commitment on human rights and an impact assessment in compliance with the UN Guiding Principles on Business and Human Rights. Kesko respects all internationally recognised human rights and is committed to several international declarations and conventions. In 2025, Kesko carried out an update of its human rights assessment with a focus on value chain workers. The assessment identified the most significant human rights impacts by division and product category. The assessment was completed at the end of 2025, and work on the findings will continue during 2026.

Kesko requires its suppliers and service providers to commit to the requirements outlined in the K Code of Conduct for business partners. Suppliers and service providers must respect all internationally recognised human rights principles, including the UN Universal Declaration of Human Rights and the UN Convention on the Rights of the Child, the OECD Guidelines for Multinational Enterprises and the OECD Due Diligence Guidance for Responsible Business Conduct, the ILO Declaration on Fundamental Principles and Rights at Work, and the UN Guiding Principles on Business and Human Rights.

The K Code of Conduct for business partners commits business partners to comply with requirements related to working conditions, such as responsible recruitment, proper working conditions, decent working hours, fair remuneration, freedom of association and collective bargaining, and occupational health and safety. Business partners must not use forced labour in any form, including all types of involuntary work and human trafficking. Business partners must abstain from directly or indirectly employing children below the legal minimum age for employment.

Our business partners must ensure that their subcontractors, suppliers and service providers follow principles and standards similar to those set out in the K Code of Conduct for business partners.

In 2025, two reports concerning service providers were submitted through Kesko's SpeakUp channel. These reports related to violations of labour and working time legislation, as well as the failure to fulfil certain financial reporting obligations.

Kesko is a member of amfori, an association promoting sustainable trade, and takes part in amfori BSCI (Business Social Compliance Initiative). In addition to Kesko's own K Code of Conduct for business partners, contracts with suppliers and service providers contain contractual clauses concerning the amfori BSCI Code of Conduct. Through the amfori BSCI Code of Conduct, suppliers and service providers commit to ensuring respect for human rights in their supply chains in accordance with internationally recognised principles. The Code of Conduct includes requirements relating to working conditions and the prohibition of child labour, forced labour and human trafficking.

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Kesko is a signatory of the International Accord for Health and Safety in the Textile and Garment Industry, which promotes occupational health and safety at garment and textile factories in Bangladesh. We require that factories in Bangladesh manufacturing private-label clothing and home textiles are included in the International Accord process.

Kesko guides the procurement of products containing raw materials identified as critical from a social responsibility perspective with sustainability guidelines. Through our guidelines for sourcing of cocoa, coffee, tea, palm oil, soy, textiles and timber and paper, we aim to reduce the human rights challenges associated with their production. These guidelines direct the procurement of raw materials for Kesko's private label products, mainly produced in accordance with internationally recognised certification systems. The certification standards include criteria for respecting workers' working conditions and human rights.

Processes for engaging with value chain workers about impacts (S2-2)

Kesko recognises that, especially in global value chains, cooperation between different operators is needed to prevent material negative impacts. We engage about the impacts on value chain workers primarily through multi-stakeholder initiatives, such as amfori. We also engage in dialogue with Fairtrade, for example. Cooperation with Fairtrade focuses on the global supply chains of agricultural products and reducing risks in primary production. In addition, Kesko works with the Centre for Child Rights and Business, an organisation promoting children's rights. As a member of the organisation's working group, Kesko receives up-to-date information on child labour and its prevention at the regular working group meetings.

Currently, there is no direct engagement with value chain workers that would allow their perspectives to be taken into account in decisions or activities aimed at managing the impacts on value chain workers.

Kesko engages indirectly with the workers of its suppliers in risk countries through social responsibility audits conducted by third parties. Risk country suppliers refer to those suppliers with whom Kesko has a supplier agreement and whose country of domicile is classified as a risk country. In Kesko's grocery trade, audit requirements are applied more broadly on a risk-based basis, taking into account the product's country of manufacture.

In the assessment of social responsibility of our risk country suppliers, we favour primarily amfori BSCI audits, which are based on the amfori BSCI Code of Conduct. We accept other social responsibility assessment systems if their criteria correspond to those of amfori BSCI auditing and if the audit is conducted by an independent party. Audits provide us with information on workers' working conditions, including the safety of working conditions in production, the wages and working hours of workers and their rights of freedom of association and collective bargaining. Interviews with workers are a key part of amfori BSCI, SMETA and Fairtrade audits, for example. Audits are conducted at suppliers' factories in principle at least every two years, and more frequently if needed. The effectiveness of engagement is assessed through the audits carried out. The audit process includes follow-up audits, which monitor how the identified non-conformities have been corrected. A follow-up audit is typically required within 12 months of the original audit.

Processes to remediate negative impacts and channels for value chain workers to raise concerns (S2-3)

When issues related to Kesko's value chain workers arise, the sustainability unit and procurement personnel of the responsible division address the issues and define corrective actions as needed in cooperation. Situations are discussed with the supplier, and the aim is to get the supplier to commit to corrective actions.

For serious violations of human rights and working conditions, Kesko follows its escalation process updated in 2025. In accordance with the process, serious violations are handled in collaboration with Kesko Group's Governance, Compliance and Ethics function. Compliance and the division conduct an initial assessment and assemble a multidisciplinary team to define required actions. Corrective actions are agreed with the supplier, or, if necessary, the relationship is suspended or terminated, and authorities are informed. Decisions are documented and reported to key management. Kesko does not immediately terminate cooperation if the supplier commits to resolving the identified issues within an agreed timeline. The effectiveness of corrective actions is assessed through follow-up audits, for example.

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The amfori BSCI audit process includes a Zero Tolerance Protocol, which is followed when an auditor observes a particularly critical issue during the audit. If use of child labour is detected in Kesko's value chain, a remediation model of the Centre for Child Rights and Business is available.

In accordance with the K Code of Conduct for business partners, Kesko's partners must implement mechanisms to receive, address and respond to complaints or concerns that relate to potential non-compliance with the K Code of Conduct for business partners. The K Code of Conduct for business partners provides information about Kesko's SpeakUp reporting channel that is open to all and allows workers in the value chain to report any concerns. The SpeakUp channel is described in more detail in section G1 Business Conduct, Protection of whistleblowers.

The process for handling violations is fundamentally the same regardless of how the issues have been brought to Kesko's attention. If a case is identified through a SpeakUp report, legislation on the protection of whistleblowers and Kesko's internal investigation process are also taken into account.

In addition to Kesko's own SpeakUp channel, a channel maintained by amfori, the amfori Speak For Change, is available for workers in Vietnam, Türkiye, Bangladesh and four regions in India at those factories of Kesko's suppliers that fall within the scope of amfori BSCI audits.

Actions (S2-4)

In accordance with Kesko's policy, all factories of its own risk country sourcing must undergo a social responsibility audit. Purchases from countries classified as risk countries accounted for 1.2% (0.9%) of Kesko's purchases of goods in 2025.

In 2025, a total of 970 (705) factories of suppliers in risk countries had a valid social responsibility audit, resulting in an audit coverage of 97.6% (90.7%) of all factories of risk country suppliers. The most common audit systems were amfori BSCI and SMETA. Missing audits include situations where an audit was not valid or the audit process was incomplete or delayed at the time of purchasing, or necessary information regarding the audit was not received. In some cases, it has been possible to continue purchasing on the basis of an exemption or while the audit process has been ongoing.

Since 2025, Kesko has introduced social responsibility audits from private-label fresh fruit and vegetable suppliers beyond the general risk country classification, in countries where workers on fruit and vegetable farms face an elevated risk of human rights violations. In defining the level of risk, Kesko uses the country risk list published by GLOBALG.A.P. Suppliers operating in countries identified as medium- or high-risk in the list are recommended to undergo audits.

The majority of the deficiencies in amfori BSCI audits were related to compliance with working time regulations and to social management systems at factories.

In 2025, Kesko terminated orders from four factories in which issues related to working conditions were identified and consensus could not be reached with the suppliers on the necessary corrective actions in the factories.

For several years, there have been suspicions of human trafficking in the Finnish berry-picking sector, involving also some of Kesko's suppliers. In 2025, Kesko engaged with its suppliers to clarify responsible business practices, requested written explanations of their berry-sourcing processes, and required key supplier personnel to complete the K Code of Conduct online training. A legal case reported as ongoing in Kesko's 2024 sustainability statement resulted in a district court ruling in autumn 2025. In this ruling, one of Kesko's suppliers and a key individual at the company were convicted of human rights violations. The supplier's engagement with Kesko and the corrective actions taken to address the violation were deemed insufficient in light of the court's findings and the severity of the breach of the K Code of Conduct. Consequently, Kesko terminated the supplier agreement. Another court case involving a supplier operating in the same sector remains ongoing, and Kesko has initiated dialogue with the supplier.

In autumn 2025, Kesko also participated in auditing the harvesting and accommodation conditions at one of its berry-sector suppliers. The audit model has been developed jointly with an external inspection and certification service provider.

Kesko is also aware of an additional ongoing legal case related to alleged human rights violations concerning one of its domestic suppliers.

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In 2025, a suspected human rights violation emerged in Kesko's value chain when one of its suppliers dismissed workers following a strike in Panama. Kesko engaged in dialogue with the supplier, requested clarification on the incident, and continues to monitor the situation.

To strengthen business partners' commitment to the K Code of Conduct, Kesko released a K Code of Conduct online training for its suppliers in 2025. In addition, Kesko's suppliers in risk countries have the opportunity to participate in training sessions on working conditions and human rights organised by Kesko's partners. During 2025, a total of 205 (62) Kesko's suppliers participated in training provided by amfori on topics such as fair remuneration and working hours, zero tolerance for violence and harassment, and social management systems.

Kesko organises responsible purchasing training for its purchasing organisations. In 2025, Kesko organised extensive training on identifying labour exploitation in subcontracting chains, in cooperation with the Deaconess Foundation, the Assistance System for Victims of Human Trafficking, the National Bureau of Investigation, the Regional State Administrative Agency for Southern Finland, and the European Institute for Crime Prevention and Control (HEUNI).

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S4 CONSUMERS AND END-USERS

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Material impacts, risks and opportunities (ESRS 2 SBM-3)

Material impacts, risks and opportunities

Topic	Description	Management
Health and safety: Enabling healthy choices	**Potential positive impact:** Kesko has the opportunity to influence the health of consumers and end-users by offering healthier products that contain less salt, sugar or saturated fat.	• Reducing the amount of salt, sugar and fat in private label food products by reformulating the nutritional content of products.
Health and safety: Product safety	**Potential negative impact:** Deficiencies in the safety of the products sold by Kesko can have significant negative impacts on the health and safety of consumers and end-users.	• Documented own-control plans for food safety management. • Safety and quality systems.
Health and safety: Product safety	**Risk:** The realisation of product safety risk may cause reputational damage and may result in liability for damages for Kesko.	• Documented own-control plans for food safety management. • Safety and quality systems. • Risk assessments and continuous improvement of processes.
Privacy: Data protection	**Potential negative impact:** Kesko processes large amounts of data related to consumers' personal data in its operations. Deficiencies in Kesko's data protection principles and personal data processing procedures can expose consumers to misuse of their personal data.	• The data protection compliance programme ensures that competence and awareness of data protection guidelines in relation to protection of personal data remain at a high level.
Privacy: Data protection	**Risk:** The realisation of data protection risk may cause reputational damage and may result in liability for damages for Kesko.	• Risk assessments are conducted at the planning stage of personal data processing. • Data protection risk management conducted as part of the annual risk assessment process.

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Material impacts, risks and opportunities and their interaction with strategy and business model

Kesko operates primarily in the consumer market in Finland. In Kesko's other operating countries, where Kesko engages in building and technical trade, Kesko operates mainly in the business-to-business market.

In the retailer business model, Kesko sells products to K-retailer entrepreneurs, who conduct retail trade under Kesko's retail chains and sell products onward to consumers. Kesko's retail chains include K-food stores, K-Rauta building and home improvement stores, and most Intersport stores, in which K-retailer entrepreneurs operate retail businesses. In foodservice operations, Kespro sells products to business customers, who in turn sell or serve the products to end-users.

Kesko's own retail operations, where Kesko sells products directly to consumers in Finland, include car trade, the non-food business of K-Citymarket, Budget Sport, and part of Intersport sales. Onninen's business operations in all its operating countries consist of business-to-business trade. In building and home improvement trade outside Finland, in Sweden, Norway and Denmark, the business is primarily Kesko's own retailing. The building and home improvement chains operate mainly in business-to-business trade, but they are also open to consumers.

The quality and safety of products are a central part of Kesko's operations. Products must meet the requirements set by legislation, regulatory authorities, and Kesko's own quality criteria. Clear product information and appropriate instructions for use support the safe and proper use of products.

Kesko's extensive product selection includes products that may have adverse impacts on the health of consumers and end-users. The sale of such products is strictly regulated, and their sale is conducted in compliance with the laws that govern their distribution. Products that may be harmful to health contain packaging labels warning of their risks, and their sale is subject to heightened diligence, including the application of sales restrictions and self-monitoring procedures.

Kesko's operations are founded on data and the processing of data within Kesko's operating environment. Consumers who belong to K Group's (Kesko and chain stores) K-Plussa loyalty programme have been identified as a significant group of individuals whose data are collected. The data are used to serve customers individually, enabling the provision of personalised benefits, rewards, and relevant information on product selections and services. Customer data are also utilised in business management and in the development of products and services.

In Kesko's business model, the group of consumers and end-users interacting with Kesko is broad. Particularly in Finland, the number of consumers interacting with Kesko or otherwise within the scope of Kesko's operations is substantial. Potential negative impacts on consumers and end-users have been identified identified in relation to product safety and data protection. In both cases, any potential negative impacts are isolated cases in nature. Potential negative impacts concern the group of consumers and end-users interacting with Kesko. From a product safety perspective, Kesko has not identified specific groups among consumers and end-users who would be particularly affected by such impacts. Members of the K-Plussa loyalty programme have been identified as the individuals whose personal data Kesko processes the most.

There is a clear interdependency between the potential negative impacts and risks related to product safety and data protection. If a serious negative impact related to product safety or data protection were to materialise, it could result in financial effects for Kesko through the realisation of related risks.

Potential positive impacts on consumers and end-users relate to Kesko's private label food products and the nutritional healthiness of these products. Kesko operates in the grocery trade in Finland, and the positive impact therefore applies to Kesko's grocery trade customers in Finland.

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Policies (S4-1)

Kesko is committed in its K Code of Conduct guidelines to respecting internationally recognised human rights in all its operations. Customers have been identified as one stakeholder group whose human rights may be affected by Kesko's activities. In relation to the realisation of customers' human rights, the K Code of Conduct guidelines emphasise the equal treatment of customers and other stakeholders, ensuring the safety, accessibility and ease of use of customer interactions, and ensuring that the products and services offered by Kesko are safe to use. The K Code of Conduct also addresses the responsible use of data. Responsible use of data is defined as ensuring transparency, a high level of data protection, and the creation of sustainable value for the business and its stakeholders.

Kesko's human rights commitments are listed in section G1 Business Conduct, Corporate culture and business conduct policies (G1-1). Kesko did not identify any suspected or confirmed human rights violations related to consumers or end-users in 2025.

Making healthy choices easier for consumers and end-users

As an operator in the retail sector, Kesko has opportunities within the grocery trade to facilitate healthier food choices for its customers. To support consumers in making healthier choices, Kesko is committed to reformulating the nutritional content of its private label products in the grocery trade by reducing the levels of salt, sugar and saturated fat in the products. Nutritional reformulation is focused especially on everyday basic products, thereby reducing customers' intake of salt, sugar and saturated fat. In the grocery trade division, responsibility for advancing the targets for reformulating the nutritional content of private label products lies with the Senior Vice President, Commerce, chain operations.

Product safety

Providing high-quality products that meet customer expectations is one of the cornerstones of Kesko's operations. Each of Kesko's three divisions has its own defined operating principles and processes for ensuring product safety and quality. The divisions' different product categories and business models require division-specific principles related to product safety. The President of each division is responsible for ensuring the implementation of the principles for product safety and quality.

Grocery trade

In the grocery trade, quality assurance is based on self-control throughout the chain. Each stage, such as purchasing, storage, transport, grocery stores and cash-and-carry outlets, has its own documented self-control plan. The self-control plans describe the measures to manage food safety at different stages of the food chain. In production, the self-control plans are HACCP-based (Hazard Analysis and Critical Control Points) and are based on the identification of food safety hazards. The self-control plan for purchasing covers all food products in Kesko's range. Kesko requires the manufacturing plants of suppliers of private label products to have a valid certified product safety system approved by Kesko, or that Kesko has conducted an audit of the manufacturing plant.

Kesko Logistics, which is responsible for transportation and warehousing for K-food stores and Kespro, as well as Kesko's subsidiaries Reinin Liha and Kalatukku E. Eriksson, have a certified food safety management system (FSSC 22000). The food safety management system focuses on the assessment of food safety hazards and on ensuring practices to prevent these hazards. The system is based on the idea of continuous improvement. The systems also require the ability to respond to various types of exceptional situations.

The product quality managers of the grocery trade's Quality and Product Development Unit monitor the product safety and quality of private label products and own imports. Product quality managers take samples of products during the product development phase before they are launched on the market. Samples of products on the market are taken according to an annual sampling plan based on a product group-specific risk assessment and, if necessary, based on customer feedback. Samples are tested in the Quality and Product Development Unit's own ISO 17025 accredited laboratory (T251) and product development kitchen and, if necessary, in an accredited outsourced laboratory.

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Building and technical trade

The quality assurance of the building and technical trade's private label and own import products is conducted by the building and technical trade's quality manager in cooperation with the product managers, the purchasing department and the logistics centres. There are product standards for most products that set the required level of quality assurance for the product and any testing and approval requirements. The requirements for private label products are specified separately in the purchasing contract.

Onninen's units and the B2B sales unit in building and home improvement trade in Finland, as well as Kesko AB in Sweden, have a certified quality management system (ISO 9001) in use. The system requires the existence of quality assurance measures, the ability to respond to various exceptional situations, and the continuous improvement of operations.

Car trade

In the car trade, Kesko is an importer of Volkswagen, Audi, SEAT, CUPRA, Porsche and Bentley passenger cars and Volkswagen commercial vehicles. It is Kesko's responsibility to document any safety concerns raised by consumers and report them to the manufacturer. Recall campaigns are the responsibility of the manufacturer, who will provide information on the content of the campaign and the cars targeted by the campaign. Kesko is responsible for implementing the campaign in its own market area.

There is an evaluation process for receiving used cars and inspecting the condition of the cars, where the condition of the car is inspected and any faults requiring repair are identified before the car is resold. As part of the evaluation process, a vehicle assessment card is completed with the customer using a condition assessment tool, and the customer confirms the information by signing it. In addition, comprehensive data on the car is collected for resale purposes.

Data protection

Kesko's data protection principles are described in the data protection policy and the K Code of Conduct. The right to the protection of personal data is a fundamental right of every individual. The data protection policy defines the principles, practices and responsibilities to ensure the lawful processing of personal data and a high level of data protection at Kesko. The data protection policy applies to the operations of Kesko Group companies in all countries where Kesko operates. Data protection is closely linked to information security, the principles of which are defined in Kesko's information security policy. The data protection policy, the information security policy and the K Code of Conduct have been approved by Kesko's Board of Directors. Kesko's President and CEO has overall responsibility for the implementation and management of data protection. Business and group management are responsible for the implementation and oversight of data protection within their respective units. The data protection policy is owned by K Legal and Sustainability, which is responsible for updating the policy.

Each business unit or controller assesses and monitors the implementation of data protection in its own operations. Data protection officers in their respective areas of responsibility are responsible for developing, training and supervising data protection practices.

A risk-based approach is the basis for data protection. Data protection management is an essential part of Kesko's risk management. To ensure the effective implementation of data protection, Kesko carries out data protection risk assessments at the planning stage of personal data processing and as part of the annual risk assessment. Particular attention is paid to situations where the processing of personal data is outsourced.

At the end of 2025, Kesko's Board of Directors approved an updated data protection policy, which will enter into force on 1 January 2026. The updated data protection policy does not include significant changes to the key principles of data protection. The updated policy clarifies the content of the policy, responsibilities and the organisation of data protection.

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Processes for engaging with consumers and end-users (S4-2)

Kesko provides numerous channels for engaging with consumer customers and for giving feedback. In Finland, Kesko's key channels include the Hymy customer feedback system, customer satisfaction surveys conducted twice a year for K-food stores and K-Rauta stores, a continuous pulse-type NPS survey (NPS: Net Promoter Score), and the K-Kylä customer community. Regular customer satisfaction surveys and the monitoring of the Net Promoter Score (NPS) provide Kesko with up-to-date information on customer experience and satisfaction, as well as on the effectiveness of actions directed at consumers or end-users.

Customer feedback and customer experience surveys are continuously utilised to develop the customer experience in stores, the online store and other digital channels. In Finland, one key engagement channel for customers is the K-Kylä customer community, which is used across all three divisions. K-Kylä provides a channel for understanding customers' experiences, expectations and needs. The aim of the K-Kylä customer community is to increase customer understanding and to develop business in a customer-oriented way. Through the community, Kesko receives qualitative information that complements other customer data and supports development work, for example in product selections, store and service concepts and customer communications. Based on the results of studies, Kesko can, for example, refine product selections, develop the characteristics of private label products and improve the usability of services. In this way, K-Kylä supports the development of Kesko's business and helps to direct actions in line with customer needs.

Through the K-Kylä customer community, Kesko can communicate with members through surveys or recruit members to participate in interviews or user testing. In 2025, approximately 90 studies were conducted in K-Kylä, generating around 87,000 individual responses. During 2025, the K-Kylä customer community grew, and at the end of the year it had approximately 68,000 (44,000) members.

Kesko has processes and channels that enable engagement with customers in matters related to data protection. In Finland, Kesko has a public data protection portal on its website, which provides information and guidance related to data protection. An individual may submit requests concerning their personal data through the data protection portal or by contacting register-specific contact points or customer service channels. Questions and requests raised are responded to without undue delay.

Data subjects may contact the data protection officer in all matters relating to the processing of their personal data and to the exercise of their rights under data protection law. The data protection officer facilitates the handling of such contacts and requests, and ensures that the data subject receives a response without undue delay. The contact details of the data protection officer are provided in each data protection notice.

Processes to remediate negative impacts and channels for consumers and end-users to raise concerns (S4-3)

Kesko has channels through which consumers or end-users can contact Kesko to raise concerns and to support the remediation of potential negative impacts. All Kesko business areas have websites through which customers can provide feedback, report an issue or submit a product complaint. The packaging of Kesko's private label products includes Kesko's customer service contact details. Customers may also contact Kesko's customer service by telephone or contact Kesko through various social media channels. In addition, stores forward product feedback to Kesko.

Feedback received through different channels is recorded in customer service systems, which also record the progress and resolution of the feedback. Feedback and product complaints are monitored, and multiple instances of feedback on the same issue received within a short period lead to further investigation and, where necessary, corrective measures. In the grocery trade, Kesko introduced a new customer service system at the beginning of 2025, improving the monitoring of customer satisfaction in customer service. The average customer satisfaction of the grocery trade's Consumer Services was 94% in 2025. Senior operational responsibility for the communication channels and their functioning lies with the President of each division.

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In 2025, the grocery trade's Consumer Services received a total of approximately 25,700 (25,600) instances of customer feedback related to private label products, of which approximately 15,800 (18,500) were product complaints. In the building and technical trade, the total number of customer feedback in K-Rauta was approximately 37,600 (39,400), of which approximately 10,900 (11,200) were product complaints.

In relation to suspected misconduct, consumers and end-users can also submit a report through the SpeakUp channel. The SpeakUp channel is described in more detail in section G1 Business Conduct of the sustainability statement. However, the SpeakUp channel is not specifically targeted as a communication channel for consumers and end-users, although it is open to consumers. Kesko does not separately assess consumers' and end-users' trust in the SpeakUp channel.

Kesko has defined a process for handling information security incidents. If data protection is suspected to have been compromised, the matter is investigated without undue delay. The investigation involves, as appropriate, representatives of the relevant business unit, the information security and risk management teams, and the data protection officer. Kesko documents all information security incidents in accordance with legislative requirements and, where a personal data breach is confirmed, notifies the data protection authority when the notification threshold is met. Kesko also notifies the individual whose data protection has been compromised without undue delay in situations required by the General Data Protection Regulation (GDPR).

Actions (S4-4)

Product safety

In the grocery trade, the Quality and Product Development Unit decides on the recall of private label products and is responsible for providing information on the matter internally at Kesko, to K-food stores, Kespro's B2B customers, consumers and the authorities. In the case of products other than private label products, the supplier or importer of the product is responsible for the product safety of its own products and decides on whether to recall products. Kesko's Quality and Product Development Unit is responsible for communicating recalls based on information received from the supplier.

In 2025, a total of 149 (170) product recalls were carried out in the grocery trade. Of these, 34 (34) concerned private label or own import products. In other cases, Kesko assisted product manufacturers in product recalls. In 2025, there was a total of 1 (3) public recall involving private label products where a defect or error in the product may have health impacts.

In the building and technical trade, quality managers, together with the product manager, are responsible for the recall of private label products and the related measures. Information is provided internally at Kesko, to K-Rauta stores, to Onninen, and to customers and authorities.

In the building and technical trade in Finland, there were no public recalls of private label or own import products in 2025 that would have required a product recall from the customer. During 2024, one product withdrawal was carried out, where a product was withdrawn from sales channels. There were no corresponding cases in 2025.

In 2025, a total of 19 (22) recall campaigns were initiated for the brands represented by K-Auto. In addition, during 2025 Kesko became aware of a total of five fires involving rechargeable vehicles. In situations where Kesko becomes aware of a fire involving a car brand imported by Kesko, Kesko contacts the vehicle manufacturer, as it does in the case of all safety deviations. Kesko and the vehicle manufacturer have their own processes for responding to safety deviations.

Data protection

Kesko has a data protection compliance programme to ensure that competence and awareness of guidelines remain at a high level in matters related to data protection. The compliance programme aims to systematically promote a data protection culture by providing regular training and internal communications on data protection topics. We strive for a proactive approach and are committed to continuously improving data protection practices. We regularly assess the data protection policy and other data protection guidelines, procedures and technologies to identify areas for improvement and to ensure that we can maintain a risk-appropriate level of security when processing personal data.

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Kesko's data protection guidelines include the Group data protection manual and supplementary country-specific instructions. The data protection guidelines apply to all personnel and include the key rules, operating instructions and processes for implementing data protection as well as for identifying and handling incidents and risks. The onboarding programme and continuous training for each employee handling personal data include achieving and maintaining the level of data protection expertise required for their role. Each employee handling personal data must complete the data protection online training every two years.

Regular data protection risk assessment provides the guidelines for the annual data protection plan and data protection programme. In addition, Kesko carries out internal and commissions external data protection audits on a needs- and risk-based basis.

In 2025, Kesko processed in Finland 936 (875) data protection requests submitted through its data protection portal. In addition, requests were processed through other channels. In Finland, Kesko Group detected and investigated a total of 273 (347) information security breaches in its operations in 2025, of which 44 (63) were also reported to the Office of the Data Protection Ombudsman. In other operating countries, a total of 8 (6) information security breaches were detected, of which 4 (3) were reported to the local competent supervisory authorities. In individual cases, the affected data subject was also notified of the information security breach.

Neither Kesko nor its subsidiaries received any remarks regarding their operations from the Data Protection Ombudsman during 2025. On the basis of complaints received, the Office of the Data Protection Ombudsman issued three requests for additional information, and responses were provided within the required timeframe.

Targets and progress towards targets (S4-5)

Kesko has set a target to reformulate the nutritional content of its private label products by reducing the levels of salt, sugar and saturated fat. Kesko has not set measurable time-bound targets related to product safety and data protection, but it regularly monitors certain metrics related to these topics.

	Base year	2025	2024	Target	
The amount of salt in private label products, kg	2021	18,940	15,353	2025	50,000
The amount of sugar in private label products, kg	2021	233,643	97,171	2025	200,000
The amount of saturated fat in private label products, kg	2021	38,393	32,347	2025	50,000

During 2025, the nutritional content of a total of 36 (42) products was reformulated, which resulted in a total reduction of 3,499 kg (7,535 kg) in salt, 135,636 kg (19,833 kg) in sugar and 5,968 kg (4,174 kg) in saturated fat. By the end of 2025, the nutritional content of a total of 125 (89) private label products had been reformulated.

Based on the nutritional reformulations completed by the end of 2025, Kesko achieved its target for reducing the amount of sugar in private label products. The targets for reducing the amounts of salt and saturated fat were not met by the 2025 target level. Kesko will continue to monitor and further develop the nutritional content of its private label products, with a particular focus on reducing the amounts of salt and saturated fat.

Accounting policies

The realisation of the target is monitored by comparing the changed nutrient contents with the baseline, i.e. how much the amounts of salt, sugar and saturated fat have been reduced in the nutritional contents of the products relative to the baseline volume.

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Material impacts, risks and opportunities (ESRS 2 SBM-3)

Material impacts, risks and opportunities

Topic	Description	Management
Corporate culture	**Potential positive impact:** The K Code of Conduct supports the principles of ethical corporate culture. Kesko has two versions of the K Code of Conduct: a K Code of Conduct that covers the entire K Group and a separate K Code of Conduct for business partners. Both support the principles of an ethical corporate culture throughout the value chain.	Corporate culture is strengthened by training and communication, and effective investigation of potential cases. Tone from the top – corporate culture is strongly shaped by participation of management and leading by example.
Corporate culture	**Risk:** Increasing sustainability regulation may lead to changes in the business model and require investments to meet legislative requirements.	Changes in regulation are monitored actively and the impact of changes on business is assessed proactively.
Protection of whistleblowers	**Potential positive impact:** Kesko has a confidential SpeakUp channel that is open to personnel, customers, suppliers and other stakeholders. Kesko has anti-discrimination and anti-harassment principles, which, in line with the absolute prohibition of retaliation, ensure that the reporting of incidents or suspected incidents does not adversely affect the reporter or their employment relationship.	Kesko communicates on the SpeakUp channel to ensure people are aware of the channel and the principles of whistleblower protection, thus encouraging people to report concerns. Reports are investigated promptly and impartially, and it is ensured that the prohibition of retaliation is upheld in practice.
Corruption and bribery	**Potential negative impact:** Potential cases of corruption and bribery have a negative impact on society and undermine trust throughout the value chain. Kesko has a zero-tolerance approach to corruption and bribery. Prevention of corruption and bribery is an integral part of the K Code of Conduct and contributes to creating a more ethical value chain.	Communication and training is provided to ensure that personnel know what to do and how to identify cases of corruption and bribery and report them to the right parties.
Relationships with suppliers and service providers	**Potential positive impact:** Kesko's requirements for suppliers and service providers, such as commitment to the K Code of Conduct for business partners, promote an ethical and sustainable value chain.	The K Code of Conduct for business partners and other Kesko requirements are incorporated into suppliers' and service providers' contracts. Trainings and information events are organised for suppliers and service providers.

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Corporate culture and business conduct policies (G1-1)

Ethical business conduct and compliance in Kesko Group is ensured by complying with legislation as well as with the K Compliance operating model and the K Code of Conduct both of which approved by Kesko's Board of Directors. In addition, Kesko is committed to complying with the amfori BSCI Code of Conduct, the OECD Guidelines for Multinational Enterprises and the OECD Due Diligence Guidance for Responsible Business Conduct. Kesko's operations are also guided by the UN's Guiding Principles on Business and Human Rights, Global Compact initiative and Sustainable Development Goals (SDG's), the UN Universal Declaration of Human Rights and the Convention on the Rights of the Child, as well as the International Chamber of Commerce's business charter for sustainable development and rules on combatting corruption. Ethical conduct and sustainability are integral to Kesko's business strategy and sustainability objectives. We monitor the implementation of our business culture and ethical principles using indicators such as training completion rates, the number of SpeakUp reports, and employee confidence in reporting channels. In late 2025, Kesko launched new people principles that emphasise fair play – openness and honesty – and sustainability, which guide all activities.

Putting the K Compliance operating model into practice is supported by the K Compliance programmes approved by Kesko's President and CEO. The K Compliance programmes are available on Kesko's intranet. In 2025, Kesko's K Compliance programmes covered data protection, competition law, trade sanctions and export controls, as well as the prevention of corruption and bribery. A new Sustainability K Compliance Programme was approved in 2025. The programme systematically enhances Kesko's due diligence process and the management of goods and service suppliers, taking into account sustainability requirements applicable to Kesko. Its purpose is to manage risks related, for example, to human rights, the environment, corruption and ethical business conduct in the supply chain. The programme establishes both the foundation for the supplier due diligence process and the basis for risk assessment and risk management. The Governance, Compliance & Ethics function at Kesko leads actions in accordance with the K Compliance operating model and reports on its activities to Kesko's President and CEO and the Audit Committee of the Board of Directors.

The K Code of Conduct that covers the entire personnel and Kesko's business partners serves as a basis for the K Compliance operating model. The K Code of Conduct is available on Kesko's website and sets out, among other things, guidance on responsible decision-making, respect for human rights, zero tolerance for corruption, equal and fair treatment, responsible data handling, commitment to fair and free competition, minimising impacts on climate and nature, supporting employee wellbeing and success, and responsible trading. The President and CEO is responsible for the implementation of the K Code of Conduct throughout the organisation, ensuring that it is integrated into all areas of operation. Together, the K Compliance operating model and the K Code of Conduct support the development of a strong culture of doing the right thing.

All members of Kesko's personnel confirm their commitment to compliance with the K Code of Conduct annually. The annual confirmation process also includes a discussion between each employee and their manager on the application of the K Code of Conduct in practice. In 2025, 94% (85%) of Kesko employees submitted the annual confirmation. The confirmation is collected from all Kesko employees, excluding those on longer sick, study, family or similar leave at the time of collection, or employees working on an on-call basis. For logistics employees, those who signed an employment contract during the calendar year, in which they commit to complying with the K Code of Conduct are not requested to provide a separate annual confirmation.

The focus areas of ensuring compliant and ethical business conduct include the training of personnel and performance of compliance audits in accordance with the annual plan. In 2024, 88% of all Kesko employees completed the K Code of Conduct training; in 2025, all new employees were required to complete the training. No group-wide K Code of Conduct training round was arranged in 2025. Depending on their role, personnel are also required to complete other compliance-related online training, such as competition law and data protection training.

The role of managers is emphasised in ensuring the compliance and ethics of Kesko's business operations in daily work. According to the K Code of Conduct, activities must be transparent, and a culture of doing the right thing is emphasised. Suspected misconduct or unethical behaviour should always be reported, primarily to one's own manager or the responsible unit. If this is not possible for some reason, any suspected misconduct can be reported to K Group's SpeakUp channel, which is a confidential reporting channel open to everyone and which can be found through the Kesko.fi website. The channel also allows anonymous reporting.

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Protection of whistleblowers

SpeakUp is a confidential reporting channel for the whole K Group. The whistleblowing channel helps to maintain the trust of employees, customers and stakeholders in Kesko's and K Group's business operations. Through the channel, K Group's employees and suppliers, customers and other stakeholders can report their observations concerning Kesko Group, K Group or Kesko Pension Fund regarding suspected misconduct or criminal offences or activities that breach the K Group's K Code of Conduct.

Kesko surveys its employees' confidence in the SpeakUp channel and its operations, as well as in the reporting of grievances in general, with the K Voices employee engagement survey conducted every other year. Awareness and trust in the SpeakUp channel or in raising concerns among actors in the upstream or down stream the value chain, or among consumers and end-users, are not assessed separately. Maintaining the channel is an essential part of Kesko's K Compliance operating model and is the responsibility of the Governance, Compliance & Ethics function. Kesko strictly complies with all applicable legislation, including in the investigation of reports and the protection of whistleblowers. Both national and European Union legislation on whistleblower protection imposes an obligation on Kesko to protect persons who report violations of European Union law and certain fields of national law to Kesko. As a general rule, personal data related to individuals involved in SpeakUp investigations is processed only when it is absolutely necessary for the investigation. In accordance with its anti-discrimination and anti-harassment principles Kesko is committed to protecting its employees and other stakeholders who report suspected discrimination, harassment, abuse or other prohibited conduct to Kesko, and to preventing any retaliation in relation to such reports. Kesko prohibits any attempt to sanction or in any way disadvantage or harass persons who express an intention to report or who have already reported suspected misconduct. Kesko's principle of protecting whistleblowers applies to anyone who reports a suspicion of wrongdoing in good faith, even if the concern later proves to be unfounded. All employees who experience or witness retaliation or otherwise observe behaviour that appears to be retaliatory should immediately report it to either the manager, the occupational health and safety department, human resources or Kesko's Governance, Compliance & Ethics function. They may also report their concerns through Kesko's confidential SpeakUp channel. Kesko's anti-harassment and anti-discrimination Principles also protect persons who participate in the investigation of reports, act as witnesses or otherwise assist in the investigation, or make decisions or recommendations in connection with investigations. A finding of retaliation or harassment may lead to disciplinary action, such as termination of employment, liability for damages or legal sanctions. Kesko's anti-discrimination principle also applies when the report does not fall within the scope of national or European Union whistleblower protection legislation.

Kesko Group's Governance, Compliance & Ethics function is responsible for investigating reports received through the channel. Other experts or authorities may be needed in the investigation on a case-by-case basis. Those who regularly take part in investigating reports receive training on how to perform the investigations. Information about the channel, its functioning and reporters' rights can be found on the Group's internal intranet pages and on Kesko.fi. The K Code of Conduct eLearning also includes a section on SpeakUp. An external service provider is responsible for the technical implementation of the channel.

A total of 84 (53) reports concerning Kesko were submitted through the SpeakUp channel in 2025. No incidents of serious misconduct were identified. Reports were submitted on unethical behaviour, conflict of interest and harassment, for example. No misuse of the reporting channel was proved.

Targets related to corporate culture

	Base year		2025	Target	
Employee commitment to K Code of Conduct, %	2024	85	94	2030	100

Kesko has set a target of strengthening employee commitment to, and awareness of, the K Code of Conduct. Progress is monitored through the annual K Code of Conduct confirmation. The target is to achieve a 100% annual confirmation rate by 2030. The 2025 confirmation rate indicates that we are well on track to meet the target, although no formal interim milestones have been set.

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Management of relationships with suppliers (G1-2)

Kesko expects its business partners to act responsibly and commit to sustainable business practices. Business partners must comply with all applicable laws, regulations and international standards relevant to their operations, as well as Kesko's K Code of Conduct for business partners or their own corresponding principles. The K Code of Conduct is an integral part of our contracts with suppliers and service providers. The K Code of Conduct for business partners requires business partners to respect human rights, to provide a safe and healthy working environment and working conditions, to commit to minimising negative and maximising positive impacts on climate and nature, and to carry out ethical business conduct. Ethical business practices cover the prevention of corruption and bribery, guidelines on hospitality and gifts, the requirement to engage in fair, honest and transparent competition, the respect of intellectual property rights and confidential information, compliance with trade sanctions and export controls, and the management of personal data legally and responsibly.

Kesko's supplier agreements in the building and technical trade include a sustainability attachment that sets out Kesko's key objectives and measures to promote sustainability in the value chain, as well as the related guidelines and requirements for suppliers. The sustainability attachment covers topics related to climate, biodiversity, environmental protection, social responsibility and conflict minerals, as well as chemical guidelines. The attachment was introduced in 2024 and is being incorporated into an increasing number of supplier agreements as they are updated.

By applying the principles of the K Code of Conduct for business partners, we help ensure that observed by our B2B customer are upheld throughout our value chain. In turn, our business partners must promote responsible business practices throughout their supply and value chains. Our business partners must ensure that their subcontractors and suppliers and service providers comply with principles and standards that are similar to those set out in the K Code of Conduct for business partners. We expect our business partners to implement appropriate due diligence processes to monitor and manage their subcontracting relationships.

When selecting its suppliers and service providers, Kesko takes into account criteria related to social responsibility and the environment, for example by requiring suppliers and service providers to commit to the K Code of Conduct or their own principles of a similar level and the aforementioned sustainability attachment. Social responsibility across the value chain is central to Kesko's relationships with suppliers and services providers, and our principle is to cooperate only with suppliers from high-risk countries that are subject to social responsibility audits. Social responsibility is described in more detail in S2 Workers in the value chain.

In 2025, Kesko's President and CEO approved the Sustainability K Compliance Programme. The programme aims to systematically enhance Kesko's due diligence processes and the management of suppliers and services providers, taking into account the sustainability requirements and commitments applicable to Kesko.

Kesko annually organises sustainability trainings and information events for its business partners, both independently and in cooperation with its partners. Business partners are also actively encouraged to provide training, workshops or resources to their subcontractors and their suppliers and service providers, and to ensure that they understand and maintain these principles. In 2025, Kesko launched an online K Code of Conduct training intended for its partners, particularly for suppliers. The training is available on Kesko's website at kesko.fi in all the languages of the countries where Kesko operates, as well as in Chinese. The training is designed especially for small and medium-sized suppliers.

Prevention of corruption and bribery (G1-3)

The prevention of corruption and bribery is one of the focus areas of Kesko's compliance operations. Kesko manages this work through the K Compliance programme, which also includes regular risk assessments conducted throughout Kesko. The programme has identified as specific risk areas in Kesko's operations property and store site operations, procurement of goods and services, participation in public procurement, operations in new geographical and business areas, relations with government officials, and mergers and acquisitions. Those working with risk functions must complete the general K Code of Conduct eLearning — including the section on corruption and bribery — when starting as new employees and in line with the Group-wide training cycle. In 2025, in addition to the eLearning, workshop-style anti-corruption and anti-bribery trainings were arranged for employees in defined risk functions, with 81% participation in Finland, Sweden and Estonia.

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Training will commence in Norway, Denmark, Poland, Latvia and Lithuania in 2026. Kesko's K Code of Conduct includes anti-corruption and anti-bribery guidance, which were complemented by more detailed anti-corruption and anti-bribery principles that entered into force in 2024.

Every new employee must also complete the K Code of Conduct eLearning, which includes a comprehensive section on combatting corruption and bribery. In addition to the eLearning, new employees receive training on the K Code of Conduct at Welcome to K Group events, for example, where rules on gifts and hospitality, among other things, are covered. Members of the Board of Directors of Kesko Corporation are also trained on the topic to the same extent as executive management.

The unified guidelines and training help to ensure that everyone at Kesko has the same understanding of the anti-corruption and anti-bribery principles and practices that guide daily work. The training also includes a section on Kesko's SpeakUp channel, with information such as where to find the channel and how to use it.

Compliance with the anti-corruption and anti-bribery operating model throughout Kesko's entire operation chain requires knowing our partners and ensuring their commitment to the contract terms. Kesko's business partners are expected to have an operating practices that prevent corruption and bribery. This is ensured in contracts with partners by requiring them to commit to the K Code of Conduct for business partners or equivalent instructions, and by requiring suppliers to commit to the amfori BSCI Code of Conduct. A violation of these may even lead to termination of the contractual relationship. Kesko may seek compensation from a business partner for damages caused by the violation.

Confirmed incidents of corruption or bribery (G1-4)

In 2025, no confirmed cases of corruption or bribery came to Kesko's attention, and no related court judgments or fines were imposed. All SpeakUp reports at Kesko, including those concerning corruption or bribery, are independently investigated by Kesko's Governance, Compliance & Ethics function. SpeakUp cases are reported regularly to the Audit Committee of the Board of Directors and, where the investigation so requires, to other management. Kesko cooperates with the authorities as required by law.

APPENDICES TO SUSTAINABILITY STATEMENT

List of data points that derive from other EU legislation

Disclosure requirement and related data point	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU climate law reference	Materiality	Page
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	Indicator number 13of Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/1816, Annex II		Material	90
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)			Delegated Regulation (EU) 2020/1816, Annex II		Material	90
ESRS 2 GOV-4 Statement on due diligence paragraph 30	Indicator number 10 Table #3 of Annex 1				Material	93
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Indicators number 4 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/245328Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II		Non-material	
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Indicator number 9 Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		Non-material	
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Indicator number 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Non-material	
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Non-material	
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				Regulation (EU) 2021/1119, Article 2(1)	Material	120, 121
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book- Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article12.1 (d) to (g), and Article 12.2		Material	120

Disclosure requirement and related data point	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU climate law reference	Materiality	Page
ESRS E1-4 GHG emission reduction targets paragraph 34	Indicator number 4 Table #2 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		Material	126, 127
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex 1				Material	128
ESRS E1-5 Energy consumption and mix paragraph 37	Indicator number 5 Table #1 of Annex 1				Material	128
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator number 6 Table #1 of Annex 1				Material	128
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Indicators number 1 and 2 Table #1 of Annex 1	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1:Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		Material	131
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Indicators number 3 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		Material	132
ESRS E1-7 GHG removals and carbon credits paragraph 56				Regulation (EU) 2021/1119, Article 2(1)	Material	121
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		Phased-in	
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a), ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk.			Phased-in	

Disclosure requirement and related data point	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU climate law reference	Materiality	Page
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34; Template 2: Banking book -Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral			Phased-in	
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II		Phased-in	
ESRS E2-4 Amount of each pollutant listed in Annex II of the E- PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1				Non-material	
ESRS E3-1 Water and marine resources paragraph 9	Indicator number 7 Table #2 of Annex 1				Non-material	
ESRS E3-1 Dedicated policy paragraph 13	Indicator number 8 Table 2 of Annex 1				Non-material	
ESRS E3-1 Sustainable oceans and seas paragraph 14	Indicator number 12 Table #2 of Annex 1				Non-material	
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	Indicator number 6.2 Table #2 of Annex 1				Non-material	
ESRS E3-4 Total water consumption in m3 per net revenue on own operations paragraph 29	Indicator number 6.1 Table #2 of Annex 1				Non-material	
ESRS 2- IRO 1 - E4 paragraph 16 (a) i	Indicator number 7 Table #1 of Annex 1				Material	104
ESRS 2- IRO 1 - E4 paragraph 16 (b)	Indicator number 10 Table #2 of Annex 1				Material	104
ESRS 2- IRO 1 - E4 paragraph 16 (c)	Indicator number 14 Table #2 of Annex 1				Material	104
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	Indicator number 11 Table #2 of Annex 1				Phased-in	
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	Indicator number 12 Table #2 of Annex 1				Phased-in	
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Indicator number 15 Table #2 of Annex 1				Phased-in	

Disclosure requirement and related data point	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU climate law reference	Materiality	Page
ESRS E5-5 Non-recycled waste paragraph 37 (d)	Indicator number 13 Table #2 of Annex 1				Material	141
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Indicator number 9 Table #1 of Annex 1				Material	141
ESRS 2- SBM3 - S1 Risk of incidents of forced labour paragraph 14 (f)	Indicator number 13 of Table #1of Annex 1				Non-material	
ESRS 2- SBM3 - S1 Risk of incidents of child labour paragraph 14 (g)	Indicator number 12 Table #3 of Annex I				Non-material	
ESRS S1-1 Human rights policy commitments paragraph 20	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				Material	145
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21			Delegated Regulation (EU) 2020/1816, Annex II		Non-material	
ESRS S1-1 processes and measures for preventing trafficking in human beings paragraph 22	Indicator number 11 Table #3 of Annex I				Non-material	
ESRS S1-1 workplace accident prevention policy or management system paragraph 23	Indicator number 1 Table #3 of Annex I				Material	145
ESRS S1-3 grievance/complaints handling mechanisms paragraph 32 (c)	Indicator number 5 Table #3 of Annex I				Material	147, 148
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	Indicator number 2 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Material	156
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Indicator number 3 Table #3 of Annex I				Material	156
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	Indicator number 12 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Material	156
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	Indicator number 8 Table #3 of Annex I				Material	156
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	Indicator number 7 Table #3 of Annex I				Material	157
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD paragraph 104 (a)	Indicator number 10 Table #1 and Indicator n. 14 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)		Non-material	

Disclosure requirement and related data point	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU climate law reference	Materiality	Page
ESRS 2- SBM3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	Indicators number 12 and n. 13 Table #3 of Annex I				Material	158, 159
ESRS S2-1 Human rights policy commitments paragraph 17	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex 1				Material	159
ESRS S2-1 Policies related to value chain workers paragraph 18	Indicator number 11 and n. 4 Table #3 of Annex 1				Material	159, 160
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Material	160
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19			Delegated Regulation (EU) 2020/1816, Annex II		Material	159, 160
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Indicator number 14 Table #3 of Annex 1				Material	162
ESRS S3-1 Human rights policy commitments paragraph 16	Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex 1				Non-material	
ESRS S3-1 non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 17	Indicator number 10 Table #1 Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Non-material	
ESRS S3-4 Human rights issues and incidents paragraph 36	Indicator number 14 Table #3 of Annex 1				Non-material	
ESRS S4-1 Policies related to consumers and end-users paragraph 16	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				Material	165
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Material	165
ESRS S4-4 Human rights issues and incidents paragraph 35	Indicator number 14 Table #3 of Annex 1				Material	165
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	Indicator number 15 Table #3 of Annex 1				Non-material	
ESRS G1-1 Protection of whistleblowers paragraph 10 (d)	Indicator number 6 Table #3 of Annex 1				Material	172

Disclosure requirement and related data point	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU climate law reference	Materiality	Page
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	Indicator number 17 Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II)		Material	174
ESRS G1-4 Standards of anti-corruption and anti-bribery paragraph 24 (b)	Indicator number 16 Table #3 of Annex 1				Non-material	

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This PDF report has been published voluntarily. Kesko has published the Report by the Board of Directors and the consolidated financial statements as an XHTML document in accordance with the European Single Electronic Format (ESEF) reporting requirements. The ESEF version is the official version of the report. This report is a translation of the Finnish original.

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Consolidated income statement

€ million	Note	1 Jan.–31 Dec. 2025	1 Jan.–31 Dec. 2024
Net sales	2.1	**12,474.7**	**11,920.1**
Materials and services	2.3	-10,702.7	-10,184.1
Change in inventory		36.3	-21.6
Other operating income	2.4	999.4	994.6
Employee benefit expense	2.5	-911.9	-842.5
Depreciation, amortisation and impairment charges	3.2 3.3	-239.1	-247.9
Depreciation and impairment charges for right-of-use assets	3.4	-359.1	-375.5
Other operating expenses	2.5	-685.8	-684.5
Share of result of joint ventures		19.5	20.9
Operating profit		**631.3**	**579.5**
Interest income and other finance income	4.4	14.9	17.7
Interest expense and other finance costs	4.4	-49.6	-49.5
Interest expense for lease liabilities	4.4	-89.4	-78.6
Foreign exchange differences	4.4	-1.2	-1.3
Total finance income and expenses	4.4	-125.4	-111.7
Share of result of associates		4.4	3.8
Profit before tax		**510.3**	**471.5**
Income tax	2.7	-105.5	-92.0
Profit for the period		**404.8**	**379.6**
Profit for the period attributable to			
Owners of the parent		404.2	379.1
Non-controlling interests		0.7	0.4
Earnings per share for profit attributable to owners of the parent			
Basic and diluted, €	2.8	1.02	0.95

Consolidated statement of comprehensive income

€ million	Note	1 Jan.–31 Dec. 2025	1 Jan.–31 Dec. 2024
Profit for the period		**404.8**	**379.6**
Items that will not be reclassified subsequently to profit or loss			
Actuarial gains and losses	2.7 3.7	14.1	37.6
Items that may be reclassified subsequently to profit or loss			
Currency translation differences on foreign operations	2.7	19.0	-31.6
Share of other comprehensive income of associates and joint ventures	2.7	-	0.5
Cash flow hedge revaluation	2.7	3.3	-7.7
Total comprehensive income for the period, net of tax		**36.4**	**-1.2**
Total comprehensive income for the period		**441.2**	**378.3**
Comprehensive income for the period attributable			
Owners of the parent		440.5	377.9
Non-controlling interests		0.7	0.4

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Consolidated statement of financial position

€ million	Note	31 Dec. 2025	31 Dec. 2024
ASSETS			
Non-current assets			
Property, plant and equipment	3.2	2,754.6	2,403.3
Goodwill	3.3	721.6	643.0
Intangible assets	3.3	212.5	234.2
Right-of-use assets	3.4	1,906.5	1,867.7
Shares in associates and joint ventures	3.8 5.1	263.2	239.7
Other investments	4.3 4.5	15.7	14.8
Non-current receivables	4.3 4.5	68.2	65.9
Deferred tax assets	2.7	20.0	16.9
Pension assets	3.7	147.4	127.5
Total non-current assets		**6,109.8**	**5,612.9**
Current assets			
Inventories	3.5	1,204.0	1,101.5
Interest-bearing receivables	3.6 4.5	0.7	4.2
Trade receivables	3.6 4.3 4.5	1,014.8	957.9
Income tax assets	3.6	18.0	12.9
Other non-interest-bearing receivables	3.6 4.5	309.6	287.1
Other financial assets	4.3 4.5	-	15.0
Cash and cash equivalents	4.5	166.2	473.1
Total current assets		**2,713.3**	**2,851.7**
Non-current assets classified as held for sale		-	6.6
Total assets		**8,823.1**	**8,471.2**

€ million	Note	31 Dec. 2025	31 Dec. 2024
EQUITY AND LIABILITIES			
Share capital	4.2	197.3	197.3
Share premium	4.2	197.8	197.8
Other reserves	4.2	266.8	266.8
Currency translation differences	4.2	-84.3	-103.3
Revaluation reserve	4.2	-0.1	-3.4
Treasury shares		-17.2	-22.8
Retained earnings		2,237.4	2,189.7
Equity		**2,797.7**	**2,722.1**
Non-controlling interests		29.0	12.9
Total equity		**2,826.7**	**2,734.9**
Non-current liabilities			
Interest-bearing non-current liabilities	4.3 4.5 4.6	1,285.9	1,054.0
Lease liabilities	4.5 4.6	1,752.9	1,628.8
Non-interest-bearing non-current liabilities	4.3 4.5	61.3	42.8
Deferred tax liabilities	2.7	101.6	76.3
Provisions	3.9	4.3	6.3
Total non-current liabilities		**3,206.0**	**2,808.1**
Current liabilities			
Current interest-bearing liabilities	4.3 4.5 4.6	189.3	291.3
Lease liabilities	4.5 4.6	344.6	422.2
Trade payables	4.3 4.5	1,388.3	1,404.4
Other non-interest-bearing liabilities	4.3 4.5	336.8	342.4
Income tax liabilities		9.3	12.2
Accrued liabilities	4.3 4.5	507.7	442.4
Provisions	3.9	14.5	13.2
Total current liabilities		**2,790.4**	**2,928.1**
Liabilities related to non-current assets classified as held for sale		-	0.1
Total liabilities		**5,996.4**	**5,736.2**
Total equity and liabilities		**8,823.1**	**8,471.1**

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Consolidated statement of cash flows

€ million	Note	1 Jan.–31 Dec. 2025	1 Jan.–31 Dec. 2024
Cash flows from operating activities			
Profit before tax		510.3	471.5
Adjustments			
Depreciation according to plan		225.5	207.4
Depreciation and impairment for right-of-use assets		359.1	375.5
Finance income and expenses		36.0	33.1
Interest expense for lease liabilities		89.4	78.6
Other adjustments	2.9	-16.8	22.2
		693.1	716.9
Change in working capital			
Current non-interest-bearing receivables, increase (-)/decrease (+)		-17.7	43.8
Inventories, increase (-)/decrease (+)		-36.3	25.5
Current non-interest-bearing liabilities, increase (+)/decrease (-)		-66.5	-44.8
		-120.5	24.5
Interest paid and other finance costs		-37.7	-45.6
Interest paid on lease liabilities		-89.4	-78.6
Interest received		14.7	16.9
Dividends and capital repayments received from associated companies and joint ventures		5.5	22.3
Dividends received from others		0.6	0.5
Income taxes paid		-97.0	-120.2
Net cash flows from operating activities, total		**879.7**	**1,008.2**

€ million	Note	1 Jan.–31 Dec. 2025	1 Jan.–31 Dec. 2024
Cash flows from investing activities			
Payments for acquisition of subsidiary shares, net of cash acquired	3.1	-156.8	-151.6
Payments for investments consolidated using the equity method		-0.1	-0.1
Payments for property, plant, equipment and intangible assets	2.9	-502.3	-491.4
Proceeds from sale of property, plant, equipment and intangible assets		102.1	45.0
Proceeds from sale of other investments		0.3	0.0
Loan receivables and other financial assets, increase (-)/decrease (+)		15.0	0.5
Net cash flows from investing activities, total		**-541.8**	**-597.5**
Cash flows from financing activities			
Interest-bearing liabilities, increase (+)/decrease (-)	4.1	63.1	534.0
Repayments for lease liabilities	3.4 4.1	-358.5	-370.9
Interest-bearing receivables, increase (-)/decrease (+)	4.1	7.2	3.9
Dividends paid		-370.2	-320.3
Equity capital increases		15.5	-
Other items		-1.8	3.5
Net cash flows from financing activities, total		**-644.7**	**-149.8**
Change in cash and cash equivalents		**-306.9**	**260.9**
Cash and cash equivalents as at 1 January	4.5	473.1	211.9
Translation adjustment and fair value change		0.0	0.3
Cash and cash equivalents as at 31 December	4.5	**166.2**	**473.1**

Consolidated statement of changes in equity

€ million	Share capital	Reserves	Currency translation differences	Revaluation reserve	Treasury shares	Retained earnings	Non-controlling interests	Total
Balance as at 1 January 2025	**197.3**	**464.7**	**-103.3**	**-3.4**	**-22.8**	**2,189.7**	**12.9**	**2,734.9**
Share-based payments					5.7			5.7
Dividends						-358.3		-358.3
Change in non-controlling interests						-18.0	-	-18.0
Transactions with non-controlling interests							15.5	15.5
Other changes		-0.0	-	0.0		5.8		5.8
Transactions with owners, total		-0.0	-	0.0	5.7	-370.5	15.5	-349.4
Comprehensive income								
Profit for the period						404.2	0.7	404.8
Actuarial gains and losses						14.1		14.1
Currency translation differences on foreign operations			19.0			0.0	0.0	19.0
Cash flow hedge revaluation				3.3		-		3.3
Total other comprehensive income for the period, net of tax			19.0	3.3		14.1	0.0	36.4
Total comprehensive income for the period			19.0	3.3		418.3	0.7	441.2
Balance as at 31 December 2025	**197.3**	**464.7**	**-84.3**	**-0.1**	**-17.2**	**2,237.4**	**29.0**	**2,826.7**
Balance as at 1 January 2024	**197.3**	**464.7**	**-71.7**	**4.3**	**-26.7**	**2,190.6**	**-**	**2,758.4**
Share-based payments					3.9			3.9
Dividends						-405.9		-405.9
Increase of non-controlling interests						-17.0	12.4	-4.5
Other changes		-0.0	-	-		4.8		4.8
Transactions with owners, total		-0.0	-	-	3.9	-418.1	12.4	-401.8
Comprehensive income								
Profit for the period						379.1	0.4	379.6
Actuarial gains and losses						37.6		37.6
Currency translation differences on foreign operations			-31.6			-	-	-31.6
Share of other comprehensive income of associates and joint ventures				-		0.5		0.5
Cash flow hedge revaluation				-7.7		-		-7.7
Total other comprehensive income for the period, net of tax			-31.6	-7.7		38.1	-	-1.2
Total comprehensive income for the period			-31.6	-7.7		417.2	0.4	378.3
Balance as at 31 December 2024	**197.3**	**464.7**	**-103.3**	**-3.4**	**-22.8**	**2,189.7**	**12.9**	**2,734.9**

Further information on share capital and reserves is disclosed in Note 4.2 and on share-award plans in Note 5.3. Deferred tax related to components of other comprehensive income is presented in Note 2.7.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL ACCOUNTING POLICIES

The notes to the consolidated financial statements have been grouped into sections based on their subject. The basis of preparation is described as part of this note, while the accounting policies directly related to a specific note are presented as part of the note in question. The notes contain the relevant financial information as well as a description of the accounting policies and key estimates and judgements applied for the topics of the individual note.

1.1 Basic information about the Company

Kesko is a Finnish listed trading sector company. Kesko has approximately 1,700 stores engaged in chain operations in Finland, Sweden, Norway, Denmark, Estonia, Latvia, Lithuania and Poland.

Kesko Group's reportable segments consist of its business divisions, namely the grocery trade, the building and technical trade, and the car trade.

The Group's parent company, Kesko Corporation, is a Finnish public limited company constituted in accordance with the laws of Finland. The Company's business ID is 0109862-8, it is domiciled in Helsinki, Finland and its registered address is PO Box 1, 00016 KESKO, Finland. Copies of Kesko Corporation's financial statements and the consolidated financial statements are available from Kesko Corporation, visiting address Työpajankatu 12, Helsinki, Finland and from the internet at www.kesko.fi/en.

These consolidated financial statements were authorised for issue by the Board of Directors on 4 February 2026.

Kesko has issued an XHTML financial review complying with the ESEF requirements on Kesko's website. The Audit firm Deloitte Oy has provided to company an independent auditor's reasonable assurance report in accordance with ISAE 3000 (Revised) on Kesko's ESEF Financial Statements.

1.2 Basis of preparation

Kesko's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) approved for adoption by the European Union, and they comply with the IAS and IFRS standards and respective SIC and IFRIC Interpretations effective on 31 December 2025. The International Reporting Standards refer to standards and their interpretations approved for adoption within the EU in accordance with the procedure enacted in EU regulation (EC) 1606/2002, included in the Finnish Accounting Act and regulations based on it. The Group has applied new and amended standards that became effective in the financial year that began on 1 January 2025. The improvements and amendments to existing standards did not have an impact on the consolidated financial statements. Accounting standards not yet effective have not been adopted voluntarily for the consolidated financial statements. The notes to the consolidated financial statements also include compliance with Finnish accounting and corporate legislation.

All amounts in the consolidated financial statements are in millions of euros and based on original cost, with the exception of items specified below, which have been measured at fair value in compliance with the standards.

1.3 Key accounting estimates and assumptions

The preparation of consolidated financial statements in conformity with international accounting standards requires the use of certain estimates and assumptions about the future that affect the reported amounts of assets and liabilities, contingent liabilities, and income and expense. The actual results may differ from these estimates and assumptions.

The impact of climate risks has been assessed on the Group's business operations and the consolidated financial statements. Climate change related risks on Kesko are assessed based on selected climate scenarios. Kesko Group has not identified any business operations subject to material climate risks in terms of business continuity or valuation of asset items. Kesko owns and manages via leases a substantial number of properties in all its operating countries. Individual asset items may be subject to risks of damage or investment needs due to, for example, extreme weather phenomena.

The estimates and judgements made are continuously evaluated, and they are based on historical experience and

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other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The key accounting estimates and assumptions used in the preparation of consolidated financial statements are further described in the corresponding notes.

- Income tax (Note 2.7)
- Acquisitions (Note 3.1)
- Intangible assets (Note 3.3)
- Leases (Note 3.4)
- Inventories (Note 3.5)
- Trade and other current receivables (Note 3.6)
- Pension assets (Note 3.7)
- Provisions (Note 3.9)

1.4 Significant judgements applied in the application of accounting policies

The Group's management uses its judgement in the adoption and application of accounting policies in the financial statements. The management has exercised its judgement in the application of accounting policies in the income statement with regard to the presentation of income (Note 2.1), the existence of control over subsidiaries (Note 1.5), measuring receivables, determining provisions for restructuring, and measuring assets and liabilities recognised in the balance sheet based on lease agreements (Note 3.4).

1.5 Consolidation principles

Subsidiaries

The consolidated financial statements combine the financial statements of Kesko Corporation and subsidiaries controlled by the Group. Control exists when the Group has more than half of the voting rights of a subsidiary or otherwise exercises control. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Acquired subsidiaries are consolidated from the date on which the Group gains control until the date on which control ceases. The existence of potential voting rights has been considered when assessing the existence of control in the case that the instruments entitling to potential control are currently exercisable. Subsidiaries are listed in Note 5.1.

Mutual shareholding is eliminated by using the acquisition cost method. The cost of assets acquired is determined on the basis of the fair value of the acquired assets as at the acquisition date, the issued equity instruments and liabilities resulting from or assumed on the date of the exchange transaction. The identifiable assets, liabilities and contingent liabilities acquired are measured at the fair value at the acquisition date, gross of non-controlling interest.

Intragroup transactions, receivables and payables, unrealised profits and internal distributions of profits are eliminated when preparing the consolidated financial statements. Unrealised losses are not eliminated if the loss is due to the impairment of an asset. Non-controlling interest in the profit for the period is disclosed in the income statement and the amount of equity attributable to the non-controlling interests is disclosed separately in equity.

The Group accounts for its real estate company acquisitions as acquisitions of assets.

Associates

Associates are companies over which the Group has significant influence but not control. In Kesko Group, significant influence accompanies a shareholding or agreement of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method and are initially recognised at cost.

The Group's share of post-acquisition profits or losses is recognised in the income statement. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. If the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses.

Unrealised gains on transactions between the Group and the associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated, unless the transaction provides evidence of an impairment of the asset transferred. Dividends received from associates are deducted from the Group's result and the cost of the shares. An investment in an associate includes the goodwill generated by the acquisition. Goodwill is not amortised.

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Joint agreements

Joint agreements are arrangements in which the sharing of joint control has been contractually agreed between two or more parties. Joint control exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. A joint venture is a joint agreement whereby the parties that have joint control of the agreement have rights to the net assets of the agreement. Investments in joint ventures are accounted for using the equity method, and on initial recognition, they are recognised at cost.

The Group's share of post-acquisition profits or losses is recognised in the income statement. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. If the Group's share of losses in a joint venture equals or exceeds its interest in the joint venture, the Group does not recognise further losses.

Unrealised gains on transactions between the Group and the joint ventures are eliminated to the extent of the Group's interests in the joint ventures. Unrealised losses are also eliminated, unless the transaction provides evidence of an impairment of the asset transferred. Dividends received from joint ventures are deducted from the Group's result and the cost of the shares. An investment in a joint venture includes the goodwill generated by the acquisition. Goodwill is not amortised.

Mutual real estate companies are consolidated as joint operations on a line-by-line basis in proportion to ownership. The Group's share of mutual real estate companies' loans and equity reserves is accounted for separately in the consolidation.

Associates and joint ventures and proportionately consolidated mutual real estate companies are listed in Note 5.1.

Foreign currency items

The consolidated financial statements are presented in euros, which is both the functional currency of the environment in which the Group's parent operates and the presentation currency. On initial recognition, the amounts with respect to the result and financial position of the Group companies located outside the euro zone are recorded in the functional currency of each of their operating environments.

Foreign currency transactions are recorded in euros by applying the exchange rate at the date of the transaction. Receivables and liabilities denominated in foreign currency are translated into euros using the closing rate. Exchange rate gains and losses on foreign currency transactions as well as receivables and liabilities denominated in foreign currency are recognised in the income statement, with the exception of monetary items that form a part of a net investment in a foreign operation and loans designated as hedges for foreign net investments and regarded as effective. These exchange differences are recognised in equity and their changes are presented in other comprehensive income. The exchange differences are presented in the income statement on disposal of the foreign operation or settlement of the hedges. The Group has currently no loans designated as hedges for foreign net investments. Foreign exchange gains and losses resulting from operating activities are included in the respective items above operating profit. Foreign exchange gains and losses from foreign exchange forward contracts and options used for hedging financial transactions, and from foreign currency loans are included in finance income and expenses.

The income statements of the Group companies operating outside the euro zone have been translated into euros at the average rate of the financial year, and their balance sheets at the closing rate. The foreign exchange difference resulting from the use of different rates, the translation differences arising from the elimination of the acquisition cost of subsidiaries outside the euro zone, exchange differences arising from monetary items that form a part of a net investment in a foreign operation and the hedging results of net investments are recognised in equity, and the changes are presented in other comprehensive income. In connection with the disposal of a subsidiary, translation differences are recognised in the income statement as part of the gains or losses on the disposal.

Goodwill arising on the acquisition of foreign operations and the fair value adjustments of assets and liabilities made upon their acquisition are treated as assets and liabilities of these foreign operations and translated into euros at the closing rate.

1.6 Discontinued operations and non-current assets classified as held for sale and related liabilities

Non-current assets (or a disposal group) are classified as held for sale if their carrying amount will be recovered principally through the disposal of the assets and the sale is highly probable. If their carrying amount will be recovered principally through their disposal rather than through their continuing use, they are measured at the lower rate of the carrying amount and fair value net of costs to sell.

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The comparative information in the income statement is adjusted for operations classified as discontinued during the latest financial period being reported. Consequently, the result of discontinued operations is presented as a separate line items also for the comparatives. The Group did not have any discontinued operations in 2025 and 2024.

1.7 New IFRS standards and IFRIC interpretations and the impact of new and updated standards

New 'IFRS 18 Presentation and Disclosure in Financial Statements'

The new standard 'IFRS 18 Presentation and Disclosure in Financial Statements' was published on 9 April 2024, and it will be effective for financial reporting periods beginning on or after 1 January 2027. Comparison period shall be restated accordingly. The new standard includes instructions especially in relation to the presentation of the statement of profit or loss. The standard includes two defined subtotals and one total which shall be presented in the statement of profit or loss: the subtotals are 'operating profit' and 'profit before financing and income taxes' and the total is 'profit for the year'. According to the standard, income and expenses included in the statement of profit or loss shall be classified under five categories: operating, investing, financing, income tax and discontinued operations. The standard also requires the presentation of Management-defined Performance Measures in the financial statements.

During the financial reporting period, the Group performed an impact analysis regarding the implementation of IFRS 18. Based on the analysis, the new standard will have an impact on the presentation of the statement of profit or loss and the information presented in the financial statements. The most significant changes to the statement of profit or loss concern the presentation of the share of result of associates and joint ventures and income from cash and cash equivalents and investments as well as gains or losses on disposal of the aforementioned assets, which will be presented in the investing category in accordance with IFRS 18. In addition, certain finance income and costs and changes in the fair value of instruments used for hedging will be presented in the operating category or the investing category.

The Group uses alternative performance measures to reflect business performance and profitability alongside measures based on IFRS financial statements. According to the impact analysis, some of the performance measures used qualify as Management-defined Performance Measures (MPM) as defined in IFRS 18. For these measures, the financial statements shall, among other things, include an explanation as to why the measures are used and a reconciliation to the appropriate subtotal in the IFRS financial statements. The Group will continue the analysis of the detailed requirements of the standard and the preparation of changes impacting the presentation of financial statements in the 2026 financial reporting period.

Other annual improvements or amendments to existing standards that become effective on or after 1 January 2026 are not estimated to have a material impact on the consolidated financial statements.

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2. FINANCIAL RESULTS

2.1 Revenue recognition

Accounting policies

In the consolidated income statement, net sales comprise the sales of goods, services and energy based on customer agreements. The share of sales of services and energy of total net sales is not significant. The Group sells products to retailers and other business customers and engages in own retailing. Income from sales of goods and services is recognised when the customer obtains control of the goods or services. Customers obtain control when they have the ability to direct the use of and obtain the benefits from the goods or services. As a rule, income from sales of goods can be recognised at the time of transfer. Income from services is recognised as the service is being performed. Sales to retailers and business customers are based on invoicing. Sales to consumers are mainly in cash or by credit card.

When calculating net sales, sales revenue is adjusted for indirect taxes, sales adjustment items and the exchange differences of foreign-currency-denominated sales. In businesses in Finland that are part of the K-Plussa customer loyalty scheme, sales adjustment items include loyalty award credits, recognised as part of sales transactions. Income from corresponding sales is recognised when the award credits are redeemed or expire. Contract liability is recognised in the balance sheet. Loyalty award credits affect the net sales of those businesses that grant K-Plussa customer loyalty award credits in Finland and engage in retailing.

Other operating income includes income other than that associated with the sale of goods or services based on customer agreements, such as lease income, store site and chain fees charged from retailers, and various other service fees and commissions. Fees charged from retailer entrepreneurs are based on a partnership agreement (chain agreement) based on which the retailers engage in business in line with the chain's operating models and objectives. Store site fees and chain fees vary depending on the growth and profitability of the retailer's business operations under the chain agreement. Chain marketing fees and data system fees are cost-based charges. More detailed information on other operating income is presented in Note 2.4.

Other operating income also includes gains on the disposal of property, plant and equipment and intangible assets as well as gains on disposal of businesses and realised and unrealised gains on derivatives used for hedging foreign currency risks associated with commercial transactions.

Interest income is recognised on a time apportionment basis using the effective interest method. Dividend income is recognised when the right to receive payment is established.

2.2 Segment information

Accounting policies

The Group's reportable segments are composed of the Group's divisions, namely the grocery trade, the building and technical trade, and the car trade.

Segment information is reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, responsible for allocating resources to the divisions, has been identified as the Group Management Board. The reportable operating segments derive their net sales from the grocery trade, the building and technical trade, and the car trade. Sales between divisions are charged at prevailing market rates.

The Group Management Board uses alternative performance measures alongside the IFRS financial statements indicators in the Group's results reporting. The Group Management Board assesses the divisions' performances based on operating profit, comparable

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operating profit, and comparable return on capital employed. Results reporting to management corresponds to the accounting policies of the consolidated financial statements apart from items affecting comparability. Finance income and costs are not allocated to the divisions as the Group's cash and cash equivalents and financial liabilities are managed by the Group Treasury. Changes in the fair values of intra-Group foreign exchange forward contracts entered into and realised gains and losses are reported as part of other operating income and expenses to the extent that they hedge the divisions' foreign exchange risk.

The assets and liabilities of a division's capital employed consist of operating items that can be justifiably allocated to the divisions. The assets of capital employed comprise property, plant and equipment and intangible assets, right-of-use assets related to leases, interests in associates and joint ventures and other investments, pension assets, inventories, trade receivables and other non-interest-bearing receivables, interest-bearing receivables, and assets held for sale. The liabilities of capital employed consist of trade payables, the share of other non-interest-bearing liabilities and provisions. The Group's real estate assets and the revenue and costs generated from them have been allocated to the divisions. Capital employed does not include deferred tax assets and liabilities, financial assets at fair value through profit or loss with the exception of fair value of foreign exchange forward contracts recognised in the balance sheet, cash and cash equivalents, or interest-bearing liabilities.

The same revenue recognition policies apply to segment information as to the consolidated financial statements and consolidated statement of financial position. The revenue recognition policies are presented in Note 2.1.

Kesko's business models

Kesko's principal business model in the Finnish market is the chain business model, in which independent K-retailers run retail stores in Kesko's chains, and B2B trade. Kesko manages the operations of the chains made up of the stores. Chain operations ensure higher competitiveness and a strong operational basis for K-retailers in terms of purchasing goods, building selections, marketing and price competition. Outside Finland, Kesko mainly engages in own retailing and B2B trade. Kesko's wholesale to retailers accounted for 43% (45%) of the Group's net sales in 2025. B2B trade accounted for 41% (37%) of the Group's net sales in 2025. Kesko's B2C trade accounted for 16% (18%) of the Group's net sales. The economic factors of the above-mentioned business models and their relative share of the Group's business volume affect the nature, amount, timing and uncertainty of the revenue and cash flows included in the consolidated financial statements.

Grocery trade

The grocery trade division comprises the wholesale and B2B trade of groceries and the retailing of home and speciality goods in Finland. There are approximately 1,100 grocery stores operated by K-retailers in Finland. These stores form the K-Citymarket, K-Supermarket and K-Market grocery retail chains. Kespro is a foodservice provider and wholesaler in Finland. In K-Citymarket's home and speciality goods trade, Kesko operates as a retailer in Finland.

Building and technical trade

The building and technical trade division operates in the wholesale, retail and B2B trade in Finland, Sweden, Norway, Denmark, the Baltic countries and Poland. In building and home improvement trade, Kesko operates with the K-retailer business model in Finland, and as a retail operator in Sweden, Norway and Denmark. The retail store chains are K-Rauta (Finland), K-Bygg (Sweden), Byggmakker (Norway) and Davidsen (Denmark). The building and home improvement stores serve both consumers and business customers. Technical trade provides HEPAC and electrical products and services to business customers. Technical trade has around 140 places of business in Finland, Sweden, Norway, Poland and the Baltic countries.

Kesko completed the acquisition of Roslev Trælasthandel A/S in Denmark on February 1, 2025, CF Petersen & Søn A/S on May 1, 2025, and Tømmergaarden A/S on June 1, 2025. In the comparison period, Kesko acquired a 90% ownership interest in Davidsen Koncernen A/S in Denmark. The operations of the K-Rauta chain in Sweden were discontinued in December 2024.

Car trade

The car trade division comprises the business operations of new cars, used cars, services and leasing. The new cars business includes the import, marketing and retail of Volkswagen, Audi, SEAT, CUPRA, Porsche and Bentley passenger cars and of Volkswagen commercial vehicles in Finland, and the import of SEAT and CUPRA passenger cars in the Baltics. The used car business includes the purchase of used cars from Finland and elsewhere and the retail of the cars in Finland. The service business includes repair and maintenance services,

spare parts sales and accessories services in Finland. The leasing business provides car leasing services for both private and corporate customers. Services provided by the car trade division also include the K-Lataus charging network for electric vehicles. In the comparison period the business acquisition of Autotalo Lohja was completed.

Sports trade is included in the car trade division, and comprises in Finland the Intersport and Budget Sport chains.

Common functions

Common functions comprise Group support functions.

Segment information 2025

Profit

€ million	Grocery trade	Building and technical trade	Car trade	Common functions	Total
Division net sales	6,447.4	4,685.8	1,364.8	2.1	12,500.2
of which intersegment sales	-15.9	-0.6	-8.3	-0.7	-25.5
Net sales from external customers	**6,431.5**	**4,685.2**	**1,356.5**	**1.5**	**12,474.7**
Change in net sales in local currency excluding acquisitions and disposals, %	1.0	1.4	12.0	-	2.3
Change in net sales, %	1.0	7.7	12.9	-	4.7
Other division income	832.1	129.2	28.0	14.1	1,003.4
of which intersegment income	-0.6	-1.7	0.4	-2.1	-4.0
Other operating income from external customers	**831.5**	**127.5**	**28.3**	**12.0**	**999.4**
Depreciation and amortisation	-120.2	-53.7	-36.6	-28.6	-239.1
Depreciation and impairment charges for right-of-use assets	-226.9	-101.2	-24.4	-6.6	-359.1
Share of result of joint ventures	-	19.5	-	-	19.5
Operating profit	**416.6**	**159.2**	**82.4**	**-26.9**	**631.3**
Items affecting comparability	-1.5	-19.4	-0.7	-2.0	-23.6
Comparable operating profit	**418.1**	**178.6**	**83.1**	**-24.8**	**654.9**
Finance income and costs					-125.4
Share of result of associates					4.4
Profit before tax					**510.3**

Assets and liabilities

€ million	Grocery trade	Building and technical trade	Car trade	Common functions	Eliminations	Total
Property, plant, equipment and intangible assets	1,823.8	1,451.4	341.2	73.7	-1.3	3,688.8
Right-of-use assets	1,308.9	475.9	69.7	52.0	-	1,906.5
Interests in associates and joint ventures and other investments	6.1	181.4	0.1	91.9	-0.6	278.9
Pension assets	18.4	5.3	-	123.8	-	147.4
Inventories	291.3	663.4	249.3	-	-	1,204.0
Trade receivables	361.8	584.5	68.4	2.1	-2.1	1,014.8
Other non-interest-bearing receivables	70.8	236.0	27.9	40.0	-37.2	337.5
Interest-bearing receivables	1.0	-	-	58.0	-	59.0
Assets included in capital employed	**3,882.0**	**3,597.9**	**756.6**	**441.6**	**-41.1**	**8,636.9**
Unallocated items						
Deferred tax assets						20.0
Cash and cash equivalents						166.2
Total assets	**3,882.0**	**3,597.9**	**756.6**	**441.6**	**-41.1**	**8,823.1**
Trade payables	536.7	769.3	62.6	20.3	-0.7	1,388.3
Other non-interest-bearing liabilities	321.5	317.6	131.5	54.0	-18.2	806.5
Provisions	0.3	6.4	11.6	0.5	-	18.8
Liabilities included in capital employed	**858.5**	**1,093.3**	**205.7**	**74.9**	**-18.9**	**2,213.5**
Unallocated items						
Interest-bearing liabilities						1,474.6
Lease liabilities						2,098.0
Other non-interest-bearing liabilities						108.7
Deferred tax liabilities						101.6
Total liabilities	**858.5**	**1,093.3**	**205.7**	**74.9**	**-18.9**	**5,996.4**
Total capital employed as at 31 December	**3,023.5**	**2,504.6**	**550.9**	**366.7**	**-22.2**	**6,423.4**
Average capital employed	**2,974.7**	**2,430.6**	**536.7**	**371.8**	**-6.2**	**6,307.7**
Return on capital employed, %, comparable	**14.1**	**7.3**	**15.5**	**-**	**-**	**10.4**
Number of personnel as at 31 December	**8,143**	**8,075**	**1,809**	**964**		**18,991**
Average number of personnel converted into full-time employees	**6,264**	**6,853**	**1,638**	**911**		**15,665**

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Segment information 2024

Profit

€ million	Grocery trade	Building and technical trade	Car trade	Common functions	Total
Division net sales	6,381.4	4,351.6	1,209.4	1.5	11,943.9
of which intersegment sales	-16.1	0.2	-7.3	-0.7	-23.9
Net sales from external customers	**6,365.3**	**4,351.8**	**1,202.1**	**0.8**	**11,920.1**
Change in net sales in local currency excluding acquisitions and disposals, %	0.4	-6.0	-4.0	-	-2.3
Change in net sales, %	0.5	3.8	-4.2	-	1.2
Other division income	813.0	144.1	29.0	12.7	998.7
of which intersegment income	-0.9	-2.0	0.1	-1.3	-4.1
Other operating income from external customers	**812.0**	**142.1**	**29.1**	**11.3**	**994.6**
Depreciation and amortisation	-108.6	-76.9	-31.4	-31.0	-247.9
Depreciation and impairment charges for right-of-use assets	-243.9	-100.8	-24.2	-6.6	-375.5
Share of result of joint ventures	-	20.9	-	-	20.9
Operating profit	**420.9**	**116.3**	**69.3**	**-26.9**	**579.5**
Items affecting comparability	-17.2	-52.8	-0.0	-0.5	-70.6
Comparable operating profit	**438.0**	**169.1**	**69.3**	**-26.4**	**650.1**
Finance income and costs					-111.7
Share of result of associates					3.8
Profit before tax					**471.5**

Assets and liabilities

€ million	Grocery trade	Building and technical trade	Car trade	Common functions	Eliminations	Total
Property, plant, equipment and intangible assets	1,697.0	1,215.9	286.5	82.4	-1.3	3,280.5
Right-of-use assets	1,258.9	472.3	78.6	57.9	-	1,867.7
Interests in associates and joint ventures and other investments	6.2	160.8	0.1	88.1	-0.6	254.5
Pension assets	18.6	5.0	-	103.8	-	127.5
Inventories	285.8	586.0	229.7	-	-	1,101.5
Trade receivables	363.5	524.1	71.1	2.1	-2.9	957.9
Other non-interest-bearing receivables	71.5	197.5	24.2	45.5	-31.5	307.2
Interest-bearing receivables	1.1	-	-	61.9	-	63.0
Non-current assets classified as held for sale	-	6.6	-	0.0	-	6.6
Assets included in capital employed	**3,702.7**	**3,168.1**	**690.1**	**441.7**	**-36.3**	**7,966.3**
Unallocated items						
Deferred tax assets						16.9
Other financial assets						15.0
Cash and cash equivalents						473.1
Total assets	**3,702.7**	**3,168.1**	**690.1**	**441.7**	**-36.3**	**8,471.2**
Trade payables	603.4	736.3	52.3	14.6	-2.2	1,404.4
Other non-interest-bearing liabilities	312.6	269.7	113.4	45.5	-22.7	718.5
Provisions	1.1	5.2	12.6	0.5	-	19.5
Liabilities related to non-current assets classified as held for sale	-	0.1	-	-	-	0.1
Liabilities included in capital employed	**917.1**	**1,011.4**	**178.3**	**60.6**	**-24.9**	**2,142.4**
Unallocated items						
Interest-bearing liabilities						1,345.3
Lease liabilities						2,051.0
Other non-interest-bearing liabilities						121.3
Deferred tax liabilities						76.3
Total liabilities	**917.1**	**1,011.4**	**178.3**	**60.6**	**-24.9**	**5,736.3**
Total capital employed as at 31 December	**2,785.6**	**2,156.7**	**511.8**	**381.1**	**-11.4**	**5,823.8**
Average capital employed	**2,734.9**	**2,172.8**	**503.0**	**350.7**	**-2.7**	**5,758.7**
Return on capital employed, %, comparable	**16.0**	**7.8**	**13.8**	**-**	**-**	**11.3**
Number of personnel as at 31 December	**8,257**	**7,341**	**1,752**	**959**		**18,309**
Average number of personnel converted into full-time employees	**6,346**	**6,538**	**1,556**	**908**		**15,347**

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Alternative performance measures in segment reporting

Kesko uses alternative performance measures to reflect business performance and profitability. These indicators should be examined together with the IFRS-compliant performance indicators.

Change in comparable net sales is used to reflect changes in the Group's business volume between periods. The indicator reflects the change in net sales excluding the impact of acquisitions and divestments, in local currencies. The comparable net sales have been calculated by including in the net sales the business operations that have been part of Kesko Group in both the reporting period as well as the comparison period. Other structural arrangements related to acquisitions and divestments have been adjusted in the same manner as acquisitions.

Exceptional transactions outside the ordinary course of business are treated as items affecting comparability. Performance indicators reflecting comparable profit and profitability are used to improve the comparability of operational performance between periods. Gains and losses on disposal of real estate, shares and business operations, impairment charges and significant restructuring costs are identified as items affecting comparability. Gains on disposal have been presented within other operating income, and losses on disposal within other operating expenses in the income statement. Impairment charges and significant profit and loss items related to changes in lease agreements are presented in the income statement under depreciation, amortisation and impairment charges.

Alternative performance measures that have been adjusted for the impact of IFRS 16 are used to monitor the achievement of certain financial targets. The EBITDA excluding the impact of IFRS 16 corresponds to EBITDA before the adoption of IFRS 16, and the interest-bearing net debt excluding lease liabilities correspond to interest-bearing net debt before the adoption of the standard. These restated indicators are included as components in the Group's financial target "interest-bearing net debt excluding lease liabilities divided by EBITDA excluding the impact of IFRS 16".

In addition, financial performance indicators for the Group have been presented as alternative performance measures. The management uses these indicators to monitor and analyse business performance, profitability and financial position.

Items affecting comparability

€ million	2025	2024
Gains on disposal	+15.7	+11.4
Losses on disposal	-2.8	-1.6
Impairment charges	-13.7	-40.0
Structural arrangements	-22.8	-40.4
Items in operating profit affecting comparability, total	**-23.6**	**-70.6**

Items related to structural arrangements are presented on the following lines in the consolidated income statement: other operating income (€+16.0 million), materials and services (€-1.6 million), change in inventory (€-0.4 million), employee benefit expenses (€-3.9 million), amortisation and impairment charges (€-17.8 million), amortisation and impairment charges for right-of-use assets (€-6.5 million) and other operating expenses (€-9.4 million).

In 2024 items related to structural arrangements are presented on the following lines in the consolidated income statement: other operating income (€+11.7 million), materials and services (€-0.1 million), change in inventory (€-8.2 million), employee benefit expenses (€-4.4 million), amortisation and impairment charges (€-44.8 million), amortisation and impairment charges for right-of-use assets (€-13.5 million) and other operating expenses (€-11.4 million).

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Reconciliation of alternative performance measures to IFRS financial statements

€ million	2025	2024
Operating profit, comparable		
Operating profit	631.3	579.5
Net of		
Items in operating profit affecting comparability	-23.6	-70.6
Operating profit, comparable	**654.9**	**650.1**
Return on capital employed, comparable, %		
Operating profit, comparable	654.9	650.1
Capital employed, average	6,307.7	5,758.7
Return on capital employed, comparable, %	**10.4**	**11.3**
Comparable change in net sales		
Net sales, grocery trade	6,447.4	6,381.4
Effect of structural arrangements	-1.1	
Change in net sales, comparable, %	1.0	
Net sales, building and technical trade	4,685.8	4,351.6
Foreign exchange effects	-2.3	
Effect of acquisitions and divestments and structural arrangements	-302.8	-31.0
Change in net sales, comparable, %	1.4	-6.0
Net sales, car trade	1,364.8	1,209.4
Effect of acquisitions and divestments	-10.2	
Change in net sales, comparable, %	12.0	
Net sales, Group	12,474.7	11,920.1
Foreign exchange effects	-2.3	
Effect of acquisitions and divestments	-314.0	-31.0
Change in net sales, comparable, %	2.3	-2.3

Calculation of performance indicators

Operating profit, comparable

Operating profit +/– items affecting comparability

Return on capital employed, %, comparable

Comparable operating profit x 100 / (Non-current assets + Inventories + Receivables + Other current assets - Non-interest-bearing liabilities) on average for the reporting period

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Geographical information

The Group operates in Finland, Sweden, Norway, Denmark, Estonia, Latvia, Lithuania and Poland. The grocery trade operates in Finland. The building and technical trade operates in Finland, Sweden, Norway, Denmark, the Baltic countries and Poland, and the car trade operates in Finland. Net sales, assets and personnel are presented by geographical location.

Net sales are mostly derived from sales of goods. The amount derived from sales of services is minor.

Kesko Group does not have revenue derived from a single customer, which exceeds 10% of Kesko Group's total revenue.

2025 € million	Finland	Other Nordic countries	Baltic countries	Others	Eliminations	Total
Net sales	9,762.3	2,188.4	153.5	378.4	-7.9	12,474.7
Assets included in capital employed	6,358.0	1,828.3	274.4	176.2		8,636.9
Average number of personnel converted into full-time employees	10,400	3,961	357	948		15,665

2024 € million	Finland	Other Nordic countries	Baltic countries	Others	Eliminations	Total
Net sales	9,542.7	1,889.3	127.4	368.1	-7.4	11,920.1
Assets included in capital employed	6,019.5	1,546.6	232.1	168.1		7,966.3
Average number of personnel converted into full-time employees	10,345	3,687	359	957		15,347

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2.3 Material and services

€ million	2025	2024
Materials and services	-10,470.9	-9,959.5
External services	-231.7	-224.6
Total	**-10,702.7**	**-10,184.1**

2.4 Other operating income

Revenue recognition, including the definition of income reported under other operating income, is presented in Note 2.1.

€ million	2025	2024
Service fees	780.2	779.2
Lease income	50.8	50.6
Gains on disposal of property, plant, equipment and intangible assets	13.9	12.6
Realised gains on derivative contracts and changes in fair value	2.0	3.6
Others	152.4	148.6
Total	**999.4**	**994.6**

Service fees mainly comprise chain and store site fees paid by the independent retailers.

More information on lease income is provided in Note 3.4.

2.5 Operating expenses

Accounting policies

Other operating expenses include expenses other than the cost of goods sold, such as employee benefit expenses, marketing costs, property and store site maintenance costs, information system expenses, and lease payments recognised in the income statement on leases classified as short-term leases or leased assets classified as of low value. Other operating expenses also include losses on the disposal of property, plant and equipment and intangible assets, losses on disposal of business operations as well as realised and unrealised losses on derivatives used for hedging foreign currency risks associated with commercial transactions.

Employee benefit expenses

€ million	2025	2024
Salaries and fees	-745.4	-686.2
Social security costs	-56.5	-54.8
Pension costs		
Defined benefit plans	2.1	0.2
Defined contribution plans	-103.4	-94.7
Share based payments	-8.7	-7.0
Total	**-911.9**	**-842.5**

Information on defined benefit plans is presented in Note 3.7. Information on employee benefits of the Group's management personnel and other related party transactions is presented in Note 5.2, and information on share-based compensation in Note 5.3.

Average number of the Group personnel

	2025	2024
Grocery trade	6,264	6,346
Building and technical trade	6,853	6,538
Car trade	1,638	1,556
Common operations	911	908
Total	**15,665**	**15,347**

Average number of personnel by segment is calculated as full-time equivalent employees.

Other operating expenses

€ million	2025	2024
Marketing costs	-202.1	-201.0
Property and store site maintenance expenses	-196.2	-198.5
ICT expenses	-125.3	-123.4
Lease payments in the income statement	-7.4	-8.5
Losses on disposal of property, plant, equioment and intangible assets	-2.7	-2.1
Realized losses on derivative contracts and changes in fair value	-5.1	-1.5
Other operating expenses	-147.0	-149.6
Total	**-685.8**	**-684.5**

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Lease payments in the income statement consist of payments for short-term leases and payments for leases of low-value assets as well as variable lease payments. Property and store site maintenance expenses also include maintenance expenses for leased properties. More information on lease expenditure is provided in Note 3.4.

Auditors' fees

€ million	2025	2024
Audit	-1.5	-1.3
Other statutory services	-0.1	-0.1
Tax consultation	-0.0	-
Other services	-0.1	-0.1
Total	**-1.7**	**-1.5**

Kesko Corporation's Auditor is Deloitte Oy. A statutory audit fee of €0.1 million (€0.0 million) was paid to an audit firm outside of Deloitte chain.

2.6 Foreign exchange differences recognised in operating profit

€ million	2025	2024
Net sales	-0.2	-0.1
Other operating incom	2.0	3.6
Materials and services	0.0	-0.5
Other operating expenses	-5.1	-1.5
Total	**-3.2**	**1.5**

2.7 Income tax

Accounting policies

The taxes recognised in the consolidated income statement include the Group companies' taxes on current net profits on an accrual basis, prior period tax adjustments and changes in deferred taxes. The Group companies' taxes have been calculated from the taxable income of each company determined by local jurisdiction. The tax impact of items recognised in other comprehensive income has been recognised correspondingly in other comprehensive income.

Deferred tax assets and liabilities are recognised on temporary differences arising between the tax bases and carrying amounts of assets and liabilities and for unused tax losses. Deferred tax liability has not been calculated on goodwill insofar as goodwill is not tax deductible. Deferred tax on subsidiaries' undistributed earnings is not recognised unless a distribution of earnings is probable, causing tax implications.

Deferred tax has been determined using the tax rates enacted at the balance sheet date, and as the rates changed, at the known new rate. Kesko applies the mandatory exception under IAS 12 from deferred tax accounting in relation to Pillar Two income taxes. A deferred income tax asset is recognised to the extent that it is probable that it can be utilised against future taxable income. The Group's deferred income tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority.

The most significant temporary differences arise from leases, defined benefit pension plans, tangible and intangible assets and tax losses.

Group's tax positions are assessed regularly to identify situations requiring interpretation. If an interpretation taken by the Group is deemed unlikely to be approved, a provision is made in accounting of income taxes. An uncertain tax position may affect taxes for the financial year or deferred taxes or both.

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€ million	2025	2024
Current tax	-93.0	-114.8
Tax for prior years	1.0	-0.3
Change in deferred taxes	-13.5	23.1
Total	**-105.5**	**-92.0**

Group's current tax expense in 2025 does not include top-up taxes arising under the Pillar Two minimum tax rules.

Reconciliation between tax expense shown in the income statement and tax calculated at parent's tax rate

€ million	2025	2024
Profit before tax	510.3	471.5
Tax at parent's tax rate 20.0%	-102.1	-94.3
Effect of foreign subsidiaries' different tax rates	-0.3	0.1
Effect of tax-free income	1.3	2.4
Effect of expenses not deductible for tax purposes	-6.6	-11.6
Effect of unrecognised deferred tax assets	-3.9	0.1
Effect of consolidation of share of result of associates and joint ventures	4.8	4.9
Tax for prior years	1.0	-0.3
Adjustment and revaluation of deferred tax for previous years	0.3	6.7
Effect of changes in tax rates	0.0	-0.0
Others	-0.0	0.0
Tax charge	**-105.5**	**-92.0**
Effective tax rate %	**20.7**	**19.5**

Balance sheet division of net deferred tax assets (liabilities)

€ million	2025	2024
Deferred tax assets	20.0	16.9
Deferred tax liabilities	101.6	76.3
Total	**-81.7**	**-59.4**

Movements in deferred tax in 2025

€ million	1 Jan. 2025	Income statement charge	Tax charged/ credited to equity	Exchange differ-ences	Other changes	31 Dec. 2025
Deferred tax assets						
Tangible and intangible assets	8.2	-3.3	-	0.1	2.7	7.7
Inventory	7.2	-2.9	-	0.1	2.0	6.4
Leases	37.3	3.8	-0.0	0.1	-0.0	41.1
Provisions	4.5	0.2	-	0.0	0.0	4.8
Tax loss carry-forwards	15.4	-0.0	-	0.9	0.4	16.7
Other temporary differences	8.9	-1.3	-0.6	0.1	0.2	7.2
Total	**81.5**	**-3.5**	**-0.6**	**1.2**	**5.3**	**83.9**
Deferred tax liabilities						
Tangible and intangible assets	105.3	9.0	-	-0.1	11.7	125.8
Pensions	25.5	0.4	3.5	-0.0	-	29.4
Untaxed earnings	5.1	0.6	-	0.1	-1.4	4.3
Other temporary differences	5.1	0.0	0.2	0.0	0.6	5.9
Total	**140.9**	**10.0**	**3.7**	**0.1**	**10.8**	**165.5**
Net deferred tax asset (+)/liability (-)	**-59.4**					**-81.7**

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Movements in deferred tax in 2024

€ million	1 Jan. 2024	Income statement charge	Tax charged/ credited to equity	Exchange differ-ences	Other changes	31 Dec. 2024
Deferred tax assets						
Tangible and intangible assets	7.1	1.5	-	-0.1	-0.3	8.2
Inventory	7.0	0.4	-	-0.2	-	7.2
Leases	36.6	0.9	-	-0.2	-	37.3
Provisions	4.8	-0.3	-	0.0	0.0	4.5
Tax loss carry-forwards	10.5	5.2	-	-0.3	-0.0	15.4
Other temporary differences	7.2	0.8	0.9	-0.0	0.2	8.9
Total	**73.1**	**8.5**	**0.9**	**-0.8**	**-0.1**	**81.5**
Deferred tax liabilities						
Tangible and intangible assets	97.6	-8.8	-	-0.6	17.1	105.3
Pensions	15.9	0.1	9.5	-0.0	-	25.5
Untaxed earnings	10.4	-5.2	-	-0.2	-	5.1
Other temporary differences	6.3	-0.8	-1.0	0.0	0.5	5.1
Total	**130.2**	**-14.7**	**8.5**	**-0.8**	**17.6**	**140.9**
Net deferred tax asset (+)/liability (-)	**-57.2**					**-59.4**

Deferred tax related to components of other comprehensive income

€ million	2025 Before tax	Tax charge/ credit	After tax	2024 Before tax	Tax charge/ credit	After tax
Items that will not be reclassified subsequently to profit or loss						
Actuarial gains and losses	17.7	-3.5	14.1	47.0	-9.4	37.6
Items that may be reclassified subsequently to profit or loss						
Currency translation differences on foreign operations	19.0		19.0	-31.6		-31.6
Share of other comprehensive income of associates and joint ventures	-		-	0.5		0.5
Cash flow hedge revaluation	4.1	-0.8	3.3	-9.5	1.8	-7.7
Total	**40.7**	**-4.4**	**36.4**	**6.3**	**-7.6**	**-1.2**

Tax loss carry-forwards

In the 31 December 2025 consolidated financial statements, the Group has recognised €16.2 million (€15.3 million) deferred tax asset on tax losses carried forward by the Swedish Group companies. The reorganisation of unprofitable operations in Sweden has been completed, and following the previously conducted acquisitions, utilization of historical tax losses has become possible. Considering the uncertainties related to the overall economy, the recognised tax asset is based on estimated utilisation of the tax losses over a limited time period. In Sweden tax losses may be carried forward indefinitely. As at 31 December 2025, the Group still had €156.3 million of unused tax losses for which deferred tax assets have not been recognised.

Tax losses carried forward for which tax assets have not been recognised expire as follows:

€ million	2026	2027	2028	2029	2030	2031–	Total
	-	-	0.0	0.2	0.0	156.0	**156.3**

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2.8 Earnings per share

Accounting policies

Basic earnings per share are calculated by dividing the profit for the period attributable to the parent's equity holders by the weighted average number of shares outstanding during the period. Diluted earnings per share are calculated by adjusting the weighted average number of all shares to assume conversion of all potentially dilutive shares.

	2025	2024
Profit for the period attributable to equity holders of the parent, €million	404.2	379.1
Number of shares		
Weighted average number of shares outstanding	398,084,475	397,921,553
Diluted weighted average number of shares outstanding	398,084,475	397,921,553
Earnings per share from profit attributable to equity holders of the parent		
Basic and diluted, Group total, €	1.02	0.95

2.9 Additional information on the statement of cash flows

Adjustments to cash flows from operating activities

€ million	2025	2024
Adjustment of non-cash transactions in the income statement and items presented elsewhere in the statement of cash flows:		
Change in provisions	-1.0	0.7
Share of results of associates and joint ventures	-23.9	-24.7
Impairments	13.7	40.5
Credit losses	3.7	7.1
Gains on disposal of property, plant, equipment and intangible assets and business operations	-14.0	-12.7
Losses on disposal of property, plant, equipment and intangible assets and business operations	4.6	4.8
Share-based compensation	1.6	2.6
Defined benefit pensions	-2.1	-0.3
Others	0.6	4.2
Total	**-16.8**	**22.2**

The group 'Others' within the adjustments to cash flows from operating activities includes the adjustment of unrealised foreign exchange gains and losses on purchases and sales, and the adjustment of other transactions of a non-cash nature.

Capital expenditure and non-cash financing activities

€ million	2025	2024
Total acquisition of property, plant, equipment and intangible assets	550.0	527.6
Total acquisition of subsidiaries and investments in associates and other investments	185.7	148.3
Total capital expenditure	**735.7**	**675.9**
of which cash payments	646.5	614.7
Loans relating to acquired companies and cash equivalents	41.9	49.9
Payments arising from prior period investing activities	-19.8	-30.2
Capital expenditure financed with liabilities	67.1	41.5
Total	**735.7**	**675.9**

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3. CAPITAL EMPLOYED

3.1 Acquisitions

Accounting policies

Assets acquired and liabilities assumed in business combinations are measured at their fair values at the date of acquisition. The fair values on which the allocation of assets and liabilities is based are determined by reference to market values to the extent they are available. If market values are not available, the measurement is based on the estimated earnings-generating capacity of the asset and its future use in Kesko's operating activities.

Key accounting estimates and assumptions

The measurement of intangible assets is based on the present values of future cash flows and requires management estimates regarding future cash flows and the use of assets.

Acquisitions in 2025

Kesko expanded its operations in Denmark with three acquisitions. Davidsen Koncernen A/S, of which Kesko owns 90%, acquired the entire capital stocks of Roslev Trælasthandel A/S on 31 January 2025, CF Petersen & Søn A/S on 30 April 2025, and Tømmergaarden A/S on 28 May 2025. Roslev operates mainly in Central Jutland, CF Petersen in Zealand, and Tømmergaarden in Northern and Central Jutland. All three acquired companies serve primarily B2B customers. The acquisitions strengthen Davidsen's market position in Danish building and home improvement trade.

Based on purchase price allocations, the fair value of the assets acquired for Kesko Group amounted to €235.2 million, and the fair value of the liabilities assumed amounted to €128.6 million. The fair value of intangible and tangible assets acquired at the date of acquisition totalled €103.8 million. According to the calculations, the €79.2 million goodwill arising from the acquisition reflects the synergies expected to realised in particular in purchase operations and operational efficiency. The goodwill is not tax deductible. The non-controlling interest is reported as proportionate share of net assets of the acquired companies. Based on the agreement between Kesko and the minority shareholder, Kesko has recorded a financial liability related to the redemption of the non-controlling interest in its consolidated statement of financial position, which reduces the amount of equity attributable to owners of the parent company. The consolidated income statement includes minor acquisition-related costs under "Other operating expenses", presented as items affecting comparability.

	2025
€ million	**Acquisitions in Denmark**
Acquisition price of the shares	185.8
Fair values of assets acquired and liabilities assumed at the date of acquisition	
Intangible assets	7.2
Property, plant, equipment, right-of-use assets and investments	96.6
Inventories	61.4
Receivables	62.3
Deferred tax asset	1.1
Cash and cash equivalents	6.5
Total assets	**235.2**
Trade payables, other payables and provisions	72.3
Interest-bearing liabilities including lease liabilities	46.6
Deferred tax liability	9.7
Total liabilities	**128.6**
Net assets acquired, total	106.6
Goodwill	79.2
Acquisition price of the shares	**185.8**
Cash flow impact of acquisition	
Considerations paid	-185.8
Cash and cash equivalents acquired	6.5
Cash flow impact of acquisitions	**-179.3**

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Acquisitions in 2024

Davidsen Koncernen A/S

Kesko expanded its operations to the Danish building and home improvement trade market by acquiring 90% of the shares in Davidsen Koncernen A/S on 31 January 2024. The Davidsen family will remain as a 10% minority shareholder in the company. Kesko acquired the shares in the company for a consideration of €147.9 million. The acquisition strengthens Kesko's market position in Northern Europe.

Based on the purchase price allocation, the fair value of the assets acquired for Kesko Group amounted to €267.9 million and the fair value of the liabilities assumed amounted to €142.9 million. The fair value of intangible assets acquired at the date of acquisition totalled €39.3 million.

Autotalo Lohja

On 1 September 2024, Kesko acquired Autotalo Lohja, thus expanding its car trade dealership network by two locations. The fair value of the assets acquired for Kesko Group amounted to €2.4 million and the fair value of the liabilities assumed amounted to €0.5 million. The fair value of the intangible assets acquired at the date of acquisition totals €0.6 million.

	2024
€ million	Davidsen Koncernen A/S
Acquisition price	147.9
Fair values of assets acquired and liabilities assumed at the date of acquisition	
Intangible assets	39.3
Property, plant, equipment, right-of-use assets and investments	106.7
Inventories	52.8
Receivables	47.3
Deferred tax asset	0.0
Cash and cash equivalents	21.7
Total assets	**267.9**
Trade payables, other payables, provisions	71.5
Interest-bearing liabilities including lease liabilities	54.2
Deferred tax liability	17.2
Total liabilities	**142.9**
Net assets acquired, total	125.0
Non-controlling interests	-12.5
Goodwill	35.4
Acquisition price of the shares	**147.9**
Cash flow impact of acquisition	
Consideration paid	-168.0
Cash and cash equivalents acquired	21.7
Cash flow impact of acquisition	**-146.3**

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3.2 Property, plant and equipment

Accounting policies

Property, plant and equipment which comprise land, buildings, machinery and equipment, are carried at cost less any accumulated depreciation and possible impairment charges. The property, plant and equipment of acquired businesses are measured at fair value at the date of acquisition.

Subsequent costs relating to items of property, plant and equipment are included in the asset's carrying amount or recognised as a separate asset when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. The machinery and equipment of buildings are treated as separate assets and their replacement costs are capitalised. All other repair, service and maintenance expenditures of items of property, plant and equipment are charged to the income statement during the financial period in which they are incurred.

Depreciation on property, plant and equipment is calculated using the straight-line method over their estimated useful lives. Land is not depreciated. The most common estimated useful lives are:
• Buildings 10–33 years
• Components of buildings 8–10 years
• Machinery and equipment 3–8 years
• Cars and transport equipment 5 years

The residual values and useful lives of property, plant and equipment are reviewed at least at the end of each financial year. If the estimates of useful life and the expected pattern of economic benefits are different from previous estimates, the change in the estimate is accounted for.

Gains and losses on disposals of property, plant and equipment are recognised in the income statement and presented in other operating income or expenses.

The Group has not capitalised interest costs incurred as part of the acquisition of assets, because the Group does not have qualifying assets.

2025 € million	Land and waters	Buildings	Machinery and equipment	Other tangible assets	Prepay-ments and construc-tion in progress	Total 2025
Cost						
Cost as at 1 January	421.8	2,203.4	738.1	35.2	272.6	3,671.0
Exchange differences	0.3	1.2	1.3	0.3	0.1	3.3
Additions	42.3	185.3	178.8	2.2	128.1	536.7
Acquisitions	12.7	75.4	4.8	-	-	92.8
Deductions	-15.2	-49.1	-78.8	-3.0	-1.8	-147.9
Transfers between items	19.1	204.6	26.2	1.0	-247.0	3.9
Cost as at 31 December	481.0	2,620.8	870.3	35.7	151.9	4,159.8
Accumulated depreciation and impairment charges						
Accumulated depreciation and impairment charges as at 1 January	-6.8	-832.7	-405.9	-22.4		-1,267.8
Exchange differences	0.0	-0.7	-0.6	-0.1		-1.4
Accumulated depreciation on deductions	-	8.8	44.6	2.6		55.9
Accumulated depreciation on transfers	-	-8.6	4.7	1.4		-2.5
Depreciation and impairment charges for the year	-2.3	-112.7	-72.2	-2.2		-189.4
Accumulated depreciation and impairment charges as at 31 December	-9.1	-945.8	-429.5	-20.8		-1,405.2
Carrying amount as at 1 January	415.0	1,370.7	332.2	12.8	272.6	2,403.3
Carrying amount as at 31 December	**471.9**	**1,675.0**	**440.9**	**14.9**	**151.9**	**2,754.6**

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2024 € million	Land and waters	Buildings	Machinery and equipment	Other tangible assets	Prepay-ments and construc-tion in progress	Total 2024
Cost						
Cost as at 1 January	391.2	1,866.2	700.6	37.4	232.3	3,227.7
Exchange differences	-0.9	-1.8	-2.5	-0.2	0.0	-5.4
Additions	27.5	193.2	122.5	1.5	150.2	494.9
Acquisitions	5.1	86.4	2.9	0.0	-	94.4
Deductions	-5.0	-12.0	-87.2	-4.0	-7.3	-115.5
Transfers between items	3.8	71.4	1.8	0.6	-102.6	-25.0
Cost as at 31 December	421.8	2,203.4	738.1	35.2	272.6	3,671.0
Accumulated depreciation and impairment charges						
Accumulated depreciation and impairment charges as at 1 January	-7.2	-740.7	-400.3	-23.9		-1,172.0
Exchange differences	0.1	1.0	1.7	0.1		2.9
Accumulated depreciation on deductions	0.8	1.1	48.8	3.4		54.2
Accumulated depreciation on transfers	-	4.3	10.2	0.0		14.5
Depreciation and impairment charges for the year	-0.5	-98.3	-66.3	-2.2		-167.3
Accumulated depreciation and impairment charges as at 31 December	-6.8	-832.7	-405.9	-22.4		-1,267.8
Carrying amount as at 1 January	384.1	1,125.5	300.3	13.5	232.3	2,055.6
Carrying amount as at 31 December	**415.0**	**1,370.7**	**332.2**	**12.8**	**272.6**	**2,403.3**

3.3 Intangible assets

Accounting policies

Goodwill and trademarks

Goodwill is not amortised but is instead tested for impairment whenever there is an indication of impairment, and at least annually. For testing purposes, goodwill is allocated to the cash generating units. Goodwill is measured at initial cost. Any negative goodwill is immediately recognised as income. For goodwill, a recognised impairment loss is not reversed.

Intangible assets with indefinite useful lives are not amortised. They are tested for impairment whenever there is an indication of impairment, and at least annually. Costs for intangible assets with finite useful lives are initially measured at cost and amortised over the useful life of the assets. The intangible assets with indefinite useful lives include trademarks capitalised upon acquisitions, which are recognised at their fair values at the acquisition date.

Other intangible assets

The intangible assets with finite useful lives are initially measured at cost and amortised over their useful lives. Such intangible assets include software licences, customer relationships and licences measured at the fair value at the date of acquisition, and leasehold interests that are amortised during their estimated lease terms.

The estimated useful lives are:
• Software and licences 3–5 years
• Customer and supplier relationships 5–10 years

Research and development expenses

The costs of research and development activities have been expensed as incurred, because the Group does not have development costs eligible for capitalisation. Development costs previously recognised as an expense are not recognised as an asset in subsequent periods.

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Software

Costs directly attributable to the development of new software are capitalised as part of the software cost. On the balance sheet, software is included in intangible assets and its cost is amortised over the useful life of the software. Costs associated with maintenance of the software are recognised as an expense as incurred.

Impairment of non-financial assets

At each balance sheet date, the Group assesses whether there is any indication that an asset may be impaired. If any such indication exists, the recoverable amount of the asset is estimated. The recoverable amount of goodwill and intangible assets with indefinite useful lives is assessed every year whether or not there is an indication of impairment. In addition, an impairment test is performed whenever there is an indication of impairment.

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Often, it is not possible to estimate the recoverable amount for an individual asset. Then, as in the case of goodwill, the recoverable amount is determined for the cash generating unit to which the goodwill or asset belongs.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. The impairment loss is recognised in the income statement. The previously recorded impairment of an asset is reversed if, upon reassessment, the recoverable amount has increased. However, the reversal of an impairment loss of an asset should not exceed the carrying amount of the asset without impairment loss recognition. For goodwill, a recognised impairment loss is not reversed under any circumstances.

Key accounting estimates and assumptions

The recoverable amounts of cash generating units have been determined using calculations based on value in use. In the calculations, forecast cash flows are based on financial plans approved by management.

2025 € million	Goodwill	Trade-marks	Other intangible assets	Prepay-ments	Total 2025
Cost					
Cost as at 1 January	729.0	124.3	317.6	3.1	1,174.0
Exchange difference	10.5	-0.1	0.5	-	11.0
Additions	-	-	7.4	3.0	10.4
Acquisitions	79.2	-	7.2	-	86.3
Deductions	-	-	-6.8	-0.0	-6.8
Transfers between items	-	-	-12.9	-2.0	-14.9
Cost as at 31 December	818.6	124.2	313.1	4.1	1,260.0
Accumulated amortisation and impairment charges					
Accumulated amortisation and impairment charges as at 1 January	-85.9	-10.8	-200.0		-296.7
Exchange difference	-0.1	-0.1	-0.3		-0.4
Accumulated amortisation and impairment charges on disposals			14.0		14.0
Accumulated amortisation and impairment charges on transfers			7.1		7.1
Amortisation and impairment charges for the year	-11.0	-0.3	-38.5		-49.7
Accumulated amortisation and impairment charges as at 31 December	-97.0	-11.1	-217.7		-325.8
Carrying amount as at 1 January	643.0	113.5	117.7	3.1	877.3
Carrying amount as at 31 December	**721.6**	**113.1**	**95.4**	**4.1**	**934.2**

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2024 € million	Goodwill	Trade-marks	Other intangible assets	Prepay-ments	Total 2024
Cost					
Cost as at 1 January	710.1	96.0	298.2	4.2	1,108.5
Exchange difference	-19.6	-1.5	-3.5	-	-24.6
Additions	-	-	14.2	2.0	16.2
Acquisitions	38.5	29.8	9.9	-	78.2
Deductions	-	-	-8.1	-0.2	-8.3
Transfers between items	-		6.8	-2.9	3.9
Cost as at 31 December	729.0	124.3	317.6	3.1	1,174.0
Accumulated amortisation and impairment charges					
Accumulated amortisation and impairment charges as at 1 January	-46.4	-10.0	-177.0		-233.5
Exchange difference	0.4	0.5	2.1		3.0
Accumulated amortisation and impairment charges on disposals		-	14.3		14.3
Accumulated amortisation and impairment charges on transfers		0.0	-0.0		-0.0
Amortisation and impairment charges for the year	-40.0	-1.3	-39.3		-80.6
Accumulated amortisation and impairment charges as at 31 December	-85.9	-10.8	-200.0		-296.7
Carrying amount as at 1 January	663.7	86.0	121.2	4.2	875.1
Carrying amount as at 31 December	**643.0**	**113.5**	**117.7**	**3.1**	**877.3**

Other intangible assets include software and licences amounting to €27.8 million (€42.2 million).

Impairment testing

Goodwill is allocated to cash-generating units (CGUs) for impairment testing purposes. The cash-generating units have been identified at the level of reportable segments at most. The following table presents the allocation of goodwill and trademarks to cash-generating units. The trademarks presented in the table are assessed to have indefinite useful lives.

€ million	Trade-marks 2025	Goodwill 2025	Trade-marks 2024	Goodwill 2024
Grocery trade				
Grocery trade, chain operations	-	76.1	-	76.1
Grocery trade, Kespro	5.3	2.0	5.3	2.0
Building and technical trade				
Technical trade	58.3	137.1	58.3	147.9
Byggmakker, Norway	19.7	150.0	19.8	150.7
K-Bygg, Sweden	-	195.9	-	185.0
Davidsen, Denmark	29.7	114.4	29.8	35.4
Car trade	-	46.1	-	46.1
Total	**113.1**	**721.6**	**113.2**	**643.0**

Goodwill is tested for impairment whenever there is an indication of impairment, and at least annually. Impairment tests have been carried out during the fourth quarter of 2025 for goodwill and trademarks with indefinite useful lives. Trademarks with indefinite useful lives are part of assets acquired in connection with business combinations.

The recoverable amount of the cash-generating unit is based on value-in-use calculations. The cash flow forecasts used in the calculations are derived from financial plans approved by management. These plans are based on external sources regarding forecasts of overall market growth, weighted by the cash-generating unit's own share of the relevant market. The length of the forecast period applied in the calculations is nine years for the following cash-generating units operating in the building and technical trade division: Byggmakker, K-Bygg and Davidsen, and three years for other cash-generating units. The nine-year forecast period applied to the building and home improvement businesses is justified by the weak construction market conditions, which are expected to gradually recover to a normal market level over the forecast period. The key variable used in determining the forecast cash flows is the development in profitability based on plans approved by management. The

development in profitability is influenced by growth predictions, changes in products and services selection and pricing, changes in store site network and development of operating expenses.

The average compound annual growth rate for the forecast period was in the range of 1.5%–5.3% and the EBITDA ratio range 4.7%–12.9%. Cash flows after the forecast period are estimated based on a 0.5%–2.0% growth projection, taking into account country-specific differences.

The key variables in impairment testing are the terminal growth rate, discount rate and EBITDA margin (%). The following table presents the pre-tax discount rate and terminal growth rate-% applied in the annual impairment test for each cash-generating unit.

€ million	Pre-tax discount rate 2025	Terminal growth rate 2025	Pre-tax discount rate 2024	Terminal growth rate 2024
Grocery trade				
Grocery trade, chain operations	6.7%	0.5%	6.5%	0.5%
Grocery trade, Kespro	6.4%	1.5%	6.3%	1.5%
Building and technical trade				
Technical trade	8.4%	2.0%	9.1%	2.0%
Byggmakker, Norway	8.2%	2.0%	8.7%	2.0%
K-Bygg, Sweden	7.4%	2.0%	7.0%	2.0%
Davidsen, Denmark	7.7%	2.0%	7.2%	2.0%
Car trade	8.2%	2.0%	8.5%	2.0%

The discount rate applied is the weighted average cost of capital (WACC) after tax, specified for each division and country and adjusted for tax effect in connection with the test. The WACC formula inputs are risk-free rate of return, market risk premium, industry-specific beta factor, target capital structure, borrowing cost and country risks.

In the impairment testing for 2025 , the recoverable amounts of all cash-generating units exceeded their carrying amounts. As part of the restructuring of the technical trade operations in Sweden during 2025, an impairment loss of €11.0 million was recognized on goodwill related to the technical trade. In the 2024 financial year, a €40 million impairment of goodwill was recognised for the Norwegian building and home improvement trade chain Byggmakker, which is part of the building and technical trade segment, influenced by weaker-than-anticipated profit performance as well as the weak cycle in the Norwegian construction market and high interest rates.

Sensitivity analysis

The most sensitive to movements in assumptions is the goodwill impairment test for K-Bygg. K-Bygg's net sales in 2025 totalled €343 million. During the forecast period, the range for change in K-Bygg's net sales is 2.7%–10.9%. By the end of the forecast period, K-Bygg's EBITDA margin is expected to have grown by 6.9 percentage points from the EBITDA margin achieved in 2025. The weak construction market in Sweden has negatively impacted the realised EBITDA level. In K-Bygg's impairment test, the recoverable amount exceeded the carrying amount of the assets tested by €12.0 million. Impairment would be recognised if the post-forecast period EBITDA margin would decrease by more than 0.2 percentage points, if the post-forecast period growth percentage would be below 1.8% or if the pre-tax discount rate was above 7.5%.

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3.4 Leases

Accounting policies

Group as a lessee

The Group leases properties, machinery and equipment for use in its business operations. At inception of a contract the Group determines whether the contract is, or contains, a lease. A contract is deemed as a lease if the contract gives the right to control the use of an identified asset for a period of time in exchange for consideration. At the commencement date of the lease the Group recognises a right-of-use asset and a lease liability except for leases of low-value assets and for leases for which the lease term is 12 months or less, for which the Group applies the practical expedient of the standard. Lease payments for the short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term. The Group separates the non-lease components, such as service components, and expenses them as they incur.

Lease liability is recognised at the commencement date of the lease and measured at the present value of the future lease payments payable during the lease term. The lease payments are discounted using the interest rate implicit in the lease, if readily available. The interest rate implicit in the lease is not available for all leases. In such cases, the incremental borrowing rate is used, which comprises the reference rate, credit spread for the incremental borrowing, and a potential country and currency risk premium. At the commencement date of the lease, the measurement of the lease liability includes fixed lease payments, variable lease payments that depend on an index or a rate, potential residual value guarantees, and the price of a purchase option if it is reasonably certain the option will be exercised. Payments of penalties for terminating the lease are also included in the measurement of the lease liability if the lease term reflects the option to terminate the lease.

Lease liability is subsequently remeasured when there is a change in lease term due to reassessment of an option to continue or terminate the lease, or when there is a change in future lease payments due to changes of an index or a rate. The amount of the remeasurement of the lease liability is recognised as an adjustment to the right-of-use asset. If the reduction in lease liability exceeds the right-of-use asset, the difference is recognised in profit or loss.

Right-of-use asset is measured at cost at the commencement date of the lease. The cost of the right-of-use asset comprises the amount of the initial measurement of the lease liability. In addition, the cost comprises any lease payments made at or before the commencement date, less any lease incentives received, any initial direct costs incurred and an estimate of costs to be incurred to restore the asset. Subsequently the right-of-use asset is measured at cost less any accumulated depreciation and impairment losses and adjusted with any remeasurement of the lease liability. The right-of-use asset is depreciated from the commencement date of the lease to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

If the use of a leased asset is discontinued or a sublease is made to the lease at a lower rate, the lease contract becomes loss-making and an impairment is recognised to the corresponding right-of-use asset.

In sale and leaseback transactions, the parties assess whether the transfer of the asset satisfies the requirements of IFRS 15 for a sale. If the transfer is accounted for as a sale, the right-of-use asset recognised in the balance sheet will be measured by the portion of the carrying amount of the original asset that corresponds to the value of the right to use that remains with the seller. Only the portion of the sales proceeds of the asset corresponding to the rights transferred to the buyer is presented as sales gain or loss. If the consideration for the sale of the asset or payments for the lease do not equal the fair value, the difference is recognised as an adjustment to the asset's sales proceeds. Any terms below-market terms are accounted for as a prepayment of lease payments, and any above-market terms are accounted for as financial liability. If the requirements for a sale are not satisfied, the Group will continue to recognise the transferred asset in its balance sheet, and will present the transfer proceeds as financial liability.

Key accounting estimates and assumptions

When recognising leases in the balance sheet, assessments must be made concerning the lease term, use of extension options and the discount rate used. When assessing the lease term of a new lease, extension options are not acknowledged until a commitment has been made to use the extension option. The assessments may differ from the actualised future lease terms and conditions.

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Right-of-use assets

The Group leases for its business operations properties required for retail and for the logistics operations serving retail. The Group's lease contracts are typically fixed term and in line with local market practices. Some of the leases for the properties contain extension options. The Group also leases machinery and equipment used in its business operations, such as vehicles, logistics machinery and equipment, and equipment for recycling waste at stores and logistics operations. The Group has classified office machinery and equipment as low-value assets, and lease payments for them are recognised as an expense in the income statement.

2025 € million	Land and buildings	Machinery and equipment	Total
Carrying amount as at 1 January	1,839.5	28.2	1,867.7
Additions	450.7	8.6	459.4
Acquisitions	0.0	2.9	2.9
Transfer between items	0.0	0.0	0.0
Depreciation	-343.1	-12.1	-355.2
Impairment charges	-3.9	-	-3.9
Deductions	-68.3	-0.1	-68.4
Exchange differences	3.9	0.2	4.1
Carrying amount as at 31 December	1,878.8	27.7	1,906.5

2024 € million	Land and buildings	Machinery and equipment	Total
Carrying amount as at 1 January	1,799.9	17.0	1,816.9
Additions	444.0	13.5	457.5
Acquisitions	2.7	9.7	12.3
Depreciation	-348.5	-11.0	-359.5
Impairment charges	-12.8	-	-12.8
Deductions	-36.9	-0.2	-37.1
Exchange differences	-8.9	-0.4	-9.3
Carrying amount as at 31 December	1,839.5	28.2	1,867.7

The lease commitments for leases not commenced on 31 December 2025 to which the Group is committed totalled €181.4 million (€298.8 million).

Lease expenditure

€ million	2025	2024
Operating profit		
Depreciation and impairment charges on right-of-use assets	-359.1	-375.5
Lease payments for short-term leases	-3.7	-4.3
Lease payments for low-value assets	-3.1	-3.5
Variable lease payments	-0.6	-0.7
Financial expenses		
Interest expense for lease liabilities	-89.4	-78.6
Total	**-455.9**	**-462.6**

Maturity of lease liabilities and related finance costs are detailed in Note 4.3.

Cash flow from leases

€ million	2025	2024
Interest expense for lease liabilities	-89.4	-78.6
Repayments of lease liabilities	-358.5	-370.9
Lease payments in the income statement	-7.4	-8.5
Total	**-455.2**	**-458.0**

Accounting policies

Group as a lessor

In lessor accounting leases are classified as operating leases or finance leases. The Group assesses at the commencement date of a lease whether it is classified as an operating lease or a finance lease. Leases where the risks and rewards incidental to ownership are transferred to the lessee are classified as finance lease agreements. At the commencement date of the lease, the lessor recognises in the balance sheet a finance lease receivable that corresponds to the net investment in the lease. Lease income for operating leases is recognised in the income statement on a straight-line basis over the lease term.

Kesko leases premises to entrepreneurs other than K-retailers to ensure that the combination of services at a store site supports Kesko's overall profit generation. Such premises typically include so-called store entrance shops at large retail outlets. Kesko has store entrance shops both in its own properties and in leased properties. The entrance shops in leased properties include a sublease agreement where Kesko has the head lease. The entrance shop leases are classified as operating leases. The business premises owned or leased by Kesko and used by K-retailers to conduct chain operations are provided to the retailers under chain agreements, and are not treated as leases. The accounting treatment of income arising from chain agreements is described in Note 2.1. K Auto Leasing practices leasing operations of vehicles. Vehicle lease contracts are classified as operating leases.

Lease income

€ million	2025	2024
Lease income for operating leases	79.8	75.0

3.5 Inventories

Accounting Policies

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less direct costs necessary to make the sale. The cost is determined using weighted average costs. The cost of finished goods comprises all costs of purchase including freight. The cost of self-constructed goods comprise all costs of conversion including direct costs and allocations of variable and fixed production overheads. The cost excludes borrowing costs.

Key accounting estimates and assumptions

The Group regularly reviews inventories for obsolescence and turnover, and for possible reduction of net realisable value below cost, and records a write-down as necessary. Such reviews require assessments of future demand for products. Possible changes in these estimates may cause changes in inventory measurement in future periods.

€ million	2025	2024
Goods	1,201.2	1,096.1
Prepayments	2.8	5.4
Total	**1,204.0**	**1,101.5**
Write-down of inventories to net realisable value	65.2	70.2

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3.6 Current receivables

Accounting policies

Trade receivables and other current receivables are recognised in the amounts of the initial receivable. According to the IFRS 9 impairment model, impairments must be recognised on the basis of expected credit losses. The Group has adopted the standard's simplified approach for recognising impairment of trade receivables using the provision matrix. For the impairment model, Group companies have been classified into risk categories on the basis of their business model and realised historical credit losses. In addition, impairment is recognised, if there is other evidence of a debtor's insolvency, bankruptcy or liquidation. Impairment is recognised as an expense in other operating expenses. If an amount previously written off is subsequently settled, it is recognised as a reduction of other operating expenses.

Key accounting estimates and assumptions

The Group companies apply a uniform practice to measuring receivables past due. Possible changes in customers' solvency may cause changes in the measurement of trade receivables in future periods.

€ million	2025	2024
Interest-bearing receivables		
Interest-bearing loans and receivables	0.7	4.2
Total interest-bearing receivables	0.7	4.2
Trade receivables	1,014.8	957.9
Income tax assets	18.0	12.9
Other non-interest-bearing receivables		
Non-interest-bearing loans and receivables	28.4	38.0
Prepaid expenses and deferred income	281.3	249.1
Total other non-interest-bearing receivables	309.6	287.1
Total	**1,343.1**	**1,262.1**

The most material part of prepaid expenses relates to refunds of purchases. The fair values of current trade and loan receivables, and those of current interest-bearing receivables are estimated to equal the carrying amounts due to their short maturities.

Ageing analysis of trade receivables

Business entities are responsible for managing the credit risk associated with amounts due from customers. Terms and conditions of credit sale and collateral requirements as well as decision-making authorisations for credit facilities have been determined for managing credit risk within businesses. Credit control identifies customers with risk and ensures that credit decisions are based on up-to-date information on a customer's solvency and any changes in solvency are considered. The economic uncertainty is taken into account when estimating expected credit losses in connection with measurement of trade receivables. The Group's trade receivables are from a large number of individual customers, and receivables do not contain significant risk concentrations. The seasonality of businesses impacts the amount of trade receivables in the consolidated statement of financial position. The amount of credit losses remained moderate despite the economic uncertainty.

€ million	2025	2024
Trade receivables not due	929.6	878.3
1–7 days past due trade receivables	50.7	40.6
8–30 days past due trade receivables	14.4	17.6
31–60 days past due trade receivables	3.9	4.1
Over 60 days past due trade receivables	16.2	17.2
Total	**1,014.8**	**957.9**

In Finland the key part of the business is done in cooperation with retailers and within trade receivables, €341.2 million (€357.7 million) were from chain retailers. The collateral for retailer receivables is an overdraft facility granted by a Kesko associate, Vähittäiskaupan Takaus Oy, with the maximum always limited to the realisable value of the counter security from the K-retailer's company and its entrepreneur to Vähittäiskaupan Takaus Oy. At the end of the financial year, the aggregate value of counter securities was €187.5 million (€187.1 million). In addition, the collateral for receivables includes other collaterals, such as business mortgages and other pledged assets.

Trade receivables include an impairment charge to a total of €29.0 million (€30.6 million). The aggregate amount of credit losses and impairments recognised in the profit for the financial year was €3.7 million (€7.1 million)

The amount of trade receivables with renegotiated terms totalled €5.3 million (€2.1 million).

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3.7 Pension assets

Accounting policies

The Group operates both defined contribution pension plans and defined benefit pension plans. The contributions payable under defined contribution plans are recognised as expenses in the income statement for the period to which the payments relate. In defined contribution plans, the Group does not have a legal or constructive obligation to pay further contributions, in case the payment recipient is unable to pay the retirement benefits.

In defined benefit plans, the Group may incur obligations or assets after the payment of the contribution. The pension obligation represents the present value of future cash flows from the benefits payable. The present value of pension obligations has been calculated using the projected unit credit method. Pension costs are expensed during employees' service lives based on actuarial calculations. The discount rate assumed in calculating the present value of the pension obligation is the market yield of high-quality corporate bonds. Their maturity substantially corresponds to the maturity of the pension liability. The assets corresponding to the pension obligation of the retirement benefit plan are carried at fair values at the balance sheet date. Actuarial gains and losses are recognised in comprehensive income in the income statement.

Key accounting estimates and assumptions

Items relating to employee benefits are calculated using several factors that require the application of judgement. Pension calculations under defined benefit plans in compliance with IAS 19 are based on, among others, the following factors that rely on management estimates:

- discount rate used in calculating pension expenses and obligations and net finance expense for the period
- future salary increase
- employee service life.

Changes in these assumptions can significantly impact the amounts of pension obligation and future pension expenses. In addition, a significant part of the pension plan assets is invested in real estate and shares, whose change in fair value impact the recognised amount of pension assets.

The Group operates several pension plans in different operating countries. In Finland, the statutory pension provision of personnel is provided through pension insurance companies and the voluntary supplementary pension provision is mainly provided through Kesko Pension Fund. The statutory pension provision provided through pension insurance companies is a defined contribution plan. Defined benefit plans comprise mainly supplementary pension provision provided through Kesko Pension Fund.

Pension plans in foreign subsidiaries are managed in accordance with local regulations and practices, and they are mainly defined contribution plans.

Kesko Pension Fund

Kesko Pension Fund is a pension provider of its members providing supplementary retirement benefits to employees who are beneficiaries of the Pension Fund. New members have not been included in the Pension Fund after 9 May 1998. As the conditions set out in the Fund's rules are met, beneficiaries between 60 and 65 years of age are granted an old-age pension. The amount of retirement benefit granted by the Fund is the difference between the employee's retirement benefit based on his/her pensionable salary calculated in accordance with the Fund's rules and the statutory pension. In addition to the individually calculated pensionable salary, the retirement benefit amount of each beneficiary is impacted by the duration of his/her membership of the Pension Fund. The Pension Fund had 1,947 beneficiaries, of whom 225 were active employees and 1,722.were retired employees. Kesko Group's share of the Pension Fund's obligation is 96.1% (96.3%). The notes present Kesko Group's share of the Pension Fund except for the analysis of assets by category and the maturity analysis of the obligation.

In addition to its rules, the Pension Fund's operations are regulated by the Employee Benefit Funds Act, the decrees under the Act and official instructions, and the Fund's operations are supervised by the Financial Supervisory Authority. The regulations include stipulations on the calculation of pension obligation and its coverage, for example. The pension obligation shall be fully covered by the plan assets, any temporary deficit is only allowed exceptionally. In addition, the regulations include detailed stipulations on the acceptability of the covering assets and the diversification of investment risks.

Kesko Pension Fund did not charge contributions from its members during 2025 or 2024.

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The defined benefit asset recognised in the balance sheet is determined as follows

€ million	2025	2024
Present value of defined benefit obligation	-200.6	-214.6
Fair value of plan assets	347.9	342.1
Net assets recognised in the balance sheet	**147.4**	**127.5**
Movement in the net assets recognised in the balance sheet		
As at 1 January	127.5	79.6
Income/expense recognised in the income statement	2.1	0.2
Remeasurement	17.4	46.9
Contributions to plan and plan costs	0.2	0.7
As at 31 December	**147.4**	**127.5**

€ million	Present value of defined benefit obligation	Fair value of plan assets	Total
As at 1 January 2025	-214.6	342.1	127.5
Current service cost	-1.4		-1.4
Gains or losses on settlement	-0.4		-0.4
Interest expense/income	-6.9	11.4	4.5
Plan costs	-	-0.5	-0.5
	-8.8	**10.9**	**2.1**
Remeasurement			
Return on plan assets		9.7	9.7
Gain/loss from changes in financial	7.7		7.7
Experience gains/losses	0.1		0.1
	7.8	**9.7**	**17.4**
Contributions to plan	-	0.2	0.2
Benefit payments	14.4	-14.4	-
As at 31 December 2025	**-201.0**	**348.5**	**147.4**

€ million	Present value of defined benefit obligation	Fair value of plan assets	Total
As at 1 January 2024	-241.0	320.3	79.6
Current service cost	-1.9		-1.9
Gains or losses on settlement	0.1		0.1
Interest expense/income	-7.2	9.8	2.5
Plan costs		-0.5	-0.5
	-9.0	**9.3**	**0.2**
Remeasurement			
Return on plan assets		20.4	20.4
Gain/loss from changes in financial	26.2		26.2
Experience gains/losses	0.3		0.3
	26.5	**20.4**	**46.9**
Contributions to plan		0.7	0.7
Benefit payments	14.9	-14.9	-
As at 31 December 2024	**-214.6**	**342.1**	**127.5**

Plan assets were comprised as follows in 2025

€ million	Quoted	Unquoted	Total
Europe			
Equity instruments		30.7	30.7
Debt instruments	56.5	6.0	62.5
Investment funds	77.4	16.1	93.6
Properties		86.0	86.0
United States			
Equity instruments			
Investment funds	57.5		57.5
Other countries			
Investment funds	23.9		23.9
Total	**215.4**	**138.9**	**354.2**

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Plan assets were comprised as follows in 2024

€ million	Quoted	Unquoted	Total
Europe			
Equity instruments		29.2	29.2
Debt instruments	50.6	7.6	58.2
Investment funds	74.0	15.4	89.5
Properties		85.6	85.6
United States			
Equity instruments			
Investment funds	61.7		61.7
Other countries			
Investment funds	23.6		23.6
Total	**209.9**	**137.8**	**347.8**

€ million	2025	2024
Kesko Corporation shares included in fair value	-	-
Properties leased by Kesko Group included in fair value	86.0	85.6

Principal actuarial assumptions

	2025	2024
Discount rate	3.78%	3.35%
Salary growth rate	2.36%	2.27%
Inflation	1.89%	1.99%
Pension growth rate	2.08%	1.80%
Average service expectancy, years	4	4

Weighted average duration of pension obligations and expected maturity analysis of undiscounted pension obligations

	2025	2024
Weighted average duration of pension obligations, years	10	11
Expected maturity analysis of undiscounted pension obligations, € million		
Less than 1 year	15.3	15.6
Between 1–10 years	112.8	114.5
Between 10–20 years	94.4	96.1
Between 20–30 years	61.3	62.0
Over 30 years	38.3	40.1
Total	**322.3**	**328.3**

Risks related to pension plan

Asset related risks

The Pension Fund's investments comprise properties, equity index funds, private equity funds, unlisted shares and both long-term and short-term money market investments. The Pension Fund's investment policy defines the investment restrictions pertaining to classes of assets and the allowed investees. The investment plan, annually approved by the Pension Fund board, sets the investment allocation and return targets for the year ahead. The objective of investing activity is to secure a return on the investments and their convertibility into cash, as well as ensuring appropriate diversity and diversification of investments. On an annual basis, the objective is to exceed the Pension Fund's obligation expenses and costs, so that contributions need not be charged to the members. The long-term target return on investment activity is 5.0%. The risks involved in investment activity are managed by continuously monitoring market developments and analysing the adequacy of the return and risk potential of the investments. The returns compared to chosen reference indices and the breakdown of investments are reported on a monthly basis. In 2025, the realised return on investing activity was 6.22%.

If the return on investment assets underperforms the discount rate applied to the calculation of the present value of defined pension obligation, a deficit in the plan may arise. The diversification of assets is aimed to reduce this risk in varying financial conditions. If a deficit is created in the pension plan, such that the pension obligation is not fully covered, Pension

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Fund members are obligated to pay contributions to the Fund in order to cover the obligation. Calculated in compliance with the IAS 19 standard, the amount of plan assets exceeded the plan obligation by €152.3 million as at 31.12.2025. Local rules concerning the Pension Fund may also create a contribution obligation in situations in which the IAS 19 obligation is fully covered. In such a case, the amount of contributions charged increases the amount of pension assets according to IAS 19.

Obligation related risks

In addition to the general level of interest rates, the defined benefit obligation may be impacted by changes in the statutory pension provision, future salary increases, index-based pension increases and changes in life expectancy. The pension promise made to the Fund's beneficiaries is tied to the amount of pensionable salary and it is a lifelong benefit. The total pension amount consists of the statutory pension and the supplementary pension provided by the Fund. Salary increases will increase the future pension amount. If changes in statutory pension provision, such as an increase in the retirement age or reduction of pension provision, were compensated to pensioners by the supplementary pension, the changes would increase the defined benefit obligation. The amount of future pensions is adjusted annually with an index-based increase in accordance with the terms and conditions of the plan. The extension of life expectancy will result in an increase in plan obligation.

Changes in the general level of interest rates and the market yield of high-quality bonds have an impact on the present value of the defined benefit obligation. When the level of interest rates falls, the present value of the defined benefit obligation rises. Because the Pension Fund's investment assets are invested and their return targets are set for long terms, changes in the annual return on investments do not necessarily correlate in the short term with changes in the discount rate applied to the defined benefit obligation.

Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the principal assumptions is presented in the following table.

Actuarial assumption	Change in assumption	Impact on defined benefit obligation, increase	Impact on defined benefit obligation, decrease
2025			
Discount rate	0.50%	-5.16%	5.69%
Salary growth rate	0.50%	0.54%	-0.53%
Pension growth rate	0.50%	4.90%	-4.50%
2024			
Discount rate	0.50%	-5.35%	5.86%
Salary growth rate	0.50%	0.65%	-0.46%
Pension growth rate	0.50%	5.10%	-4.70%

The impacts of sensitivity analysis have been calculated so that the impact of a change in the assumption is calculated while assuming that all other assumptions are constant. In practice, this is unlikely to occur, and changes in some of the assumptions may correlate with each other. The sensitivity of the defined benefit obligation has been calculated using the same method as when calculating the pension obligation recognised within the statement of financial position.

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3.8 Shares in associates and joint ventures

Associates and joint ventures

Associates and joint ventures are treated as equity-accounted investments. The shares in associates and joint ventures are not quoted on the market. Associates and joint ventures are listed in Note 5.1. Related party information is presented in Note 5.2.

Significant joint ventures

The Group has a significant joint venture, UAB Kesko Senukai Lithuania. Kesko Senukai Group engages in building and home improvement trade in Lithuania, Estonia, Latvia and Belarus. The Group's parent company, UAB Kesko Senukai Lithuania, is a limited liability company registered in Lithuania. Kesko Group has a 50.0% holding in Kesko Senukai Group.

UAB KS Holding is a limited liability company registered in Lithuania that engages in real estate development and real estate rental. Its operations are closely related to the operations of Kesko Senukai Group. Kesko Group's holding in KS Holding Group is 50.0%.

Summary of financials of significant joint ventures, € million	31.12.2025	31.12.2024
Current assets	420.9	416.7
Non-current assets	334.5	402.1
Current liabilities	268.6	293.4
Non-current liabilities	209.8	268.8
The above-mentioned balance sheet items contain the following items:		
Cash and cash equivalents	87.4	26.3
Current interest-bearing liabilities	36.3	46.6
Non-current interest-bearing liabilities	209.6	268.7

Summary of financials of significant joint ventures, € million	1.1.–31.12.2025	1.1.–31.12.2024
Net sales	1,127.1	1,199.6
Profit attributable to owners of the parent	39.0	41.8
Group share of profit for the period	19.5	20.9
Share of result of the joint venture consolidated in the consolidated financial statements	19.5	20.9
The above-mentioned income statement items contain the following items:		
Depreciation, amortisation and impairment	-47.7	-56.1
Interest income	4.7	1.1
Interest expense	-7.2	-12.9
Income tax	-6.4	-4.5
Dividends received from joint ventures	-	-16.4

Reconciliation for balance sheet value of joint ventures, € million	2025	2024
Net assets of joint ventures	277.1	256.6
Minority interest in net assets	1.5	20.6
Group interest in net assets	137.5	117.7
Goodwill	19.2	19.2
Fair value allocations	15.0	15.0
Balance sheet value of joint ventures	171.3	151.8

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Significant associates

Mercada Oy is a limited liability company registered in Finland, which operates in real estate investment. Mercada owns, manages and develops retail sites mainly used by Kesko Group in Finland. Kesko Corporation's holding in Mercada is 33.3%. Mercada's three shareholders have equal stakes in the company.

Summary of financials of a significant associate, € million	2025	2024
Current assets	17.0	20.0
Non-current assets	487.7	495.4
Current liabilities	6.9	6.8
Non-current liabilities	453.4	467.9
Equity attributable to equity holders of the parent	44.5	40.8
Net sales	52.0	54.2
Profit for the period	3.7	0.7
Comprehensive income for the period, total	3.7	0.7

Reconciliation for balance sheet value of an associate, € million	2025	2024
Net assets of the associate	44.5	40.8
Group interest in net assets	14.8	13.6
Balance sheet value of the associate	14.8	13.6

Other associates

Summary of financials of other associates, € million	2025	2024
Group share of profit for the period	2.4	3.0
Group share of comprehensive income for the period	2.4	3.0
Balance sheet value of associates in the consolidated statement	77.0	74.3

The table above presents the associates Vähittäiskaupan Takaus Oy and K-Tilipalvelu Oy, which sell services to Kesko and retail companies of K-retailers.

3.9 Provisions

Accounting policies

A provision is recognised when the Group has a present legal or constructive obligation as the result of a past event, and it is probable that an outflow of economic resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Changes in provisions are recognised in the income statement within the same line item in which the provision was originally recognised. The Group's provisions mainly relate to warranty obligations arising from products sold by the Group.

A warranty provision is recognised when a product covered by warranty term is sold. The provision is based on historical information on the actual realisation of warranty expenses.

Key accounting estimates and assumptions

When assessing whether the recognition criteria for provisions are met and when determining the amount of a provision, the Group is required to use estimates regarding the existence and magnitude of the obligation. These estimates may differ from the actual amount and existence of the obligation that will materialise in the future.

€ million	Warranty provisions	Other provisions	Total
Provisions as at 1 Jan. 2025	9.0	10.5	19.5
Foreign exchange effects	-	0.2	0.2
Additional provisions	6.7	5.9	12.6
Unused amounts reversed	-3.6	-1.1	-4.7
Amounts charged against provisions	-2.1	-6.6	-8.7
Provisions as at 31 Dec 2025	10.0	8.8	18.8
Analysis of total provisions			
Non-current	3.4	1.0	4.3
Current	6.6	7.8	14.5

The largest items in other provisions relate to costs of maintenance agreements for vehicles and machines sold by Group companies, property cost for empty store sites, and restructuring costs. The average duration for maintenance agreements is 3–4 years.

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4. CAPITAL STRUCTURE AND FINANCIAL RISKS

4.1 Capital management

The capital management objectives relate to the Group's solvency and liquidity. The capital structure (equity-to-debt ratio) is managed at Group level. The purpose of these targets is to secure liquidity in all market situations, enable strategy implementation, and increase shareholder value. The targets have been set for the performance indicator 'interest-bearing net debt/EBITDA'. Some of the Group's interest-bearing liabilities include covenants, whose terms and conditions have been taken into account in the above target rate. The Group does not have a credit rating from any external credit rating institution.

Target levels for performance indicators are approved by the Board of Directors of Kesko Corporation. On 27 May 2021, the Board confirmed medium-term financial targets: a comparable operating margin of over 6.0% and a comparable return on capital employed of over 14.5%. For financial position, the target is a maximum interest-bearing net debt/EBITDA of 2.50, excluding the impact of IFRS 16.

€ million	2025	2024
Interest-bearing liabilities in the consolidated statement of financial position	3,572.6	3,396.3
- Lease liabilities	2,097.5	2,051.0
- Other current financial assets	-	15.0
- Cash and cash equivalents	166.2	473.1
Interest-bearing net debt excluding lease liabilities	**1,308.9**	**857.2**
Operating profit	631.3	579.5
+ depreciation, amortisation and impairment	239.1	247.9
+ depreciation and impairment charges for right-of-use-assets	359.1	375.5
- lease payments for right-of-use-assets	431.6	453.2
EBITDA excluding the impact of IFRS 16	**798.0**	**749.7**
Interest bearing net debt/EBITDA excluding the impact of IFRS 16	**1.6**	**1.1**

Reconciliation of net debt

The Group determines net debt by deducting the Group's liquid assets, which comprise cash and cash equivalents and other current financial assets, from interest-bearing short-term and long term-liabilities.

The Group had liquid assets of €166.2 million (€488.1 million) on 31 December 2025. Interest-bearing liabilities on 31 December 2025 totalled €3,572.6 million (€3,396.3 million), of which lease liabilities accounted for €2,097.5 million (€2,051.0 million). Interest-bearing net debt totalled €3,406.4 million (€2,908.2 million), and interest-bearing net debt excluding lease liabilities totalled €1,308.9 million (€857.2 million).

€ million	2025	2024
Financial assets at amortised cost (maturing in less than 3 months)	-	185.2
Cash and cash equivalents	166.2	287.9
Other current financial assets	-	15.0
Loans - repayable within one year (including overdraft)	-189.3	-291.3
Lease liabilities - repayable within one year	-344.6	-422.2
Loans - repayable after one year	-1,285.9	-1,054.0
Lease liabilities - repayable after one year	-1,752.9	-1,628.8
Interest bearing net debt	**-3,406.4**	**-2,908.2**

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€ million	Carrying amount as at 1 Jan. 2025	Cash flows	Business acquisitions and divestments	Net changes of lease liabilities	Foreign exchange adjustments	Carrying amount as at 31 Dec. 2025
Lease liabilities due within 1 year	-422.2	358.5	-0.5	-279.6	-0.8	-344.6
Lease liabilities due after 1 year	-1,628.8		-1.4	-119.2	-3.4	-1,752.9
Loans due within 1 year	-291.3	122.1	-20.1		0.0	-189.3
Loans due after 1 year	-1,054.0	-197.6	-34.3		0.1	-1,285.9
Other current financial assets	15.0	-15.0	-		-	-
Cash and overdraft	287.9	-128.1	10.1		-3.7	166.2
Financial assets at amortised cost	185.2	-185.2	-		-	-
Net debt	**-2,908.2**	**-45.4**	**-46.2**	**-398.8**	**-7.8**	**-3,406.4**

€ million	Carrying amount as at 1 Jan. 2024	Cash flows	Business acquisitions and divestments	Net changes of lease liabilities	Foreign exchange adjustments	Carrying amount as at 31 Dec. 2024
Lease liabilities due within 1 year	-350.6	370.9	-3.4	-441.0	1.9	-422.2
Lease liabilities due after 1 year	-1,647.2		-8.7	19.1	8.0	-1,628.8
Loans due within 1 year	-98.5	-191.5	-1.3		0.0	-291.3
Loans due after 1 year	-690.7	-343.1	-20.3		0.0	-1,054.0
Other current financial assets	15.4	-0.4	-		-	15.0
Cash and overdraft	208.6	57.8	21.7		-0.3	287.9
Financial assets at amortised cost	3.3	181.9	-		-	185.2
Net debt	**-2,559.8**	**75.7**	**-11.9**	**-421.9**	**9.7**	**-2,908.2**

4.2 Shareholders' equity

Accounting principles

The Group classifies the instruments it has issued either in equity or in financial liabilities based on their nature. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Expenses related to the issuance or acquisition of equity instruments are presented as an allowance for equity.

If Kesko Corporation acquires equity instruments of its own, their cost is deducted from equity.

The dividend proposed by the Board of Directors to the General Meeting has not been deducted from equity. Instead, dividends are recognised on the basis of the resolution by the General Meeting.

Change in share numbers and equity reserves

	Number of shares						
Share capital	**A**	**B**	**Total**	**Share capital € million**	**Reserve of invested non-restricted equity € million**	**Share premium € million**	**Total € million**
As at 1 January 2024	126,948,028	270,821,483	397,769,511	197.3	197.8	266.9	662.0
Change in treasury shares		186,897	186,897				
As at 31 December 2024	126,948,028	271,008,380	397,956,408	197.3	197.8	266.8	661.9
Change in treasury shares		162,419	162,419				
As at 31 December 2025	**126,948,028**	**271,170,799**	**398,118,827**	**197.3**	**197.8**	**266.8**	**661.9**
Number of votes	**1,269,480,280**	**271,170,799**	**1,540,651,079**				

The number of B shares and the total number of A- and B shares exclude treasury shares, which totalled 1,960,181 (2,122,600).

Treasury shares

On 31 December 2025, the company held a total of 1,960,181 of its own B shares, acquired under authorisations granted by the Annual General Meeting to the Board of Directors during the 2018 financial year. The numbers of shares are presented on a post-split basis following the share split carried out in 2020. The shares are held by the company as treasury shares, and the Board of Directors is authorised to dispose of them. The acquisition cost of the B shares acquired in 2018, totalling €23.9 million, has been recognised as a deduction from retained earnings within equity. The Board of Directors has an authorisation granted by the Annual General Meeting on 24 March 2025, valid until 30 June 2026, to issue up to 33,000,000 B shares and to acquire up to 16,000,000 B shares. Information on share-based payments has been given in Note 5.3.

	pcs
B shares held by the Company as at 31 Dec. 2024	**2,122,600**
Transfer, share-based compensation plan	-163,624
Returned during the period	1,205
B shares held by the Company as at 31 Dec. 2025	**1,960,181**

Dividends

After the balance sheet date, the Board of Directors proposed the distribution of a dividend of €0.90 per share. The dividend distributed for the profit for 2024 was €0.90 per share.

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Equity and reserves

Equity consists of share capital, share premium, reserve of invested non-restricted equity, other reserves, revaluation reserve, currency translation differences and retained earnings net of treasury shares.

Share premium

The amount exceeding the par value of share received by the Company in connection with share subscriptions was recorded in the share premium in cases where options had been granted under the old Limited Liability Companies Act (29 Sept. 1978/734). As at the end of the financial year, the share premium was €197.8 million.

Reserve of invested non-restricted equity

The reserve of invested non-restricted equity, €24.1 million, includes the other equity-related investments and share subscription prices to the extent not designated to be included in share capital.

Other reserves

Other reserves, a total of €242.7 million, have mainly been created and increased as a result of resolutions by the General Meeting. Other reserves mainly comprise contingency reserves to a total amount €242.3 million at the end of the financial year.

Currency translation differences

Currency translation differences arise from the translation of foreign operations' financial statements. Exchange differences arising from monetary items that form a part of a net investment in a foreign operation or exchange differences from loans designated as hedges for foreign net investments and regarded as effective, are also included in currency translation differences. The change in currency translation differences is stated within comprehensive income.

Revaluation reserve

The revaluation reserve includes the effective portion of the change in the fair value of derivatives for which cash flow hedge accounting is applied. Cash flow hedges include electricity derivatives. The change in the reserve is stated within comprehensive income. The result of cash flow hedging has been presented in Note 4.3 Financial risks.

4.3 Financial risks

With respect to financial risk management, the Group follows a uniform treasury policy that has been approved by the Company's Board of Directors. Compliance with the policy and developments in the Group's financial position are monitored by the Board's Audit Committee. The Group Treasury is responsible for the centralised management of the Group's financing activities, liquidity management, relationships with financing counterparties, and the management of financial risks. As a general principle, the Group's financing is obtained through the parent company, and the Group Treasury provides financing for subsidiaries in their functional currencies. For subsidiaries with significant external ownership, guarantees are provided only up to the Group's ownership share.

Foreign exchange risks

Kesko Group operates in eight countries, and also makes purchases from numerous other countries. As a result, the Group is exposed to various foreign exchange risks arising from net investments in foreign operations (translation risks) and from assets, liabilities and forecast transactions (transaction risks) denominated in foreign currencies.

The Group companies' financing is arranged in their functional currencies. The parent company bears the foreign exchange risk and hedges the risk exposure using derivatives or loans denominated in the relevant foreign currencies.

Translation risks

The Group is exposed to foreign currency translation risks from net investments in subsidiaries located outside the euro area.This balance sheet risk has not been hedged. Hedging may be initiated if equity is to be repatriated or if a significant devaluation risk in a given currency is anticipated. The most significant translation exposures relate to the Norwegian krone, the Swedish krona and the Danish krone. Relative to the scale of the Group's operations and balance sheet, translation risk is considered limited.

Translation exposure as at 31 Dec. 2025 € million	DKK	NOK	PLN	SEK
Net investment	325.5	428.2	108.6	346.9

Translation exposure as at 31 Dec. 2024 € million	DKK	NOK	PLN	SEK
Net investment	164.0	418.7	95.6	355.1

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The following table shows how a 10% weakening or strengthening of the functional currencies of Group companies against the euro would affect the Group's equity.

Sensitivity analysis, impact on equity as at 31 Dec. 2025, € million	DKK	NOK	PLN	SEK
Weakening 10%	-29.6	-38.9	-9.9	-31.5
Strengthening 10%	36.2	47.6	12.1	38.5

Sensitivity analysis, impact on equity as at 31 Dec. 2024, € million	DKK	NOK	PLN	SEK
Weakening 10%	-14.9	-38.1	-8.7	-32.3
Strengthening 10%	18.2	46.5	10.6	39.5

Transaction risks

International purchasing and foreign currency denominated financing arranged by the parent to subsidiaries expose the Group to transaction risks in several currencies. The currency-specific transaction risk exposure comprises foreign currency denominated receivables and liabilities in the balance sheet, forecasted foreign currency cash flows, and foreign subsidiaries' liabilities and receivables with respect to the parent. The risk is commercially managed by, for example, transferring exchange rate changes to selling prices, or by replacing suppliers. The remaining exposures are hedged using foreign currency derivatives. The subsidiaries report their foreign exchange exposures to the Group Treasury monthly.

The subsidiaries generally hedge their risk exposures with the Group Treasury, which in turn hedges risk exposures using market transactions within the limits confirmed for each currency. Intra-Group derivative contracts are allocated to the segments in segment reporting.

As a rule, the Group does not apply IFRS 9 hedge accounting to hedge the transaction risk related to purchases and sales. Derivative instruments are initially measured at fair value and they are subsequently remeasured at fair value at the reporting date. The change in fair value of foreign currency derivatives used for hedging purchases and sales is recognised in other operating income or expenses.

Where hedge accounting is applied to hedge purchases, the valuation of derivatives is recognised in the revaluation reserve of equity. Upon maturity, it is treated similarly to the hedged item.

Transaction exposure as at 31 Dec. 2025 € million	DKK	NOK	PLN	SEK	USD
Group's transaction risk	2.6	-3.5	-10.3	-12.1	-0.2
Hedging derivatives	-	-5.1	8.3	7.4	22.1
Open exposure	2.6	-8.6	-2.0	-4.7	21.9

Transaction exposure as at 31 Dec. 2024 € million	DKK	NOK	PLN	SEK	USD
Group's transaction risk	1.8	33.8	-5.6	-44.6	-2.3
Hedging derivatives	-	-42.4	4.2	37.1	36.6
Open exposure	1.8	-8.6	-1.4	-7.6	34.3

The Group monitors the transaction risk exposure for balance sheet items and forecasted cash flows. The table above shows transaction exposure excluding future cash flows. It does not include the Group's actual foreign exchange risk after hedging. When forecasted amounts are included in the transaction exposure, the most significant difference is in the USD exposures, which were €-6.1 million 31 December 2025.

A sensitivity analysis of the transaction exposure shows the impact on profit or loss of a +/-10% exchange rate change in foreign currency denominated receivables and liabilities in the balance sheet, intra-Group receivables and liabilities denominated in foreign currencies and foreign currency derivatives and loans used for hedging.

Sensitivity analysis, impact on pre-tax profit as at 31 Dec. 2025, € million	DKK	NOK	PLN	SEK	USD
Weakening 10%	-0.2	0.8	0.2	0.4	-2.0
Strengthening 10%	0.3	-1.0	-0.2	-0.5	2.4

Sensitivity analysis, impact on pre-tax profit as at 31 Dec. 2024, € million	DKK	NOK	PLN	SEK	USD
Weakening 10%	-0.2	0.8	0.1	0.7	-3.1
Strengthening 10%	0.2	-1.0	-0.2	-0.8	3.8

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Liquidity risk and interest-bearing liabilities

Liquidity risk management aims to maintain sufficient liquid assets and credit facilities in order to ensure the ongoing availability of sufficient financing for the Group's operating activities.

Liquid assets comprise cash and cash equivalents in the balance sheet, financial assets at amortised cost, and current financial assets at fair value through profit or loss. Changes in these balance sheet items are presented in the consolidated statement of cash flows under change in cash and cash equivalents for cash and cash equivalents, and in cash flow from investing activities for other financial assets.

Interest-bearing net debt reconciliation is presented in Note 4.1.

Kesko Corporation has six bilateral loans totalling €800 million. Kesko Corporation has a €300 million unsecured senior green bond that matures on 2 February 2030 and bears an annual interest rate of 3.5%. In addition, Kesko's financing sources include pension loans, commercial paper programmes, and payables to K-retailers, which consist of advance payments and chain rebates. Kesko's Danish subsidiaries have mortgage loans, and credit facilities are used in the car trade leasing business. Kesko's lease liabilities mainly consist of lease agreements for real estate.

At the balance sheet date, the total equivalent of undrawn committed credit facilities was €400 million (€300 million). According to the terms and conditions of loan agreements, at change of control, the lenders have the right to terminate the credit facility and loan amounts possibly drawn. According to the terms and conditions of the loan facility, the change of ownership to retailers or an association of retailers does not constitute a change of control. In addition, the Group's uncommitted financial resources include commercial paper programmes denominated in euros totalling an equivalent of €513 million (€513 million), of which €35 million were in use at the balance sheet date.

At the end of 2025, the interest margins of two bilateral loans, totalling €200 million, incorporated sustainability-linked targets relating to the reduction of greenhouse gas emissions and food waste. For the four bilateral loans amounting to €600 million refinanced during 2025, the sustainability-linked targets will be negotiated once the new climate targets have been approved by the Science Based Targets initiative.

Bilateral loans involve the performance indicator 'interest-bearing net debt/EBITDA, excluding IFRS 16 impact' as a covenant. The indicator was clearly below threshold levels throughout the financial year.

Interest rate risk on loans and sensitivity analysis

Changes in the interest rates affect the Group's interest expense. The objective of the Group's interest rate risk management policy is to mitigate the impact of interest rate fluctuations on profit across reporting periods. In accordance with Kesko's Treasury policy, hedge accounting may be applied to interest rate derivatives.

The interest rate risk is centrally managed by the Group Treasury, which adjusts the duration by using interest rate derivative contracts. The target duration is between 1 and 4 years. The actual duration during the financial year was 1.1 (1.0) years on average.

Hedge accounting is applied to the Group's designated floating-rate loans with respect to interest rate risk. Interest rate swaps are used as hedging instruments. The hedge ratio for the loans subject to hedge accounting is 79%. No hedge ineffectiveness related to these hedges was recognised in profit or loss during the financial year.

During the financial year, Kesko hedged 50% of the fair value of a fixed-rate €300 million bond as part of the management of the loan portfolio's duration. The hedge was executed using an interest rate derivative. Kesko applies fair value hedge accounting to the hedged portion of the bond, whereby changes in the fair value of the hedging instrument and of the hedged portion of the bond are recognised in profit or loss on a matching basis.

The sensitivity analysis calculated at the balance sheet date of 31 December 2025, the effect of variable rate loans on the pre-tax profit would have been €-/+7.0 million (€-/+7.1 million), if the interest rate level had risen or fallen by 1 percentage point.

Pension loans have fixed rates, and their effective interest cost was 1.4%. Other loans from financial institutions have variable interest rates. At the end of the financial year, the average rate of these loans, payables to retailers, and other interest-bearing liabilities was 2.9%.

	31 Dec. 2025				31 Dec. 2024			
€ million	< 1 year	1–5 years	> 5 years	Total	< 1 year	1–5 years	> 5 years	Total
Maturities of financial liabilities and related finance costs								
Loans from financial institutions	**59.3**	**763.5**	**183.6**	**1,006.6**	**193.0**	**563.7**	**164.1**	**920.8**
finance costs	29.8	56.2	13.3	99.3	31.9	38.1	12.9	82.9
Bonds	**-**	**297.3**	**-**	**297.3**	**-**	**-**	**298.0**	**298.0**
finance costs	10.5	42.0	-	52.5	3.5	42.0	10.5	56.0
Pension loans	**8.9**	**11.5**	**-**	**20.3**	**12.0**	**20.3**	**-**	**32.3**
finance costs	0.3	0.2	-	0.5	0.4	0.5	-	0.9
Lease liabilities	**344.5**	**1,016.0**	**737.5**	**2,098.0**	**422.1**	**1,049.1**	**579.7**	**2,051.0**
finance costs	82.4	209.7	98.2	390.3	74.2	172.7	73.9	320.8
Payables to K-retailers	**59.5**	**-**	**-**	**59.5**	**64.7**	**-**	**-**	**64.7**
finance costs	-	-	-	-	-	-	-	-
Other interest-bearing liabilities	**61.6**	**29.3**	**-**	**90.8**	**21.5**	**7.9**	**0.0**	**29.4**
finance costs	0.7	2.9	-	3.5	-	0.4	-	0.4
Non-current non-interest-bearing liabilities	**0.6**	**42.1**	**18.3**	**61.0**	**0.6**	**22.7**	**19.1**	**42.4**
Current non-interest-bearing liabilities								
Trade payables	**1,388.3**			**1,388.3**	**1,404.4**			**1,404.4**
Accrued expenses	**507.7**			**507.7**	**442.4**			**442.4**
Other non-interest-bearing liabilities	**296.7**			**296.7**	**299.0**			**299.0**

Financial liabilities in the balance sheet include €3.3 million (€6.2 million) related to derivatives, of which €2.2 million mature within 12 months. Lease liabilities details are in Note 3.4.

	31 Dec. 2025				31 Dec. 2024			
€ million	< 1 year	1–5 years	> 5 years	Total	< 1 year	1–5 years	> 5 years	Total
Cash flows of derivatives								
Payables								
Foreign currency derivatives	60.2	-	-	60.2	123.3	-	-	123.3
Interest rate derivatives	11.3	33.7	9.5	54.4	4.1	1.5	0.2	5.8
of which derivatives under hedge accounting	10.5	33.4	9.5	53.4	3.1	0.5	0.2	3.8
Electricity derivatives	1.9	1.1	0.0	3.0	2.4	3.0	-	5.5
Receivables								
Foreign currency derivatives	60.5	-	-	60.5	124.6	-	-	124.6
Interest rate derivatives	12.5	37.3	12.0	61.8	5.9	3.6	0.5	10.1
of which derivatives under hedge accounting	10.6	36.6	12.0	59.1	2.9	1.2	0.5	4.6
Electricity derivatives	0.4	0.6	0.0	1.0	1.5	0.8	0.0	2.3

Supply chain financing arrangements

The Group has established a supply chain financing scheme with three banks. In supply chain financing, the supplier leverages the buyer's credit rating when selling its receivables to a financial institution. Once the buyer approves the invoices, the bank pays them to the supplier without a right of recourse, meaning the supplier has quick access to the cash flows related to trade receivables. The Group does not pay commission to the banks for the supply chain financing. The trade payables covered by the scheme mainly concern Finland and the building and technical trade segment. Trade payables covered by the scheme are presented under trade payables on the Group balance sheet. The impact of these trade payables is presented in cash flow from operating activities in change in working capital. Trade payables in the consolidated statement of financial position on 31 December 2025 totalled €1,388.3 million (€1,404.4 million).

Supply chain financing arrangement	2025	2024
Liabilities covered by the scheme	**€ million**	**€ million**
Outstanding payables	307.8	332.4
Payables for which suppliers had received payment	304.9	326.0
Terms of payment	**Payment term, days**	**Payment term, days**
Payables covered by the scheme	14–240	30–240
Payables outside the scheme	7–365	0–360

Credit and counterparty risk

Financial instruments involve the risk of non-performance by counterparties. Credit risk is managed by entering into agreements with financially sound Finnish and foreign banks, financial institutes and brokers, within the counterparty risks limits set in the treasury policy. Financial assets are also invested in money market funds and the bonds, commercial papers and certificates of deposit issued by conservatively selected companies and banks. The limits are reviewed regularly depending on the market situation. Further information about credit and counterparty risk of trade receivables can be found in Note 3.6.

Current interest-bearing receivables and sensitivity analysis

The objective is to invest liquidity consisting of financial assets in the money markets using efficient combinations of return and risk. At regular intervals, the Group's management approves the investment instruments and limits for each counterparty among those analysed by the Group Treasury. The risks and actual returns on investments are monitored regularly.

Financial assets at amortised cost € million	2025	2024
Carrying amount as at 1 January	15.0	15.4
Changes	-15.0	-0.4
Carrying amount as at 31 December	**-**	**15.0**

The financial assets at amortised costs include investments in commercial papers, certificates of deposits and other interest rate instruments.

In the sensitivity analysis of floating rate receivables, balances of invested assets at balance sheet date have been used. The receivables include customer financing receivables, other interest-bearing receivables, and investments in money market funds. The sensitivity of money market funds has been determined based on duration. If the interest rates had changed by +/-1 percentage point, the effect of these items on the pre-tax profit would have been €+/-1.4 million (€+/-2.6 million).

Maturity of non-current receivables

31 Dec. 2025, € million	2027	2028	2029	2030	2031–	Total
Non-interest-bearing non-current receivables	3.4	1.7	0.8	0.7	3.4	10.0
Loans and receivables from associates and joint ventures	1.5	-	-	-	56.0	57.5
Other non-current receivables	0.8	-	-	-	-	0.8
Total	**5.7**	**1.7**	**0.8**	**0.7**	**59.4**	**68.2**

The carrying amount of non-interest-bearing non-current receivables equals their fair value.

31 Dec. 2024, € million	2026	2027	2028	2029	2030–	Total
Non-interest-bearing non-current receivables	2.6	2.3	0.2	0.0	1.9	7.1
Loans and receivables from associates and joint ventures	0.5	1.5	-	-	56.0	58.0
Other non-current receivables	0.8	0.0	-	-	-	0.8
Total	**3.8**	**3.9**	**0.2**	**0.0**	**57.9**	**65.9**

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Commodity risks and their sensitivity analysis

The Group uses electricity derivatives for the purpose of balancing out energy costs. The electricity price risk is assessed for five-year periods. The changes in the fair values of derivatives hedging the price of electricity supplied during the financial year are recognised within adjustments to purchases. Hedge accounting is applied to contracts hedging future purchases. Hedge accounting is applied in accordance with IFRS 9 to hedge the risk component. The effective portion of the change in the value of derivatives that qualify for hedge accounting is recognised in the revaluation reserve of equity. The change in the revaluation reserve recognised in equity is presented in the statement of comprehensive income under Revaluation of cash flow hedge.

As at the balance sheet date, a total quantity of 1,805,225 MWH (1,314,163 MWH) of electricity had been purchased with electricity derivatives and 744,103 MWH (851,126 MWH) under fixed price purchase agreements. The 1–12 month hedging level for system price was 80% (84%), the 13–24 month level was 69% (75%), the 25–36 month level was 55% (61%), the 37–48 month level was 43% (38%), and the 49–60 month level was 26% (20%).

The sensitivity analysis of electricity derivatives assumes that derivatives maturing in less than 12 months have an impact on profit. If the market price of electricity derivatives changed by -/+20% from the balance sheet date 31 December 2025, it would contribute €-/+3.2 million (€-/+3.2 million) to the 2026 income statement and €-/+6.4 million (€-/+5.8 million) to equity. The impact has been calculated before taxes.

Result of cash flow hedging

	2025		2024	
€ million	Interest rate hedging of interest-bearing loans	Hedging of the price of electricity	Interest rate hedging of interest-bearing loans	Hedging of the price of electricity
Fair value as at 1 Jan. excluding deferred taxes	0.8	-3.2	-0.3	5.7
Acquisitions	-	-	1.9	-
Booked to income statement	0.4	1.5	-1.3	-0.2
Change in fair value	2.5	-0.3	0.4	-8.6
Fair value as at 31 Dec. excluding deferred taxes	3.7	-2.0	0.8	-3.2

Derivatives

Fair values of derivative contracts € million	31 Dec. 2025 Positive fair value (balance sheet value)	31 Dec. 2025 Negative fair value (balance sheet value)	31 Dec. 2024 Positive fair value (balance sheet value)	31 Dec. 2024 Negative fair value (balance sheet value)
Interest rate derivatives	56.8	-51.9	9.3	-5.6
Foreign currency derivatives	0.4	-0.1	1.6	-0.2
Electricity derivatives	1.0	-3.0	2.3	-5.5

Notional principal amounts of derivative contracts € million	31 Dec. 2025	31 Dec. 2024
Interest rate derivatives	1,135.3	467.0
Foreign currency derivatives	60.6	124.9
Electricity derivatives	47.7	45.4

The fair values of derivatives are presented as gross amounts. Kesko has entered into netting arrangements under ISDA contracts with all bank counterparties engaged in transactions with derivatives. All of these contracts provide for mutual posting of collateral. The threshold for posting a collateral had not been exceeded at the balance sheet date. Analysed by counterparty, derivative financial liabilities could be set off in a total of €0.3 million.

The maximum credit risk from derivatives is the fair value of the balance sheet at the reporting date.

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4.4 Finance income and expenses

€ million	2025	2024
Interest income and other finance income		
Income on investments at amortised cost	0.5	1.2
Interest income on loans and receivables	13.7	16.0
Income on investments at fair value through profit or loss	0.0	0.0
Other finance income	0.6	0.5
Total interest income and other finance income	14.9	17.7
Interest expense and other finance costs		
Interest expense on financial liabilities at amortised cost	-42.7	-49.1
Interest expense on financial liabilities at fair value through profit or loss	-5.4	-
Losses on investments at amortised cost	-	0.1
Losses on investments at fair value through profit or loss	-0.1	-0.3
Other finance costs	-1.3	-0.1
Total interest expense and other finance costs	-49.6	-49.5
Interest expense for lease liabilities	-89.4	-78.6
Exchange differences		
Exchange differences and changes in fair values of derivatives, loans denominated in foreign currencies not qualifying for hedge accounting, and cash at bank	-1.2	-1.3
Total exchange differences	-1.2	-1.3
Total finance income and costs	**-125.4**	**-111.7**

4.5 Financial assets and liabilities by category

Accounting policies

Financial assets

The Group classifies financial assets into three groups in accordance with IFRS 9. Financial assets are classified either as instruments measured at amortised cost, or as instruments measured at fair value through profit or loss or in other comprehensive income, depending on the business model objectives and cash flows based on agreements.

Regular way purchases or sales of financial assets are recognised on settlement date. Financial assets are classified as non-current, if their maturity exceeds 12 months after the balance sheet date. If financial assets are expected to be settled within 12 months, they are classified as current. Financial assets are derecognised when the rights to receive cash flows from the financial asset have expired or been transferred from the Group, and when the risks and rewards of ownership have been transferred from the Group.

Financial assets at amortised cost and financial assets at fair value are only invested in counterparties deemed creditworthy. The impairment model for expected credit losses in line with the standard requires credit losses to be recognised with a forward-looking approach. As for other financial assets, lacking historical credit losses, counterparty risk is monitored actively and credit losses are recognised if risk is observed.

Financial assets at amortised cost

Financial assets at amortised cost consist of assets that are to be held to maturity and whose cash flows consist solely of payments of principal and interest. Financial assets at amortised cost also include trade receivables and other receivables.

Financial assets at fair value

Financial assets at fair value in other comprehensive income comprise derivatives that meet the hedge accounting criteria. Financial assets that do not meet the criteria of the other groups are classified as financial assets measured at fair value through profit or loss.

Level 1 instruments are traded in active markets and their fair values are directly based on quoted market prices. The fair values of level 2 instruments are derived from market data.

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The fair value of level 3 instruments is not based on observable market data (inputs not observable).

Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits with banks as well as liquid funds measured at amortised cost which are invested in instruments with maturities of less than three months from acquisition. Investments in money market funds recognised at fair value through profit or loss, for which liquidity is assessed as very good, are also classified as cash and cash equivalents. The cash and cash equivalents in the consolidated balance sheet also include amounts relating to the retail operations of the group companies, used as cash floats in stores, or amounts being transferred to the respective companies.

Financial liabilities

Financial liabilities have initially been recognised at fair value, net of transaction costs. In the financial statements, financial liabilities are measured at amortised cost using the effective interest rate method. The portion of the fixed-rate bond that is designated in the fair value hedge relationship is measured at fair value through profit or loss. Arrangement fees paid on the establishment of loan facilities and financial liabilities are amortised over the period of the facility to which it relates. Financial liabilities having maturities of more than 12 months after the balance sheet date are classified as non-current liabilities. Those maturing within 12 months after the balance sheet date are classified as current liabilities.

Derivative financial instruments and hedge accounting

Derivative contracts are initially recognised in the balance sheet at fair value and are subsequently remeasured to fair value at each reporting date. The recognition of changes in the fair value of derivatives depends on whether the derivative instrument qualifies for hedge accounting or not and, if so, on the hedged item. When entered into, derivative contracts are treated either as fair value hedges of receivables or liabilities, or in the case of interest rate risk and electricity price risk, as cash flow hedges, as hedges of net investments in a foreign entity, or as derivative contracts that do not meet the hedge accounting criteria. If the hedge accounting criteria are not met, the results of instruments hedging a commercial foreign exchange risk are recognised in profit or loss within other operating income or expenses. Concerning derivatives hedging financial transactions, the amount to be recognised in the income statement is included in financial items.

When a hedging arrangement is entered into, the relationship between the hedged item and the hedging instrument, as well as the objectives of the Group's risk management are documented. The effectiveness of the hedge relationship is tested regularly and the effective portion is recognised, according to the nature of the hedged item, against the change in the fair value of the hedged item, in translation differences in equity, or in the revaluation reserve in case of cash flow hedge and in financial items in case of fair value hedge. The ineffective portion is recognised, according to its nature, either in financial items or other operating income and expenses.

Hedge accounting is discontinued when the hedging instrument expires or is sold, or when the contract is terminated or exercised. Any cumulative gain or loss existing in equity from cash flow hedge accounting at that time remains in equity until the forecast transaction has occurred.

Measurement principles

The fair value of forward rate agreements is determined by reference to the market prices at the balance sheet date. The fair value of interest rate swaps is calculated on the basis of the present value of future cash flows, using the market prices at the balance sheet date. The fair value of foreign exchange forward contracts is determined by measuring the forward contracts at the forward rate at the balance sheet date. Currency options are measured using the counterparty's price quotation, but the Group also verifies the price by applying the Black–Scholes method. Electricity derivatives are measured at fair value using the market quotations at the balance sheet date.

Hedging a net investment in foreign operations

During the financial year, the Group has not hedged net investments in foreign operations. If a hedge is initiated, the Group applies hedge accounting in accordance with IFRS 9 to hedge foreign currency net investments in foreign operations. Foreign exchange forward contracts or foreign currency loans are used as hedging instruments. Spot price changes in foreign exchange forward contracts are recognised in translation differences under equity, and disclosed in other comprehensive income. The premiums of forward contracts are recognised as income under financial items. The exchange difference of foreign currency loans is recognised in translation differences under equity. When a foreign operation is partially or wholly disposed of or wound up, cumulative gains or losses from the hedging instruments are recognised in profit or loss.

As at 31 December 2025

Balance, € million	Fair value through profit or loss	Amortised cost	Fair value through other comprehensive income	Carrying amount	Fair value	Level 1	Level 2	Level 3
Non-current financial assets								
Other investments	15.7		-	15.7	15.7			15.7
Non-current receivables		62.8		62.8	62.8			
Non-current receivables, derivatives	1.1		4.3	5.4	5.4		5.4	
Current financial assets								
Trade receivables		1,014.8		1,014.8	1,014.8			
Other receivables		309.3		309.3	309.3			
Other receivables, derivatives	0.7		0.4	1.1	1.1		1.1	
Cash and cash equivalents	-	166.2	-	166.2	166.2		-	
Total financial assets	**17.5**	**1,553.1**	**4.7**	**1,575.3**	**1,575.3**		**6.5**	**15.7**

Balance, € million	Fair value through profit or loss	Amortised cost	Fair value through other comprehensive income	Carrying amount	Fair value	Level 1	Level 2	Level 3
Non-current financial liabilities								
Non-current interest-bearing liabilities	148.0	1,137.8		1,285.9	1,299.3		148.0	
Non-current lease liabilities		1,752.9		1,752.9	1,752.9			
Non-current non-interest-bearing liabilities		59.9		59.9	59.9			
Non-current non-interest-bearing liabilities, derivatives	0.1		0.9	1.1	1.1		1.1	
Current financial liabilities								
Current interest-bearing liabilities		189.3		189.3	189.3			
Current lease liabilities		344.6		344.6	344.6			
Trade payables		1,388.3		1,388.3	1,388.3			
Other non-interest-bearing liabilities		802.2		802.2	802.2			
Other non-interest-bearing liabilities, derivatives	0.1		2.0	2.2	2.2		2.2	
Total financial liabilities	**148.3**	**5,674.9**	**3.0**	**5,826.2**	**5,839.7**		**151.3**	

As at 31 December 2024

Balance, € million	Fair value through profit or loss	Amortised cost	Fair value through other comprehensive income	Carrying amount	Fair value	Level 1	Level 2	Level 3
Non-current financial assets								
Other investments	14.8		-	14.8	14.8			14.8
Non-current receivables		61.0		61.0	61.0			
Non-current receivables, derivatives	3.0		1.9	4.9	4.9		4.9	
Current financial assets								
Trade receivables		957.9		957.9	957.9			
Other receivables		288.1		288.1	288.1			
Other receivables, derivatives	1.6		1.7	3.3	3.3		3.3	
Other financial assets	-	15.0	-	15.0	15.0		-	
Cash and cash equivalents	-	473.1	-	473.1	473.1		-	
Total financial assets	**19.4**	**1,795.0**	**3.6**	**1,817.9**	**1,817.9**		**8.2**	**14.8**

Balance, € million	Fair value through profit or loss	Amortised cost	Fair value through other comprehensive income	Carrying amount	Fair value	Level 1	Level 2	Level 3
Non-current financial liabilities								
Non-current interest-bearing liabilities		1,054.0		1,054.0	1,055.7			
Non-current lease liabilities		1,628.8		1,628.8	1,628.8			
Non-current non-interest-bearing liabilities		39.6		39.6	39.6			
Non-current non-interest-bearing liabilities, derivatives	0.0		2.8	2.8	2.8		2.8	
Current financial liabilities								
Current interest-bearing liabilities		291.3		291.3	291.2			
Current lease liabilities		422.2		422.2	422.2			
Trade payables		1,404.4		1,404.4	1,404.4			
Other non-interest-bearing liabilities		738.1		738.1	738.1			
Other non-interest-bearing liabilities, derivatives	0.2		3.1	3.4	3.4		3.4	
Total financial liabilities	**0.2**	**5,578.3**	**6.0**	**5,584.5**	**5,586.1**		**6.2**	

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Non-current interest-bearing liabilities valued at fair value through profit or loss, amounting to €148.0 million, include the portion of the bond subject to fair value valuation.

In addition to cash on hand and deposits with banks, cash and cash equivalents include liquid assets measured at amortised cost due in less than three months from acquisition, which amounted to €0.0 million (€185.2 million).

Non-current receivables from associates and joint ventures contain the shareholder loan granted to Mercada Oy.

Deferred tax assets, income tax receivables, deferred tax liabilities and income tax liabilities are not classified as financial assets or financial liabilities and are not included in the table above. Prepayments received of €40.2 million (€43.4 million) are not classified as financial liabilities and are not included in the table above in other non-interest-bearing liabilities.

The fair values of loans from financial institutions have been calculated based on the present value of future cash flows using the 1.9%–2.7% market rates of interest of the balance sheet date. The fair value of current interest-bearing liabilities has been estimated to approximately equal their balance sheet value. The maturity structure of non-current loans has been presented in Note 4.3.

Changes in level 3 instruments, € million	2025	2024
Shares and interests as at 1 January	14.8	14.0
Purchases	1.5	0.8
Gains and losses through profit or loss	-0.5	-0.1
Changes in fair value	-0.0	-0.0
Shares and interests as at 31 December	**15.7**	**14.8**

Level 3 includes other shares and interests. These investments have been classified as financial assets at fair value through profit or loss. Level 3 financial assets are measured based on calculations received from the companies. A loss of €0.5 million has been recorded on these investments for the financial year 2025.

4.6 Commitments and contingencies

€ million	2025	2024
Collateral given for own commitments		
Pledges	9.0	9.0
Mortgages	285.7	222.9
Guarantees	13.1	12.3
Other commitments and contingent liabilities	110.2	66.3
Collateral given for others		
Guarantees	-	-
Other commitments and contingent liabilities	-	-

The guarantees given do not include guarantees related to the items presented within liabilities in the consolidated statement of financial position or as a lease commitments presented in Note 3.4. Mortgages for the comparison period has been adjusted.

Guarantee maturities are €1.7 million in 2026 and €11.4 million from 2027 onwards.

Leases not commenced yet but to which the Group is committed are presented in Note 3.4.

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5. OTHER

5.1 Subsidiaries, associates, joint ventures and proportionately consolidated mutual real estate companies

Subsidiaries

Owned by the parent	Domicile	Group's ownership interest, %	Parent's ownership interest, %
Ankkuri-Energia Oy	Helsinki, Finland	100.00	100.00
Asunto Oy Kirkkonummen Västeruddintie 33	Kirkkonummi, Finland	100.00	100.00
Asunto Oy Porvoon Taiteilija	Porvoo, Finland	100.00	100.00
Byggmakker Handel AS	Oppegård, Norway	100.00	100.00
Davidsen Koncernen A/S	Vojens, Denmark	90.00	90.00
Fiesta Real Estate AS	Tallinn, Estonia	100.00	100.00
Intersport Finland Oy	Helsinki, Finland	100.00	100.00
Kalatukku E. Eriksson Oy	Helsinki, Finland	100.00	100.00
K Auto Oy	Helsinki, Finland	100.00	100.00
Kesko AB	Stockholm, Sweden	100.00	100.00
KESKO EIENDOM AS	Oppegård, Norway	100.00	100.00
Kesko Export Oy	Helsinki, Finland	100.00	100.00
Kiinteistöosakeyhtiö Varkauden Kauppakatu 29	Varkaus, Finland	52.29	52.29
Kiinteistö Oy Aittokulma	Jyväskylä, Finland	100.00	100.00
Kiinteistö Oy Espoontori	Espoo, Finland	100.00	100.00
Kiinteistö Oy Espoon Asemakuja 2	Espoo, Finland	100.00	100.00
Kiinteistö Oy Espoon Asematori	Espoo, Finland	54.12	54.12
Kiinteistö Oy Eteläkoivulan Kauppakeskus	Pori, Finland	78.45	78.45
Kiinteistö Oy Harjantauksentie 11	Kotka, Finland	100.00	100.00
Kiinteistö Oy Helsingin Itäkeskus	Helsinki, Finland	100.00	100.00
Kiinteistö Oy Hiukkavaaran Kauppa	Oulu, Finland	100.00	100.00
Kiinteistö Oy Hyvinkään Onnela	Helsinki, Finland	100.00	100.00
Kiinteistö Oy Iso-Valkeinen	Kuopio, Finland	100.00	100.00
Kiinteistö Oy Kittilän Säästökulma	Helsinki, Finland	100.00	100.00
Kiinteistö Oy Kokkolan Kaanaanmaantie 2-4	Kokkola, Finland	64.78	64.78
Kiinteistö Oy Kuopion Tulliportinkatu 33	Kuopio, Finland	100.00	100.00
Kiinteistö Oy Mariannen Liiketila	Helsinki, Finland	100.00	100.00
Kiinteistö Oy Pontsonkulma	Helsinki, Finland	94.60	94.60
Kiinteistö Oy Ravattulan Kauppakeskus	Helsinki, Finland	100.00	100.00
Kiinteistö Oy Riistaveden Keskustie 15	Helsinki, Finland	79.50	79.50
Kiinteistö Oy Sunan Hallitalo	Helsinki, Finland	100.00	100.00
Kiinteistö Oy Tarkkaiikka	Oulu, Finland	100.00	100.00
Klintcenter Ab	Mariehamn, Åland	100.00	100.00
Koskelan Ostokeskus Oy	Oulu, Finland	58.64	58.64
K-Liikenneasema Oy	Helsinki, Finland	100.00	100.00
Onninen Oy	Helsinki, Finland	100.00	100.00
Peltosaaren Liikekeskus Oy	Riihimäki, Finland	59.67	59.67
Reinin Liha Oy	Helsinki, Finland	100.00	100.00
Saunakallion Ostoskeskus Oy	Järvenpää, Finland	100.00	100.00
Vallmo Tikkuri Oy	Helsinki, Finland	100.00	100.00

Owned by other Group companies	Domicile	Group's ownership interest, %	Parent's ownership interest, %
BREIFLÅTVEIEN 15/21 AS	Skedsmokorset, Norway	100.00	
Davidsen A/S	Vojens, Denmark	90.00	
Davidsen Ejendomme A/S	Vojens, Denmark	90.00	
Davidsen Midt A/S	Skive, Denmark	90.00	
Davidsen Nord A/S	Nykøbing Mors, Denmark	90.00	
Davidsen Øst A/S	Køge, Denmark	90.00	
Davidsen Øst Ejendomme A/S	Køge, Denmark	90.00	
Ejendomsselskabet Hedelandsvej 10-12 Herning ApS	Skive, Denmark	90.00	
Ejendomsselskabet Neptunvej 1 Ikast ApS	Skive, Denmark	90.00	
Espoontorin Pysäköintitalo Oy	Espoo, Finland	82.46	
JØSSANGVEGEN 5 AS	Jørpeland, Norway	100.00	
K Auto AC Oy	Helsinki, Finland	100.00	
K Auto PC Oy	Helsinki, Finland	100.00	
K Auto Leasing Oy	Helsinki, Finland	100.00	
K Auto Retail Oy	Helsinki, Finland	100.00	
KESKO EIENDOM BERGEN AS	Oppegård, Norway	100.00	
Kesko Onninen International Trading Co., Ltd	Shanghai, China	100.00	
Kestra Kiinteistöpalvelut Oy	Helsinki, Finland	100.00	
Kiinteistö Oy Tikkurilan Kauppakeskus	Vantaa, Finland	98.84	
Kiinteistö Oy Raha-asema	Vantaa, Finland	60.00	
KR Fastigheter i Järfälla AB	Sollentuna, Sweden	100.00	
KR Fastigheter i Täby AB	Sollentuna, Sweden	100.00	
K-Bygg Försäljning AB	Segeltorp, Sweden	100.00	
K-Bygg Sverige AB	Östersund, Sweden	100.00	
K-Rauta Holding Finland Oy	Helsinki, Finland	100.00	
Mark & Infra i Sverige AB	Täby, Sweden	100.00	
MIN BUTIK ApS	Vojens, Denmark	90.00	
Olarin Autokiinteistö Oy	Espoo, Finland	100.00	
Onninen AS	Skedsmo, Norway	100.00	
Onninen AS	Tallinn, Estonia	100.00	
Onninen SIA	Riga, Latvia	100.00	
Onninen Sp. z o.o.	Warsaw, Poland	100.00	
Onninen UAB	Vilnius, Lithuania	100.00	
ØRBRADDEN 3/5 AS	Vefsn, Norway	100.00	

Owned by other Group companies	Domicile	Group's ownership interest, %	Parent's ownership interest, %
Sport1 Flokkmann Mosjøen AS	Mosjøen, Norway	100.00	
T-24 ApS	Kolding, Denmark	90.00	
VESTRE ROSTEN 97 AS	Oppegård, Norway	100.00	
Zenitec Sweden AB	Hästvdeda, Sweden	100.00	
Övik Låsteknik AB	Örnsköldsvik, Sweden	100.00	

Associates and joint ventures

Associates and joint ventures are consolidated using the equity method.

Owned by the parent	Domicile	Group's ownership interest, %	Parent's ownership interest, %
Graanin Liikekeskus Oy	Mikkeli, Finland	50.00	50.00
Kesko Senukai Lithuania UAB	Vilnius, Lithuania	50.00	50.00
Kiinteistö Oy Itäaukio	Lahti, Finland	26.20	26.20
Kiinteistö Oy Janakkalan Linnatuuli	Janakkala, Finland	29.86	29.86
Kiinteistö Oy Joensuun Kaupunginportti	Joensuu, Finland	22.77	22.77
K-Tilipalvelu Oy	Helsinki, Finland	30.00	30.00
Mercada Oy	Helsinki, Finland	33.33	33.33
Munkki Holding Oy	Helsinki, Finland	50.00	50.00
Vähittäiskaupan Takaus Oy	Helsinki, Finland	42.84	42.84

Owned by other Group companies	Domicile	Group's ownership interest, %	Parent's ownership interest, %
Proffsenteret AS	Honefoss, Norway	34.11	
Proffsenteret Eiendom AS	Honefoss, Norway	34.11	
KS Holding UAB	Vilna, Liettua	50.01	

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Owned by the parent and others	Domicile	Group's ownership interest, %	Parent's ownership interest, %
Asunto Oy Harjutie	Espoo, Finland	20.80	20.80
Asunto Oy Helsingin Strorken	Helsinki, Finland	25.42	25.42
Asunto Oy Naantalin Tullinkulma	Naantali, Finland	24.45	24.45
Asunto Oy Soukan Itäinentorni	Espoo, Finland	46.60	46.60
Asunto-Oy Punkalaitumen Pankkitalo	Punkalaidun, Finland	33.82	33.82
Itäkeskuksen Pysäköintitalo Oy	Helsinki, Finland	36.16	36.16
Kiinteistö Oy Iso Roobertinkatu 20-22	Helsinki, Finland	25.64	25.64
Kiinteistö Oy Lahden Lyhytkatu 1	Lahti, Finland	50.00	50.00
Kiinteistö Oy Lukonmäen Palvelukeskus	Tampere, Finland	34.54	34.54
Kiinteistö Oy Taidetehtaanparkki	Porvoo, Finland	24.06	24.06
Kiinteistö Oy Ulvilan Hansa	Ulvila, Finland	43.47	43.47
Kiinteistö Oy Vantaanportin Liikekeskus	Vantaa, Finland	27.81	27.81
Lapin Tehdastalo Oy	Tampere, Finland	21.24	21.24
Munkkivuoren Ostoskeskus Oy	Helsinki, Finland	50.00	
Raksilan Paikoitus Oy	Oulu, Finland	33.33	33.33
Talo Oy Kalevanpuisto	Kuopio, Finland	47.60	47.60
Voisalmen Ostoskeskus Oy	Lappeenranta, Finland	50.00	50.00

5.2 Related party transactions

The Group's related parties include its management (the Board of Directors, President and CEO and the Group Management Board) and the companies controlled by them, their family members and companies controlled by the family members, Kesko's subsidiaries, associates and joint ventures, and Kesko Pension Fund. The subsidiaries, associates and joint ventures are listed in Note 5.1.

The related party transactions disclosed consist of such transactions carried out with related parties that are not eliminated in the consolidated financial statements.

Some members of the Kesko Board are K-retailers. The Group companies sell goods and services to companies controlled by them. Goods and services have been sold to and purchased from related parties on normal market terms and conditions and at market prices.

Kesko reports Kesko Senukai Group and KS Holding Group that are part of Kesko's building and technical trade segment, as joint ventures using the equity method.

The associated company consolidated using the equity method, Mercada Oy, owns properties which have been leased for use by the Group. Vähittäiskaupan Takaus Oy and K-tilipalvelu Oy sell their services to Kesko's and K-retailers' retail companies. The other associates mainly comprise real estate companies. Mutual real estate companies have been consolidated in the financial statements in proportion to their ownership interests.

Kesko Pension Fund is a stand-alone legal entity which manages the majority of the pension assets related to the voluntary pensions of the Group's employees in Finland. At the end of 2025 or 2024, the pension assets did not include Kesko Corporation shares. Properties owned by Pension Fund have been leased to Kesko Group. During the financial years 2025 and 2024 Kesko Group did not pay contributions to Pension Fund.

The following transactions were carried out with related parties:

Income statement	Associates and joint ventures		Board and management		Pension Fund	
€ million	2025	2024	2025	2024	2025	2024
Sales of goods	7.6	8.2	84.8	85.3	-	-
Sales of services	5.1	4.6	0.7	0.7	0.2	0.3
Purchases of goods	-	-	-13.0	-10.4	-	-
Purchases of services	-0.1	-0.1	-	-	-	-
Other operating income	1.2	1.2	16.4	16.5	-	-
Other operating costs	-4.2	-4.3	-0.2	-0.2	-0.1	-0.1
Finance income	5.7	6.0	-	-	-	-
Finance expenses	-	-	-	-	-0.1	-0.2

Balance sheet	Associates and joint ventures		Board and management		Pension Fund	
€ million	2025	2024	2025	2024	2025	2024
Current receivables	2.3	6.0	6.3	8.7	1.2	-
Non-current receivables	57.5	58.0	-	-	-	-
Current liabilities	8.1	7.8	1.3	1.2	4.7	6.4

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Items related to leases	Associates and joint ventures		Board and management		Pension Fund	
€ million	2025	2024	2025	2024	2025	2024
Cash flow from leases	38.4	40.7	-	-	6.3	6.2
Lease liabilities	282.1	197.1	-	-	31.8	36.7

At the balance sheet date, receivables arisen from Kesko's sales to companies controlled by the Board members were €6.3 million (€8.7 million). The receivables are collateralised by a commercial credit granted by Vähittäiskaupan Takaus Oy, a Kesko associate, with the maximum amount always limited to the maximum realisable value of the counter security from the K-retailer company and entrepreneur to Vähittäiskaupan Takaus. At the end of the financial year, the value of the counter security was €7.8 million (€7.3 million).

Non-current receivables from associates and joint ventures contain the shareholder loan granted to Mercada Oy. Current receivables include €0.5 million financing loan granted to UAB Kesko Senukai Lithuania. Other current liabilities include, for example, chain rebate payables to companies controlled by the Kesko Board members. Chain rebates are paid retrospectively based on criteria related to annual purchases and the quality of operations.

The Group's associated company Vähittäiskaupan Takaus Oy distributed dividends of €5.5 million to Kesko Corporation in 2025.

Management's employee benefits

The top management comprises the Board of Directors and the Group Management Board. The compensation paid to them for their employee services consists of the following items:

Monetary salaries, fees, fringe benefits and share-based compensation €1,000		2025	2024
Jorma Rauhala	President and CEO as of 1.2.2024	2,008.0	1,186.6
Mikko Helander	President and CEO until 31.1.2024	-	2,084.5
Group Management Board	other members	3,975.0	3,895.9
Esa Kiiskinen	Board Chairman	133.8	122.0
Timo Ritakallio	Board Deputy Chairman as of	85.8	62.0
Tiina Alahuhta-Kasko	Board member as of 24.3.2025	60.4	-
Jannica Fagerholm	Board member	87.0	79.8
Pauli Jaakola	Board member as of 26.3.2024	61.0	55.4
Piia Karhu	Board member	64.0	60.2
Jussi Perälä	Board member	61.0	56.6
Peter Fagernäs	Board Deputy Chairman until 24.3.2025	2.4	73.8
Toni Pokela	Board member until 26.3.2024	-	1.2
Total		**6,538.4**	**7,678.1**

Approximately 30% of the annual fees for Board members was paid in shares in the company and the remaining fee was paid in cash. The members of the Board of Directors were granted 7,134 Kesko Corporation B shares in 2025. The figures in the table are presented as payment-based. Remunerations to be paid in the later years are not included in the figures. In 2024, Mikko Helander was paid monetary salary, fees, fringe benefits and share-based compensation in accordance with the agreement concerning his service relationship up until 31 December 2024.

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Retirement benefits

The statutory pension provision for the President and CEO and other members of the Group Management Board is provided through a pension insurance company. The President and CEO, Jorma Rauhala, is covered by a defined benefit supplementary pension plan granted by the Kesko Pension Fund, with a retirement age of 65. The defined benefit old-age pension amounts to 66% of the pensionable earnings under the Employees' Pensions Act (TyEL) based on the last 10 years of employment. No contribution was paid to the President and CEO's supplementary pension in the 2025 financial year. Due to a surplus, the accrued IFRS pension cost for the supplementary pension benefit was a positive €0.1 million (€0.1 million). The accrued pension cost for the President and CEO's statutory pension provision was €0.2 million (€0.2 million). Two Group Management Board members are covered by a defined benefit supplementary pension in accordance with the rules of Kesko Pension Fund and their personal service contracts. Five Group Management Board members are covered by defined contribution supplementary pension arrangements.

Share awards

During the reporting period 2025 members of the Group Management Board were granted 109,145 shares based on the PSP 2023–2026, while the maximum number of shares to be granted was 279,860. The number of shares represents gross earnings, from which withholding tax and transfer tax are deducted. During the reporting period 2024 members of the Group Management Board were granted 99,428 shares based on the PSP 2022–2025. The number of shares represents gross earnings, from which withholding tax and transfer tax are deducted.

Termination benefits

If the service contract of the President and CEO or some other Group Management Board member is terminated by the Company, he/she is entitled to a monetary salary and fringe benefits for the period of notice and a separate non-recurring termination compensation determined on the basis of the executive's monetary salary and fringe benefits for the month of notice. The termination compensation is not part of the executive's salary and it is not included in the determination of the salary for the period of notice, termination compensation or, in case of retirement, pensionable salary. If an executive resigns, he/she is only entitled to a salary for the period of notice and fringe benefits. When a service relationship terminates due to retirement, the executive is paid a pension based on his/her service contract without other compensations.

Shareholdings

At 31 December 2025 the President and CEO held 254,443 Kesko Corporation B shares, which represented 0.06% of the total number of shares and 0.02% of votes carried by all shares of the Company. At 31 December 2025, the Group Management Board including the President and CEO held 2,824 Kesko Corporation A shares and 635,757 Kesko Corporation B shares, which represented 0.16% of the total number of shares and 0.04% of votes carried by all shares of the Company.

5.3 Share-based compensation

Accounting policies

The costs relating to share-based payments are recorded in the income statement and the corresponding liability for share-based payments settled in cash is recognised in the balance sheet. For equity-settled share-based payment transactions, an increase corresponding to the expensed amount is recorded in equity.

The Company's Board of Directors has granted a share-based compensation plan to management under which an award consisting of B series shares and an amount in cash is paid upon fulfilling the plan's terms. The fair value of the award paid in shares is the value of the share at the grant date and it is recognised as an expense on a straight-line basis over the vesting and commitment period of the plan. The expensed amount is based on the Group's estimate of the amount of award payable in shares at the end of the vesting period. The effects of non-market conditions are not included in the fair value of the awards. Instead, they are accounted for in the assumptions of the number of shares expected to vest at the end of the vesting period. A cash component is paid to cover the taxes and tax-like charges incurred under the award. The cash component is recognised as an expense during the vesting period. Changes in estimates are recorded in the income statement.

As of 1.1.2018 cash-settled share-based payments for which the employer shall deduct, on behalf of the employee, from the share award such number of shares which covers taxes and tax-like charges paid in cash, shall be classified in their entirety as equity-settled share-based payments.

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Share-based commitment and incentive scheme

The purpose of the share-based compensation schemes is to promote Kesko's business and increase the Company's value by aligning the objectives of the shareholders and executives. The schemes also aim to commit the grantees to Kesko Group and give them the opportunity to receive Company shares upon fulfilling the objectives set in the share-based compensation plan.

The impact of the share-based compensation plans on the Group's profit for 2025 was €-8.7 million (€-7.0 million). As at 31 December 2025, the amount to be recognised as expense for the financial years 2026–2028 is estimated at a total of €9.0 million. The actual amount may differ from the estimate.

The performance Share Plan (PSP)

PSP plan is a share-award plan that consists of individual annually commencing share plans, each with a two-year performance period and a two-year commitment period following the payment of the potential share award. Kesko's Board decides annually whether to initiate a new plan. During the commitment period, the shares cannot be pledged or transferred, but the other rights attached to the shares remain in force. If a person's employment or service relationship terminates prior to the expiry of a commitment period, the person must, as a rule, return the shares under transfer restriction to Kesko or its designate for no consideration. The number of shares granted based on the share-based compensation plan represents gross earnings, from which the applicable withholding tax is deducted and the remaining net amount is paid to the participants in shares. Kesko Group's tax free sales (%), Kesko Group's comparable return on capital employed (ROCE, %), the absolute total shareholder return (TSR, %) of a Kesko B share and the target measuring Kesko's sustainability are the performance criteria for the PSP plans.

In 2025 Kesko Corporation's Board of Directors decided to establish a new share-based compensation plan, Performance Share Plan President and CEO, and a transitional phase share-based compensation plan for Kesko's President and CEO. The new performance-based Performance Share Plan consists of individual annually commencing share plans. Each share plan has a three-year performance period and a one-year commitment period following the payment of the potential share award. The transitional share-based compensation plan covers the transitional phase from President and CEO's long-term compensation plan with a two-year performance period to the new structure with a three-year performance period, and it includes a share plan starting in 2025, which includes a two-year performance period and a two-year commitment period following the potential payment of share award. The share awards for the share plans will be paid to the participant in Kesko B shares and they are subject to the same terms and conditions during the commitment period as the performance-based Performance Share Plan. A maximum total of 127,000 Kesko B shares may be granted in relation to each plan. The information about the new share-based payment plans is included in the following table in column "PSP 2025–2028".

Assumptions for share award calculations	PSP 2025–2028	PSP 2024–2027	PSP 2023–2026	PSP 2022–2025
Grant dates	4.2.2025	29.1.2024	1.2.2023	2.2.2022
Grant date fair value of share award, €	17.54	16.51	20.62	27.71
Share price at grant date, €	18.44	17.41	21.64	28.77
Shares transferred in**	2027/2028	2026	2025	2024
Number of share awards granted, maximum, pcs*	885,737	828,423	710,557	513,800
Changes in the number of shares granted, pcs	-8,850	-107,350	-201,770	-28,475
Actual amount of share award, pcs*	-	-	197,938	183,796
Number of plan participants at end of financial year	60	59	52	60
Share price at balance sheet date, €	19.25	18.18	17.93	20.62
Fulfilment of performance criteria, %	-	-	38.9	41.5
Estimated number of share awards returned prior to the end of commitment period, %	2.5	2.5	2.5	2.5

*Gross number of shares from which the applicable withholding tax is deducted and the remaining net amount is paid in shares.
** The performance period of the new PSP President and CEO plan is three years. The payment of the shares will take place during 2028.

The performance-based share award plan Key Personnel Share Plan (KPSP) and Restricted Share Pool (RSP)

KPSP plan consists of individual annually commencing share plans, each with a one-year performance period and a two-year commitment period. Kesko's Board decides annually whether to initiate a new plan. The number of shares granted based on the share-based compensation plan represents gross earnings, from which the applicable withholding tax is deducted and the remaining net amount is paid to the participants in shares. The performance criteria for the KPSP comprise indicators related to Kesko's profitability and the profitability, growth and capital efficiency of the participant's area of responsibility, and Kesko's shareperformance.

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RSP is a secondary share plan for special situations, to be decided upon separately. The plan consists of annually commencing individual share plans that each have a three-year commitment period, after which the potentially promised share awards for an individual plan will be paid to the participants, provided that their employment or service relationship with Kesko Group continues until the payment of the awards. The number of shares granted based on the share-based compensation plan represents gross earnings, from which the applicable withholding tax is deducted and the remaining net amount is paid to the participants in shares.

Assumptions for share award calculations	KPSP and RSP 2025	KPSP and RSP 2024	KPSP and RSP 2023	KPSP and RSP 2022
Grant dates	4.2.2025	29.1.2024	1.2.2023	2.2.2022
Grant date fair value of share award, €	17.54	16.51	20.62	27.71
Share price at grant date, €	18.44	17.41	21.64	28.77
Shares transferred in	2028	2027	2026	2025
Number of share awards granted, maximum, pcs*	351,870	447,315	293,850	217,286
Changes in the number of shares granted, pcs	-13,325	-30,428	-26,323	-36,451
Actual amount of share award, pcs*	-	146,994	78,012	79,134
Number of plan participants at end of financial year	166	149	140	126
Share price at balance sheet date, €	19.25	18.18	17.93	20.62
Fulfilment of performance criteria, %	-	35.8	31.7	22.3
Estimated number of share awards returned prior to the end of commitment period, %	2.5	2.5	2.5	2.5

*Gross number of shares from which the applicable withholding tax is deducted and the remaining net amount is paid in shares.

5.4 Legal disputes and possible legal proceedings

Group companies act as plaintiffs, defendants or parties to certain legal proceedings, disputes or investigations related to the Group's business operations. Although according to Kesko's management's estimate, the outcome of pending disputes and legal and authority proceedings is unlikely to have any material impact on the Group's financial position, the outcome of disputes and legal and authority proceedings is difficult to predict.

Legal proceedings concerning UAB Kesko Senukai Lithuania – Kesko disclosed in its financial statements for 2024 that it is party to a case pending before the Supreme Court concerning an action to annul an arbitral award, brought by the minority shareholders of UAB Kesko Senukai Lithuania and UAB Kesko Senukai Lithuania. The arbitral award concerns the shareholder agreement of UAB Kesko Senukai Lithuania. The Supreme Court gave its decision on the matter in 2025 and set aside the judgement of the Helsinki Court of Appeal, and remitted the action for annulment of the arbitral award to the Helsinki Court of Appeal for further consideration, where the appeal remains pending. In addition, Kesko disclosed in its financial statements for 2024 that the minority shareholders of UAB Kesko Senukai Lithuania and UAB Kesko Senukai Lithuania had initiated new arbitration proceedings against Kesko, related to the shareholder agreement between the parties. Those proceedings remain pending.

5.5 Events after the balance sheet date

No significant events after the reporting period.

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Parent company's income statement

€	1 Jan.–31 Dec. 2025	1 Jan.–31 Dec. 2024
Net sales	**6,844,736,627.34**	**6,659,910,905.58**
Other operating income	1,007,872,329.28	887,656,680.44
Materials and services	-6,121,491,918.61	-5,913,991,150.11
Change in inventory	17,767,642.47	12,773,894.68
Employee benefit expenses	-398,534,512.73	-378,339,561.48
Depreciation, amortisation and impairment	-134,098,866.30	-126,306,061.75
Other operating expenses	-803,731,758.95	-783,861,147.15
Operating profit	**412,519,542.50**	**357,843,560.21**
Finance income and costs	2,882,802.58	7,449,393.46
Profit before appropriations and taxes	**415,402,345.08**	**365,292,953.67**
Appropriations		
Change in depreciation reserve	-15,108,994.45	-30,492,954.39
Group contribution	31,968,626.98	105,653,373.11
Profit before taxes	**432,261,977.61**	**440,453,372.39**
Income taxes	-69,160,499.80	-83,324,585.17
Profit for the financial year	**363,101,477.81**	**357,128,787.22**

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Parent company's balance sheet

€	31 Dec. 2025	31 Dec. 2024
ASSETS		
NON-CURRENT ASSETS		
INTANGIBLE ASSETS		
Intangible rights	4,030,530.25	4,401,946.87
Other intangible assets	303,777,228.94	248,750,974.93
Prepayments	4,012,842.71	3,079,496.77
	311,820,601.90	256,232,418.57
PROPERTY, PLANT AND EQUIPMENT		
Land and waters		
Owned	308,113,112.02	289,933,581.65
Leasehold interests and connection fees	5,777,477.92	7,455,791.65
Buildings	816,817,664.06	734,977,190.65
Machinery and equipment	119,510,054.55	99,474,165.78
Other tangible assets	6,384,592.94	6,238,278.31
Prepayments and construction in progress	117,724,585.98	68,421,488.72
	1,374,327,487.47	1,206,500,496.76
INVESTMENTS		
Investments in subsidiaries	1,462,273,321.56	1,544,521,207.49
Investments in associates	125,163,121.96	122,431,239.85
Other investments	31,593,727.94	26,302,948.15
	1,619,030,171.46	1,693,255,395.49
CURRENT ASSETS		
INVENTORIES		
Finished products/goods	332,997,697.51	315,230,055.04
	332,997,697.51	315,230,055.04

€	31 Dec. 2025	31 Dec. 2024
RECEIVABLES		
Long-term		
Receivables from subsidiaries	8,647,764.01	7,664,587.02
Receivables from associates	57,538,585.04	58,018,585.04
Loan receivables	755,964.60	751,838.24
Other receivables	14,322,210.36	12,196,937.72
	81,264,524.01	78,631,948.02
Short-term		
Trade receivables	450,987,241.58	391,096,017.14
Receivables from subsidiaries	345,323,552.61	384,073,992.89
Receivables from associates	2,162,903.26	5,098,845.43
Loan receivables	253,773.88	292,993.99
Other receivables	8,235,334.50	11,853,472.66
Prepayments and accrued income	99,554,046.59	93,557,861.75
	906,516,852.42	885,973,183.86
OTHER FINANCIAL ASSETS	-	15,000,000.00
CASH AND CASH EQUIVALENTS	156,122,225.73	457,966,759.80
TOTAL ASSETS	**4,782,079,560.50**	**4,908,790,257.54**

€	31 Dec. 2025	31 Dec. 2024
EQUITY AND LIABILITIES		
CAPITAL AND RESERVES		
Share capital	197,282,584.00	197,282,584.00
Share premium	197,498,010.90	197,498,010.90
Reserve of invested non-restricted equity	22,753,307.40	22,753,307.40
Other reserves	243,415,795.55	243,415,795.55
Retained earnings	917,730,413.60	915,749,904.54
Profit for the financial year	363,101,477.81	357,128,787.22
	1,941,781,589.26	1,933,828,389.61
APPROPRIATIONS		
Depreciation reserve	258,494,398.99	237,152,690.30
PROVISIONS		
Provisions	3,331,631.24	7,717,854.63
LIABILITIES		
Non-current		
Notes	300,000,000.00	300,000,000.00
Loans from financial institutes	800,000,000.00	620,000,000.00
Pension loans	11,486,000.00	20,355,000.00
Other creditors	20,679,961.32	18,729,124.53
	1,132,165,961.32	959,084,124.53
Current		
Loans from financial institutes	-	150,000,000.00
Pension loans	8,869,000.00	11,994,000.00
Advances received	20,584,760.84	20,095,560.65
Trade payables	690,475,488.90	708,804,747.35
Payables to subsidiaries	145,228,076.24	363,884,310.23
Payables to associates	8,099,664.44	6,684,450.49
Other payables	305,413,625.41	272,966,364.29
Accruals and deferred income	267,635,363.86	236,577,765.46
	1,446,305,979.69	1,771,007,198.47
TOTAL LIABILITIES	**4,782,079,560.50**	**4,908,790,257.54**

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Parent company's cash flow statement

€	1 Jan.–31 Dec. 2025	1 Jan.–31 Dec. 2024
Cash flows from operating activities		
Profit before appropriations	415,402,345.08	365,292,953.67
Adjustments		
Depreciation according to plan	134,098,866.30	126,306,061.75
Finance income and costs	-2,882,802.58	-7,449,393.46
Other adjustments	-54,639,476.22	23,936,772.13
	491,978,932.58	**508,086,394.09**
Change in working capital		
Current non-interest-bearing receivables, increase (-)/decrease (+)	26,087,081.53	11,619,535.70
Inventories increase (-)/decrease (+)	-17,767,642.47	-12,849,154.44
Current non-interest-bearing liabilities, increase (+)/decrease (-)	-39,209,592.15	-24,111,780.18
	-30,890,153.09	**-25,341,398.92**
Interests paid and other finance costs	-52,699,259.18	-70,797,801.96
Interests received	21,712,261.64	31,059,861.59
Dividends received	51,101,386.80	61,049,078.93
Income tax paid	-66,375,315.51	-93,217,047.97
	-46,260,926.25	**-71,905,909.41**
Net cash generated from operating activities	**414,827,853.24**	**410,839,085.76**
Cash flows from investing activities		
Purchases of property, plant, equipment and	-284,963,519.61	-287,056,919.33
Acquisitions of subsidiaries	-141,106,943.24	-247,385,142.08
Acquisitions of associates	-5,512,122.48	-969,000.00
Proceeds from other investments	7,300.00	9,570.00
Proceeds from disposal of property, plant, equipment and intangible assets	72,807,222.80	8,413,389.78
Long-term receivables, increase (-)/decrease (+)	-504,499.12	29,989,808.69
Other financial assets, increase (-)/decrease (+)	15,000,000.00	-15,000,000.00
Net cash used in investing activities	**-344,272,581.65**	**-511,998,292.94**

€	1 Jan.–31 Dec. 2025	1 Jan.–31 Dec. 2024
Cash flows from financing activities		
Interest-bearing liabilities, increase (+)/decrease (-)	-28,706,267.75	532,069,342.98
Short-term interest-bearing receivables, increase (-)/decrease (+)	-6,778,741.61	34,681,997.40
Dividends paid	-370,209,580.31	-320,328,125.47
Group contributions received and paid	31,968,626.98	105,653,373.11
Other items	1,310,215.75	7,036,792.84
Net cash used in financing activities	**-372,415,746.94**	**359,113,380.86**
Change in cash and cash equivalents	**-301,860,475.35**	**257,954,173.68**
Cash and cash equivalents as at 1 January	**457,966,759.80**	**200,012,586.12**
Cash and cash equivalents as at 31 December	**156,106,284.45**	**457,966,759.80**

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Notes to the parent company's financial statements

Note 1. Principles used for preparing the financial statements

Kesko Corporation's financial statements have been prepared in compliance with the Finnish Accounting Standards (FAS).

Non-current assets

Intangible assets

Intangible assets are stated in the balance sheet at cost less amortisation according to plan and possible impairments.

Depreciation plan

- Other capitalised expenditure 5–10 years
- IT software and licences 3–5 years

Property, plant and equipment

Property, plant and equipment are stated in the balance sheet at cost less depreciation according to plan and possible impairments.

Depreciation plan

Depreciation according to plan is calculated on a straight line basis so as to write off the cost of property, plant and equipment over their estimated useful lives.

The most common estimated useful lives are:

- Buildings 5–33 years
- Fixtures and fittings 8 years
- Machinery and equipment 25% reducing balance method, from 1 January 2023 8 years
- Warehouse automation equipment 10 years
- Transportation fleet 5 years
- IT equipment 3–8 years
- Other tangible assets 5–14 years

Leasehold interests are depreciated during their likely lease period. Land and connection fees have not been depreciated. The total of depreciation according to plan and the change in depreciation reserve comply with the Finnish Business Tax Act. The change in depreciation reserve has been treated as appropriations.

Valuation of inventories

Inventories are stated, using the moving-average cost method, at lower of direct purchase cost, replacement cost and probable selling price.

Valuation of financial assets

Marketable securities have been valued at the lower of cost and net realisable value.

Foreign currency items

Foreign currency transactions have been recorded in euros using the rate of exchange at the date of transaction. Foreign currency receivables and payables have been translated into euros using the rate of exchange at the balance sheet date. If a receivable or a payable is tied to a fixed rate of exchange, it has been used for translation. Exchange rate differences have been recognised in profit or loss.

Derivative contracts

Interest rate derivatives

Interest rate derivatives are used to modify the durations of loans. The target duration is between 1 and 4 years. Cash flows arising from interest rate derivatives are recognised during the financial year as interest income or expenses, according to the maturity date. In the financial statements, outstanding interest rate forward contracts, interest rate future contracts, interest rate option contracts and interest rate swap contracts are stated at fair value, but unrealised revaluation is not stated as income. Any valuation losses are included in interest expenses.

Foreign currency derivatives

Foreign currency derivatives are used for hedging against translation and transaction risks. Foreign currency derivatives are used for hedging against commercial foreign exchange risk. Foreign exchange forward contracts are valued using the forward exchange rate of the balance sheet date. The exchange differences arising from outstanding derivative contracts are reported in financial items and adjustment items of sales and purchases. If a derivative

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has been used for hedging a foreign-currency-denominated asset, the change in value has been recognised against that of the asset item. The premiums of option contracts are included in the balance sheet accruals until they expire, or if a value change at the balance sheet date so requires, recognition in profit or loss.

Commodity derivatives

Ankkuri-Energia Oy, a Kesko Corporation subsidiary, uses electricity derivatives to balance the energy costs of the Group and its retailers. Kesko Corporation is an external counterparty in electricity derivatives, and enters into corresponding internal hedge with Ankkuri-Energia Oy. At no stage does Kesko Corporation have derivative positions, and thus there are no effects on profit or loss. The electricity price risk is reviewed on a 5-year time span. With respect to derivatives hedging the price of electricity supplied during the financial year, change in fair value is recognised at Kesko under finance income and cost. Unrealised gains and losses on contracts hedging future purchases are not recognised in profit or loss.

Pension plans

Personnel's statutory pension provision is organised through pension insurance companies and the voluntary supplementary pension provision is mainly organised through Kesko Pension Fund. Pension costs are recognised as expense in the income statement.

Provisions

Provisions stated in the balance sheet include items committed to under agreements or otherwise but not yet realised. Changes in provisions are included in the income statement. Rent liabilities for vacant rented premises no longer used for the Group's business operations, as well as losses resulting from renting the premises to third parties, are included in provisions.

Changes in the corporate structure

The wholly owned subsidiary K-Market Oy of Kesko Corporation was merged into Kesko Corporation on 31 October 2025.

Income tax

Income tax includes the income tax payments for the period calculated based on the profit for the period, and taxes payable for prior periods, or tax refunds. Deferred taxes are not included in the parent company's income statement and balance sheet.

Notes to the income statement

Note 2. Net sales by division

€ million	2025	2024
Grocery trade	5,943.0	5,770.0
Building and home improvement trade	899.6	888.4
Others	2.1	1.5
Total	**6,844.7**	**6,659.9**

Note 3. Material and services

€ million	2025	2024
Material and services	-6,004.3	-5,802.0
Change in inventory	17.8	12.8
External services	-117.2	-112.0
Total	**-6,103.7**	**-5,901.2**

Note 4. Other operating income

€ million	2025	2024
Gains on sales of real estate and shares	23.4	0.3
Rent income	100.7	110.4
Fees for services	608.7	577.5
Profits from mergers	72.2	-
Others	202.8	199.4
Total	**1,007.9**	**887.7**

Note 5. Employee benefit expenses

€ million	2025	2024
Salaries and fees	-331.4	-314.6
Social security costs		
Pension costs	-57.3	-55.3
Other social security costs	-9.8	-8.5
Total	**-398.5**	**-378.3**

The average number of personnel at Kesko Corporation was 7,374 (7,403) persons.

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Salaries and fees to the management

€ million	2025	2024
Managing Director	2.0	3.3
Members of the Board of Directors	0.6	0.5
Total	**2.6**	**3.8**

Specification of the management's salaries and fees is included in the notes to the consolidated financial statements.

Note 6. Depreciation, amortisation and impairment

€ million	2025	2024
Depreciation according to plan	-132.6	-125.0
Impairment, non-current assets	-1.5	-1.3
Total	**-134.1**	**-126.3**

Note 7. Other operating expenses

€ million	2025	2024
Rent expenses	-353.4	-361.8
Marketing expenses	-151.0	-149.1
Maintenance of real estate and store sites	-106.8	-109.2
Losses on disposals of non-current assets	-3.3	-1.7
ICT expenses	-93.3	-87.1
Losses from mergers	-36.1	-14.6
Other operating expenses	-59.9	-60.3
Total	**-803.7**	**-783.9**

Auditors' fees

€ million	2025	2024
Audit firm Deloitte		
Audit	0.4	0.3
Other statutory services	0.1	0.1
Other services	0.1	0.1
Total	**0.6**	**0.5**

Note 8. Finance income and costs

€ million	2025	2024
Income from long-term investments		
Dividend income from subsidiaries	45.1	38.3
Dividend income from associates	5.5	22.3
Dividend income from others	0.5	0.4
Gains on sales of investments	-	0.0
Income from long-term investments, total	**51.1**	**61.1**
Other interest and finance income		
From subsidiaries	11.5	18.4
From others	12.2	18.9
Interest and finance income, total	**23.8**	**37.3**
Impairment of investments held as non-current assets		
Impairment of shares	-14.0	-14.9
Impairment and changes in fair value of investments held as non-current assets, total	**-14.0**	**-14.9**
Interest and other finance costs		
To subsidiaries	-15.7	-27.9
To others	-42.3	-48.1
Interest and finance costs, total	**-58.0**	**-76.0**
Total	**2.9**	**7.4**

Note 9. Appropriations

€ million	2025	2024
Difference between depreciation according to plan and depreciation in taxation	-15.1	-30.5
Group contributions received	63.5	119.8
Group contributions paid	-31.5	-14.1
Total	**16.9**	**75.2**

For the financial years 2020–2025, an increased 50% depreciation has been applied to machinery and equipment and similar fixed assets acquired, in accordance with the Finnish Business Tax Act.

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Note 10. Changes in provisions

€ million	2025	2024
Other changes	4.4	5.7
Total	**4.4**	**5.7**

Note 11. Income taxes

€ million	2025	2024
Income taxes on group contributions	-6.4	-21.1
Income taxes on ordinary activities	-62.8	-62.3
Taxes for prior years	0.0	0.1
Total	**-69.2**	**-83.3**

Note 12. Deferred taxes

Deferred tax assets and liabilities have not been recorded on the balance sheet. The deferred tax liability on accumulated appropriations is €51,7 million. The amount of other deferred tax liabilities or assets is not material.

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Note 13. Intangible assets

2025 € million	Intangible rights	Other intangible assets	Prepayments	Intangible assets total
Acquisition cost as at 1 Jan.	17.9	548.1	3.1	569.1
Increases	0.8	55.8	3.0	59.6
Transferred in mergers	0.4	87.6	-	87.9
Decreases	-	-7.9	-0.0	-7.9
Transfers between items	0.1	17.1	-2.0	15.2
Acquisition cost as at 31 Dec.	19.2	700.6	4.0	723.8
Accumulated depreciation as at 1 Jan.	-13.5	-299.3		-312.8
Transferred in mergers	-0.1	-46.8		-46.9
Accumulated depreciation on decreases and transfers	-	6.0		6.0
Depreciation and amortisations for the financial year	-1.6	-56.7		-58.3
Accumulated depreciation as at 31 Dec.	-15.1	-396.8		-412.0
Book value as at 31 Dec.	**4.0**	**303.8**	**4.0**	**311.8**

2024 € million	Intangible rights	Other intangible assets	Prepayments	Intangible assets total
Acquisition cost as at 1 Jan.	16.9	468.4	4.2	489.4
Increases	0.9	63.9	2.0	66.8
Transferred in mergers	-	0.2	-	0.2
Decreases	-0.0	-1.4	-0.2	-1.6
Transfers between items	0.1	16.9	-2.8	14.2
Acquisition cost as at 31 Dec.	17.9	548.1	3.1	569.1
Accumulated depreciation as at 1 Jan.	-11.8	-249.2		-261.0
Transferred in mergers	-	-0.1		-0.1
Accumulated depreciation on decreases and transfers	0.0	0.9		0.9
Depreciation and amortisations for the financial year	-1.7	-51.0		-52.7
Accumulated depreciation as at 31 Dec.	-13.5	-299.3		-312.8
Book value as at 31 Dec.	**4.4**	**248.8**	**3.1**	**256.2**

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Note 14. Property, plant and equipment

2025 € million	Land and waters, owned	Land and waters, leasehold interests	Buildings	Machinery and equipment	Other tangible assets	Prepayments and construction in progress	Tangible assets total
Acquisition cost as at 1 Jan.	289.9	7.6	1,210.7	341.5	25.6	68.4	1,943.7
Increases	6.7	0.1	66.8	35.2	1.4	91.0	201.2
Transferred in mergers	22.0	0.1	87.6	28.8	0.8	8.3	147.7
Decreases	-11.1	-1.9	-45.5	-15.1	-1.7	-1.5	-76.8
Transfers between items	0.6	0.0	27.6	5.0	0.0	-48.5	-15.2
Acquisition cost as at 31 Dec.	308.1	6.0	1,347.2	395.5	26.1	117.7	2,200.6
Accumulated depreciation as at 1 Jan.	-	-0.2	-475.7	-242.0	-19.3		-737.2
Transferred in mergers	-	-	-24.4	-22.2	-0.5		-47.1
Accumulated depreciation on decreases and transfers	-	-	16.6	14.5	1.3		32.4
Depreciation and amortisations for the financial year	-	-0.0	-46.9	-26.2	-1.2		-74.4
Accumulated depreciation as at 31 Dec.	-	-0.2	-530.4	-276.0	-19.7		-826.3
Book value as at 31 Dec.	**308.1**	**5.8**	**816.8**	**119.5**	**6.4**	**117.7**	**1,374.3**

2024 € million	Land and waters, owned	Land and waters, leasehold interests	Buildings	Machinery and equipment	Other tangible assets	Prepayments and construction in progress	Tangible assets total
Acquisition cost as at 1 Jan.	277.2	7.8	1,084.3	311.2	24.4	113.0	1,817.9
Increases	7.8	0.1	56.6	29.3	0.6	50.3	144.7
Transferred in mergers	0.8	0.1	14.3	0.0	—	-	15.2
Decreases	-2.0	-0.4	-4.0	-6.5	—	-6.9	-19.9
Transfers between items	6.2	0.0	59.4	7.6	0.5	-88.1	-14.3
Acquisition cost as at 31 Dec.	289.9	7.6	1,210.7	341.5	25.6	68.4	1,943.7
Accumulated depreciation as at 1 Jan.	-	-0.5	-425.5	-222.7	-18.1		-666.9
Transferred in mergers	-	-	-6.7	-0.0	-0.0		-6.7
Accumulated depreciation on decreases and transfers	-	0.4	2.3	5.8	0.1		8.6
Depreciation and amortisations for the financial year	-	-0.0	-45.8	-25.1	-1.3		-72.3
Accumulated depreciation as at 31 Dec.	-	-0.2	-475.7	-242.0	-19.3		-737.2
Book value as at 31 Dec.	**289.9**	**7.5**	**735.0**	**99.5**	**6.2**	**68.4**	**1,206.5**

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Note 15. Investments

2025 € million	Investments in subsidiaries	Investments in associates	Other investments	Total
Acquisition cost as at 1 Jan.	1,573.0	122.4	26.3	1,721.7
Increases	166.4	5.5	4.0	175.9
Transferred in mergers	0.6	1.4	1.5	3.5
Decreases	-235.2	-4.1	-0.3	-239.6
Transfers between items	-	-	0.0	0.0
Acquisition cost as at 31 Dec.	1,504.7	125.3	31.6	1,661.6
Impairment as at 1 Jan.	-28.5	-0.1	-	-28.5
Impairments on decreases for the financial year	-14.0	-	-0.0	-14.0
Impairment as at 31 Dec.	-42.5	-0.1	-0.0	-42.6
Book value as at 31 Dec.	**1,462.3**	**125.2**	**31.6**	**1,619.0**

Kesko Corporation's ownership interests in other companies as at 31 December 2025 are presented in the notes to the consolidated financial statements.

2024 € million	Investments in subsidiaries	Investments in associates	Other investments	Total
Acquisition cost as at 1 Jan.	1,295.4	121.5	24.7	1,441.5
Increases	295.8	1.0	1.5	298.3
Transferred in mergers	-	-	0.0	0.0
Decreases	-18.2	-	-0.0	-18.3
Transfers between items	0.0	-	0.1	0.1
Acquisition cost as at 31 Dec.	1,573.0	122.4	26.3	1,721.7
Impairment as at 1 Jan.	-13.6	-	-	-13.6
Impairments on decreases for the financial year	-14.9	-	-0.0	-14.9
Impairment as at 31 Dec.	-28.5	-	-	-28.5
Book value as at 31 Dec.	**1,544.5**	**122.4**	**26.3**	**1,693.3**

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Note 16. Receivables

Receivables from subsidiaries

€ million	2025	2024
Long-term receivables		
Loan receivables	8.6	7.7
Long-term receivables, total	**8.6**	**7.7**
Short-term receivables		
Trade receivables	4.2	11.3
Loan receivables	319.4	337.7
Prepayments and accrued income	21.7	35.2
Short-term receivables, total	**345.3**	**384.1**
Total	**354.0**	**391.7**

Receivables from associates and joint ventures

€ million	2025	2024
Long-term receivables		
Loan receivables	57.5	58.0
Long-term receivables, total	**57.5**	**58.0**
Short-term receivables		
Accrued income	1.5	1.4
Other receivables	0.7	3.7
Short-term receivables, total	**2.2**	**5.1**
Total	**59.7**	**63.1**

Kesko Corporation has long-term loan receivable from its associated company, Mercada Oy, in the amount of €56.0 million.

Prepayments and accrued income

€ million	2025	2024
Taxes	2.8	5.6
Fees for services	9.2	4.6
Employee benefit expenses	7.1	6.4
Purchases	33.2	30.8
Others	47.3	46.2
Total	**99.6**	**93.6**

Note 17. Shareholders' equity

€ million	Share capital	Share premium	Contingency fund	Reserve of invested non-restricted equity	Retained earnings	Total equity
Balance as at 1 Jan. 2024	197.3	197.5	243.4	22.8	1,318.5	1,979.5
Dividends					-405.9	-405.9
Treasury shares					3.1	3.1
Profit for the year					357.1	357.1
Balance as at 31 Dec. 2024	197.3	197.5	243.4	22.8	1,272.9	1,933.8
Dividends					-358.3	-358.3
Treasury shares					3.1	3.1
Profit for the year					363.1	363.1
Balance as at 31 Dec. 2025	**197.3**	**197.5**	**243.4**	**22.8**	**1,280.8**	**1,941.8**

Restricted equity	2025	2024
Share capital	197.3	197.3
Share premium	197.5	197.5
Total	**394.8**	**394.8**

Non-restricted equity	2025	2024
Contingency fund	243.4	243.4
Reserve of invested non-restricted equity	22.8	22.8
Retained earnings	1,280.8	1,272.9
Total	**1,547.0**	**1,539.0**

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Calculation of distributable assets	2025	2024
Other reserves	266.2	266.2
Retained earnings	917.7	915.7
Profit for the year	363.1	357.1
Total	**1,547.0**	**1,539.0**

On 31 December 2025, Kesko Corporation's distributable assets totalled €1,547,000,994.36.

Breakdown of parent company shares	Pcs
A shares	126,948,028
B shares	273,130,980
Total	**400,079,008**

Votes attached to shares	Number of votes
A share	10
B share	1

Board's authorisations to acquire and issue own shares

On 31 December 2025, the company held a total of 1,960,181 of its own B shares, acquired under authorisations granted by the Annual General Meeting to the Board of Directors during the 2018 financial year. The numbers of shares are presented on a post-split basis following the share split carried out in 2020. The shares are held by the company as treasury shares, and the Board of Directors is authorised to dispose of them. The acquisition cost of the B shares acquired in 2018, totalling €23.9 million, has been recognised as a deduction from retained earnings within equity. The Board of Directors has an authorisation granted by the Annual General Meeting on 24 March 2025, valid until 30 June 2026, to issue up to 33,000,000 B shares and to acquire up to 16,000,000 B shares.

Treasury shares

In 2025, Kesko Corporation transferred 156,490 Kesko B shares held as treasury shares to members of management and other key persons in the company, while a total of 1,205 B shares were returned to Kesko in accordance with the terms and conditions of Kesko's share award plans. Kesko issued related stock exchange releases on 12 March 2025, 30 April 2025 and 18 September 2025. Kesko issued a stock exchange release on 5 February 2025 regarding the most recent share-based commitment and incentive plans. In addition, Kesko transferred 7,134 B shares held by the company as treasury shares to members of Kesko's Board of Directors as part of their annual fees, and issued a related stock exchange release on 30 April 2025.

Kesko's Annual General Meeting of 24 March 2025 authorised the Board to decide on the issuance of a maximum of 33,000,000 new B series shares or B shares held by the company as treasury shares, and on the repurchase of a maximum of 16,000,000 of the company's own B shares. The authorisations are valid until 30 June 2026, and were communicated in a stock exchange release issued on 24 March 2025.

	Shares
Own B shares held by the Company as at 31 December 2024	**2,122,600**
Transferred, share-based compensation scheme	-156,490
Transferred, Board of Directors	-7,134
Returned during the financial year	1,205
Own B shares held by the Company as at 31 December 2025	**1,960,181**

Note 18. Provisions

€ million	2025	2024
Provisions for leases	2.4	6.4
Other provisions	0.9	1.3
Total	3.3	7.7

Note 19. Non-current liabilities

Kesko Corporation has six bilateral loans totalling €800 million. Kesko Corporation has a €300 million unsecured senior green bond that matures on 2 February 2030 and bears an annual interest rate of 3.5%. In addition, Kesko's financing sources include pension loans, commercial paper programmes, and payables to K-retailers, which consist of advance payments and chain rebates.

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Note 20. Current liabilities

€ million	2025	2024
Liabilities to subsidiaries		
Trade payables	6.6	7.5
Accruals and deferred income	6.1	9.6
Other payables	132.6	346.8
Total	**145.2**	**363.9**
Liabilities to associates		
Trade payables	0.0	0.1
Accruals and deferred income	0.0	0.0
Other payables	8.0	6.6
Total	**8.1**	**6.7**
Accruals and deferred income		
Employee benefit expenses	107.9	102.8
Accruals and deferred income from purchases	25.5	32.0
Taxes	1.5	0.0
Fees for services	28.1	16.4
Others	104.5	85.4
Total	**267.6**	**236.6**

Note 21. Non-interest-bearing liabilities

€ million	2025	2024
Current liabilities	1,198.9	1,198.5
Total	**1,198.9**	**1,198.5**

Note 22. Guarantees, commitments and contingencies

€ million	2025	2024
Real estate mortgages		
For own debt	176.5	162.1
For subsidiaries	0.7	0.7
Pledged shares	9.0	9.0
Guarantees		
For own debt	2.0	0.4
For subsidiaries	68.5	88.4
Other liabilities and liability engagements		
For own debt	64.1	53.8
Rent liabilities on machinery and fixtures		
Due within a year	8.2	7.5
Due later	7.6	6.5
Rent liabilities on real estate		
Due within a year	313.5	299.3
Due later	1,765.7	1,512.2

Foreign currency risks

The result of the Company's operating activities is affected by the amount of working capital financing granted by its foreign subsidiaries, and as the Group's parent company, the subsidiaries' hedgings against the parent company.

Foreign currency exposure is hedged with currency derivatives in line with the Group's foreign currency risk policy. The fair value of foreign currency derivatives is calculated by measuring them based on quoted market prices at the balance sheet date.

The derivatives are classified as level 2 as their valuation is based on observable market data. The maximum credit risk corresponds to their fair value at the balance sheet date.

The results of derivatives are recognised in financial items.

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Company's transaction exposure as at 31 Dec. 2025, € million	USD	SEK	NOK	PLN
Transaction risk	-4.4	-10.9	1.6	-13.2
Hedging derivatives	22.1	7.4	-5.1	8.3
Exposure	**17.8**	**-3.5**	**-3.5**	**-4.9**

Company's transaction exposure as at 31 Dec . 2024, € million	USD	SEK	NOK	PLN
Transaction risk	-7.7	-42.4	37.0	-6.0
Hedging derivatives	36.6	37.1	-42.4	4.2
Exposure	**28.9**	**-5.3**	**-5.4**	**-1.8**

The sensitivity analysis of transaction exposure shows the profit impact of a +/-10% exchange rate change on the Company's foreign currency denominated acquisitions and hedging foreign currency derivatives.

Sensitivity analysis, impact on pre-tax profit as at 31 Dec 2025, € million	USD	SEK	NOK	PLN
Change +10%	-1.6	0.3	0.3	0.4
Change -10%	2.0	-0.4	-0.4	-0.5

Sensitivity analysis, impact on pre-tax profit as at 31 Dec. 2024, € million	USD	SEK	NOK	PLN
Change +10%	-2.6	0.5	0.5	0.2
Change -10%	3.2	-0.6	-0.6	-0.2

Derivatives

Fair values of derivative contracts, € million	31 Dec. 2025 Positive fair value (balance sheet value)	31 Dec. 2025 Negative fair value (balance sheet value)	31 Dec. 2024 Positive fair value (balance sheet value)	31 Dec. 2024 Negative fair value (balance sheet value)
Currency derivatives	0.5	-0.2	1.6	-0.4
Interest rate derivatives	54.8	-51.1	7.2	-4.7

Notional amounts of derivative contracts, € million	31 Dec. 2025 Notional amount	31 Dec. 2024 Notional amount
Currency derivatives	74.1	137.7
Interest rate derivatives	1,102.0	430.0

All currency derivatives mature in 2026. Interest rate derivatives mature in 2026, 2027, 2028, 2030 and 2039.

€ million	2025	Fair value	2024	Fair value
Liabilities arising from derivative instruments				
Values of underlying instruments as at 31 Dec.				
Interest rate derivatives				
Interest rate swaps	1,102	3.6	430	2.5
Foreign currency derivatives				
Forward and future contracts	74	0.3	138	1.2
Outside the Group	61	0.3	125	1.4
Inside the Group	14	0.0	13	-0.2
Commodity derivatives				
Electricity derivatives	95	-	91	-
Outside the Group	48	-2.0	45	-3.2
Inside the Group	48	2.0	45	3.2

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Note 23. Cash and cash equivalents within the statement of cash flow

€ million	2025	2024
Financial assets at amortised cost (maturing in less than 3 months)	0.0	185.2
Cash and cash equivalents	156.1	272.8
Total	**156.1**	**458.0**

In the statement of cash flows, cash and cash equivalents include those recognised in the balance sheet and portions of available-for-sale financial assets with maturities of less than three months from acquisition and also financial assets at fair value through profit and loss.

Note 24. Related parties

Kesko Corporation's related parties include the company's management (the Board of Directors, President and CEO and the Group Management Board) and the companies controlled by them, their family members and companies controlled by the family members, the Group's subsidiaries, associates and joint ventures, and Kesko Pension Fund. The subsidiaries, associates and joint ventures are listed in a separate note (Note 5.2).

Some members of the Kesko Board are K-retailers. Kesko Corporation sells goods and services to companies controlled by them. Goods and services have been sold to related parties on normal market terms and conditions and at market prices.

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SIGNATURES

Signatures for financial statements, report by the Board of Directors and sustainability statement

The financial statements prepared in accordance with the applicable set of accounting standards give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the companies included in its consolidated financial statements.

The Report by the Board of Directors presents a fair review of the development and performance of, on the one hand, the company, and on the other hand, the companies included in its consolidated financial statements, as well as a description of the significant risks and uncertainties and the company's position.

The sustainability statement included in the Report by the Board of Directors has been prepared in compliance with the sustainability reporting standards referred to in chapter 7, section 2, paragraph 8 of the Finnish Accounting Act, as well as Article 8 of the Regulation (EU) 2020/852 of the European Parliament and of the Council (Taxonomy Regulation).

Helsinki, 4 February 2026

Esa Kiiskinen

Tiina Alahuhta-Kasko

Jannica Fagerholm

Pauli Jaakola

Piia Karhu

Jussi Perälä

Timo Ritakallio

Jorma Rauhala
President and CEO

The Auditor's note

Our auditor's report has been issued today.
Helsinki, 4 February 2026

Deloitte Oy
Audit Firm

Jukka Vattulainen
APA

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AUDITOR'S REPORT (Translation of the Finnish original)

To the Annual General Meeting of Kesko Oyj

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Kesko Oyj (business identity code 0109862-8) for the year ended 31 December, 2025. The financial statements comprise the consolidated balance sheet, income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes, including material accounting policy information, as well as the parent company's balance sheet, income statement, statement of cash flows and notes.

In our opinion

- the consolidated financial statements give a true and fair view of the group's financial position, financial performance and cash flows in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU,
- the financial statements give a true and fair view of the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Our opinion is consistent with the additional report submitted to the Audit Committee.

Basis for opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

In our best knowledge and understanding, the non-audit services that we have provided to the parent company and group companies are in compliance with laws and regulations applicable in Finland regarding these services, and we have not provided any prohibited non-audit services referred to in Article 5(1) of regulation (EU) 537/2014. The non-audit services that we have provided have been disclosed in note 2.5 to the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have also addressed the risk of management override of internal controls. This includes consideration of whether there was evidence of management bias that represented a risk of material misstatement due to fraud.

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Key audit matter	How our audit addressed the key audit matter
Revenue recognitions Refer to accounting policies for the consolidated financial statements and note 2.1. Consolidated Net Sales of Kesko Group amounted to EUR 12,474.7 million (EUR 11,920.1 million). Kesko operates in grocery trade, building and technical trade, and car trade through wide sales- and retail network. Consolidated net sales comprise the sale of goods, services and energy from contracts with customers. The share of the of service and energy sales in total net sales is not significant. The Group sells products to retailers and other retail dealers and engages in own retailing. Net sales is a key business and economic indicator and consists of a significant volume of transactions. For this reason, the functionality of information system controls is emphasised in revenue recognition. A significant part of the Kesko Group's net sales is automatically recognised in accounting through IT systems based on the fulfilment of the sales performance obligation. Revenue recognition due to its significance require specific attention both from the accounting and the auditing perspective.	We have evaluated the IT systems related to revenue recognition by testing access and change management controls. We also evaluated process level controls by performing walkthroughs of each significant class of revenue transactions, assessed the design of key controls and tested the operating effectiveness of those controls. We have analyzed the revenue transactions recorded to net sales to identify entries originating from automated processes and entries from manual journals, and to focus our audit procedures to transactions estimated as higher risk transactions. Our audit procedures to ensure appropriateness of revenue recognition for sales transaction population recorded to net sales have consisted among others, performing comprehensive data analytics based substantive audit procedures together with sample based test of details. We have made a focused risk assessment for addressing fraud risk relating to revenue recognition, and identified manual journal entries by applying data analytics. Based on our revenue related risk assessment, we have focused our substantive audit procedures for the transactions identified to ensure the appropriateness and accuracy.

Key audit matter	How our audit addressed the key audit matter
Impairment testing of Goodwill and trademarks Refer to Note 3.3 .in the consolidated financial statements of Kesko Oyj. Consolidated statement of financial position includes goodwill of EUR 721.6 million (EUR 643.0 million). In addition, consolidated statement of financial position includes EUR 113.1 million (EUR 113.5 million) Trademarks. The majority of the amount of goodwill and trademarks is related to the building and technical trade segment. Goodwill is subject to management's annual impairment test. Goodwill impairment testing requires substantial management judgment over the projected future business performance, cash flows and applied discount rate. Note 3.3. in the Consolidated financial statements describes key assumptions used by management and sensitivity analysis for the impairment tests approved by the Board.	As part of our audit procedures we have assessed the impairment testing calculations prepared by management and approved by the board, and assessed key controls over impairment testing for each cash generating unit. The recoverable amounts of the cash-generating units are determined based on value-in-use calculations. Estimated cash flows used in these calculations are based on financial plans approved by management. The key assumptions used for the plans are total market growth and profitability trends, changes in store network, product and service selection, pricing and movements in operating costs. The key variables in impairment testing are the post-forecast period growth rate, the discount rate, and the EBITDA margin. We have assessed the key assumptions used by management in the Goodwill impairment tests: • comparing the growth and profitability estimates to historical performance. • comparing the estimates with the latest approved budgets and strategic plans. • comparing applied discount rates to external sources. • testing the mathematical accuracy of the impairment calculations. We have also assessed the related disclosure information.

We have no key audit matters to report with respect to our audit of the parent company financial statements. There are no significant risks of material misstatement referred to in EU regulation No 537/241, point (c) of Article 10(2) relating to the consolidated financial statements or the parent company's financial statements.

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Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, and of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or cease operations, or there is no realistic alternative but to do so.

Auditor's responsibilities for the audit of Financial Statements

Our objectives are to obtain reasonable assurance on whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the parent company or the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Reporting Requirements

Information on our audit engagement

We were first appointed as auditors by the Annual General Meeting on 28.4.2020, and our appointment represents a total period of uninterrupted engagement of 6 years.

Other information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors and the information included in the Annual Report but does not include the financial statements and our auditor's report thereon. We have obtained the report of the Board of Directors prior to the date of this auditor's report, and the Annual Report is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. With respect to the report of the Board of Directors, our responsibility also includes considering whether the report of the Board of Directors has been prepared in compliance with the applicable provisions, excluding the sustainability report information on which there are provisions in Chapter 7 of the Accounting Act and in the sustainability reporting standards.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in compliance with the applicable provisions. Our opinion does not cover the sustainability report information on which there are provisions in Chapter 7 of the Accounting Act and in the sustainability reporting standards.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Other statements based on the law

Our responsibility is to, based on our audit, express an opinion on the registration and publication of the income tax report required in Chapter 7 b of the Accounting Act.

The Board of Directors and the Managing Director are responsible for the registration and the publication of the income tax report.

In our opinion, the company has not been obliged to register and publish an income tax report referred to in Chapter 7 b of the Accounting Act for the financial year immediately preceding the financial year.

Other opinions

We support that the financial statements should be adopted. The proposal by the Board of Directors regarding the treatment of distributable funds is in compliance with the Limited Liability Companies Act. We support that the Board of Directors of the parent company and the Chief Executive Officer should be discharged from liability for the financial period audited by us.

Helsinki, 4 February 2026

Deloitte Oy

Audit firm

Jukka Vattulainen
Authorised Public Accountant (KHT)

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ASSURANCE REPORT ON THE SUSTAINABILITY STATEMENT

(Translation of the Finnish original)

To the Annual General Meeting of Kesko Oyj

We have performed a limited assurance engagement on the group sustainability report ("sustainability statement") of Kesko Oyj (0109862-8) that is referred to in Chapter 7 of the Accounting Act and that is included in the report of the Board of Directors for the reporting period 1.1.–31.12.2025.

Opinion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the group sustainability statement does not comply, in all material respects, with

- the requirements laid down in Chapter 7 of the Accounting Act and the sustainability reporting standards (ESRS), and
- the requirements laid down in Article 8 of the Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (EU Taxonomy).

Point 1 above also contains the process in which Kesko Oyj has identified the information for reporting in accordance with the sustainability reporting standards (double materiality assessment).

Our opinion does not cover the tagging of the group sustainability statement with digital XBRL sustainability tags in accordance with Chapter 7, Section 22, Subsection 1(2), of the Accounting Act, because sustainability reporting companies have not had the possibility to comply with that requirement in the absence of requirements for the tagging of sustainability information in the ESEF regulation or other European Union legislation.

Basis for Opinion

We performed the assurance of the group sustainability statement as a limited assurance engagement in compliance with good assurance practice in Finland and with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information.

Our responsibilities under this standard are further described in the Responsibilities of the Authorised Group Sustainability Auditor section of our report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Authorised group sustainability auditor's Independence and Quality Management

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our engagement, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The authorised group sustainability auditor applies International Standard on Quality Management ISQM 1, which requires the authorised sustainability audit firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director of Kesko Oyj are responsible for:

- the group sustainability statement and for its preparation and presentation in accordance with the provisions of Chapter 7 of the Accounting Act, including the process that has been defined in the sustainability reporting standards and in which the information for reporting in accordance with the sustainability reporting standards has been identified,
- the compliance of the group sustainability statement with the requirements laid down in Article 8 of the Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088, and
- such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of a group sustainability statement that is free from material misstatement, whether due to fraud or error.

Inherent Limitations in the Preparation of a Group Sustainability Statement

In preparing the group sustainability statement, the company is required to conduct a materiality assessment to identify relevant matters to be reported. This process involves significant management judgement and choices. Due to the nature and characteristics of sustainability reporting, this type of information involves estimates and assumptions, as well as measurement and evaluation uncertainties.

In reporting forward-looking information according to ESRS standards, management is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future, possible future actions by the company Group, and prepare the forward-looking information based on these assumptions. The actual outcome is likely to be different since anticipated events frequently do not occur as expected.

The determination of greenhouse gas emissions involves inherent uncertainty due to incomplete scientific knowledge used to define the numerical values for emission factors and the combination of emissions from different gases.

Responsibilities of the Authorised Group Sustainability Auditor

Our responsibility is to perform an assurance engagement to obtain limited assurance about whether the group sustainability statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of the group sustainability statement.

Compliance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) requires that we exercise professional judgment and maintain professional skepticism throughout the engagement. We also:

- Identify and assess the risks of material misstatement of the group sustainability statement, whether due to fraud or error, and obtain an understanding of internal control relevant to the engagement in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Design and perform assurance procedures responsive to those risks to obtain evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Description of the Procedures That Have Been Performed

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. The nature, timing and extent of assurance procedures selected depend on professional judgment, including the assessment of risks of material misstatement, whether due to fraud or error. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our procedures included for ex. the following:

- Performed inquiries of the company's management and personnel responsible for collecting and reporting the information contained in the sustainability statement at the group level and for subsidiaries, as well as at the different levels and business areas of the organization.
- Obtained an understanding of the company's sustainability reporting process, internal controls, and information systems related to the sustainability reporting process through inquiries.
- Reviewed the company's internal guidelines and policies relevant to the information presented in the group sustainability statement.
- Reviewed the supporting documentation and records prepared by the company, where applicable, and assessed whether they support the information included in the group sustainability statement.
- With respect to the double materiality assessment process, we evaluated the implementation of the process conducted by the company in relation to the requirements of the ESRS standards and assessed whether the disclosed information on the double materiality assessment is in accordance with the ESRS standards.
- Evaluated whether the group sustainability statement meets the requirements of the ESRS standards, in all material aspects, regarding material sustainability matters to a significant extent.
- With respect to the EU taxonomy information, we obtained an understanding of the process by which the company has identified taxonomy-eligible and taxonomy-aligned economic activities and assessed the compliance of the related disclosed information with the regulations.

Helsinki, 4 February 2026

Deloitte Oy
Authorised Sustainability Audit Firm

Jukka Vattulainen
Authorised Sustainability Auditor

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INDEPENDENT AUDITOR'S REPORT ON THE ESEF CONSOLIDATED FINANCIAL STATEMENTS OF KESKO OYJ

(Translation of the Finnish original)

To the Board of Directors of Kesko Oyj

We have performed a reasonable assurance engagement on the financial statement (743700OX6HSVMCAHPB95-2025-12-31-0-fi.zip) of Kesko Oyj (0109862-8) that have been prepared in accordance with the Commission's regulatory technical standard for the financial year ended 1.1.–31.12.2025.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the company's report of the Board of Directors and financial statements (the ESEF financial statements) in such a way that they comply with the requirements of the Commission's regulatory technical standard. This responsibility includes:

- preparing the ESEF financial statements in XHTML format in accordance with Article 3 of the Commission's regulatory technical standard
- tagging the primary financial statements, notes and company's identification data in the consolidated financial statements that are included in the ESEF financial statements with iXBRL tags in accordance with Article 4 of the Commission's regulatory technical standard and
- ensuring the consistency between the ESEF financial statements and the audited financial statements.

The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of ESEF financial statements in accordance with the requirements of the Commission's regulatory technical standard.

Auditor's independence and quality management

We are independent of the company in accordance with the ethical requirements that are applicable in Finland and are relevant to the engagement we have performed, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The auditor applies International Standard on Quality Management (ISQM) 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's Responsibilities

Our responsibility is to, in accordance with Chapter 7, Section 8 of the Securities Markets Act, provide assurance on the financial statements that have been prepared in accordance with the Commission's regulatory technical standard. We express an opinion on whether the consolidated financial statements that are included in the ESEF financial statements have been tagged, in all material respects, in accordance with the requirements of Article 4 of the Commission's regulatory technical standard.

Our responsibility is to indicate in our opinion to what extent the assurance has been provided. We conducted a reasonable assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000.

The engagement includes procedures to obtain evidence on:

- whether the primary financial statements in the consolidated financial statements that are included in the ESEF financial statements have been tagged, in all material respects, with

iXBRL tags in accordance with the requirements of Article 4 of the Commission's regulatory technical standard and

- whether the notes and company's identification data in the consolidated financial statements that are included in the ESEF financial statements have been tagged, in all material respects, with iXBRL tags in accordance with the requirements of Article 4 of the Commission's regulatory technical standard and
- whether there is consistency between the ESEF financial statements and the audited financial statements.

The nature, timing and extent of the selected procedures depend on the auditor's judgment. This includes an assessment of the risk of a material deviation due to fraud or error from the requirements of the Commission's regulatory technical standard. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

Our opinion pursuant to Chapter 7, Section 8 of the Securities Markets Act is that the primary financial statements, notes and company's identification data in the consolidated financial statements that are included in the ESEF financial statements of Kesko Oyj (743700OX6HSVMCAHPB95-2025-12-31-0-fi.zip) for the financial year ended 31.12.2025 have been tagged, in all material respects, in accordance with the requirements of the Commission's regulatory technical standard.

Our opinion on the audit of the consolidated financial statements of Kesko Oyj for the financial year ended 31.12.2025 has been expressed in our auditor's report dated 4.2.2026. With this report we do not express an opinion on the audit of the consolidated financial statements nor express another assurance conclusion.

Helsinki 4 February 2026

Deloitte Oy
Audit Firm

Jukka Vattulainen
APA

CORPORATE GOVERNANCE 2025

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INTRODUCTION

This Corporate Governance Statement complies with the reporting requirements of the Finnish Corporate Governance Code 2025 issued by the Finnish Securities Market Association and effective as of 1 January 2025. Kesko Corporation issues the statement separately from the Report by the Board of Directors. The statement has been reviewed at the meeting of the Audit Committee of Kesko Corporation's Board of Directors on 4 February 2026. This statement and the other information to be disclosed in accordance with the Corporate Governance Code, as well as the Company's financial statements, the Report by the Board of Directors, the Auditor's Report and the Assurance Report on sustainability statement are available on Kesko's website at kesko.fi/investors.

Kesko Corporation ("Kesko" or "the Company") is a Finnish limited liability company in which the duties and responsibilities of management bodies are defined according to the regulations observed in Finland. The parent company Kesko and its subsidiaries form Kesko Group. The Company is domiciled in Helsinki.

Kesko complies with the Corporate Governance Code issued by the Finnish Securities Market Association and effective at any given time. In 2025, the Corporate Governance Code 2025 was in force, and Kesko complied with all its recommendations. The Corporate Governance Code can be accessed at cgfinland.fi/en/corporate-governance-code.

In addition to the Corporate Governance Code, Kesko's decision-making and corporate governance comply with e.g. the Finnish Limited Liability Companies Act, other laws and regulations concerning publicly quoted companies in Finland, Kesko's Articles of Association, the charters of Kesko's Board of Directors and its Committees, the Company's policies and other internal guidelines, and the rules and guidelines of the European Securities and Markets Authority, the Finnish Financial Supervisory Authority, and Nasdaq Helsinki Ltd.

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DESCRIPTIONS CONCERNING CORPORATE GOVERNANCE

Kesko Group's Corporate Governance system

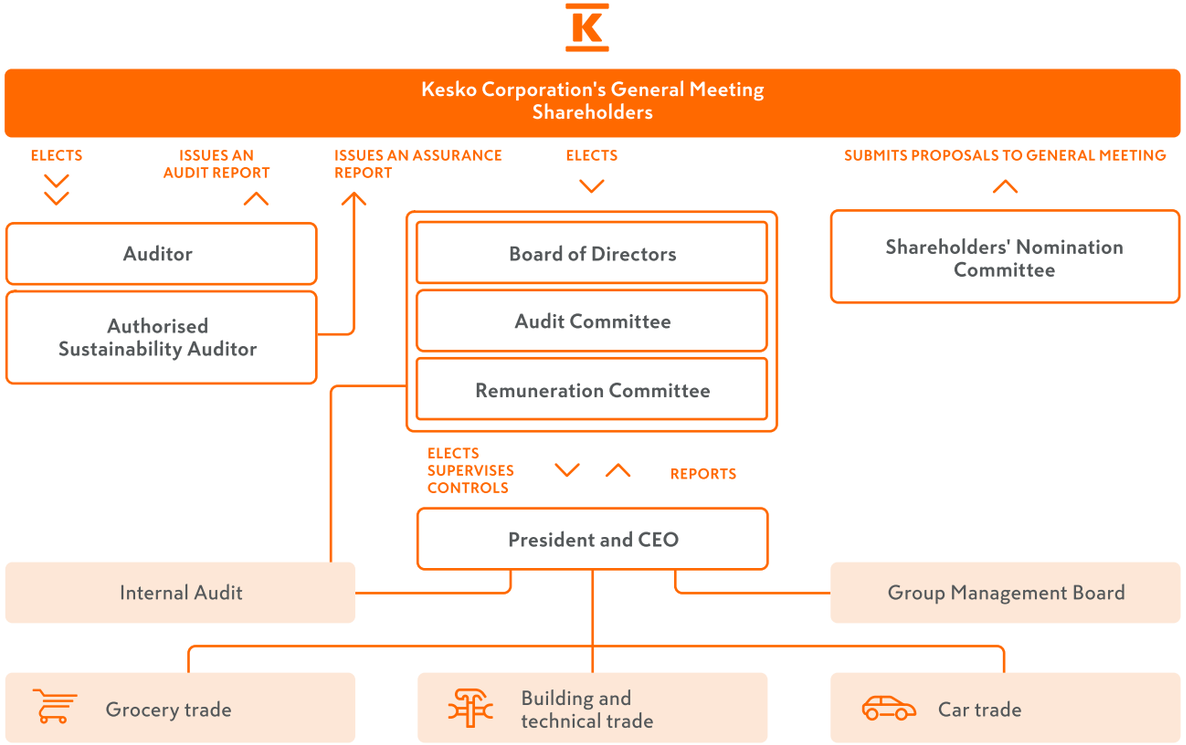
Kesko uses a so-called one-tier governance model. The highest decision-making power in Kesko is exercised by the Company's shareholders at the Company's General Meeting. At the Annual General Meeting, the Company's shareholders elect the Company's Board of Directors, Auditor and Authorised Sustainability Auditor. The Shareholders' Nomination Committee submits proposals to the General Meeting regarding the number, election and remuneration of Board members. The Auditor plays an important role as an auditing body and the Authorised Sustainability Auditor as an assurance body elected by the shareholders.

Kesko's Board of Directors is responsible for the Company's administration and its proper organisation. The Board has an Audit Committee and a Remuneration Committee, which prepare matters related to e.g. the Company's financial and sustainability reporting, control, and remuneration.

The Board of Directors appoints the Company's managing director, who at Kesko is referred to as the President and CEO. Kesko's Group Management Board supports the work of the President and CEO.

Internal audit is responsible for the Company's independent auditing, and reports to both the President and CEO and the Board's Audit Committee.

Kesko Group's governance model



General Meeting

The Annual General Meeting is held annually by the end of June, on a date designated by the Company's Board of Directors. The most significant matters falling within the decision-making power of the Annual General Meeting include the election of the Board members and the Auditor and Authorised Sustainability Auditor, the adoption of the financial statements, the resolution on discharging the Board members and the Managing Director from liability, and the resolution on the distribution of the Company's assets, such as distribution of profit. An Extraordinary General Meeting

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shall be convened if the Board of Directors deems it necessary. In addition, the Auditor or shareholders holding in total one-tenth of all shares may demand an Extraordinary General Meeting to be held for a specific matter. Shareholders are invited to attend a General Meeting by a Notice of the General Meeting published on the Company's website. The Notice of the General Meeting is also published as a stock exchange release. The Notice and other General Meeting documents, including the Board of Directors' proposals to the General Meeting, are made available to shareholders no later than three weeks prior to the General Meeting on the Company's website at kesko.fi.

The Company has share series A and B, which differ with respect to the number of votes attached to the shares. An A share carries ten (10) votes and a B share carries one (1) vote at a General Meeting. When votes are taken, the proposal for which more than half of the votes were given will primarily be the resolution of the General Meeting, as prescribed by the Finnish Limited Liability Companies Act. However, pursuant to the Act, certain resolutions – such as resolutions to amend the Company's Articles of Association and resolutions concerning directed share issues – require a qualified majority of two-thirds of the votes cast and shares represented at the meeting. The Limited Liability Companies Act provides that specific shareholders or all shareholders must consent to a resolution limiting the rights arising from shares or increasing the obligations of shareholders.

The Company aims for all members of the Board of Directors, the President and CEO, the Auditor and the Authorised Sustainability Auditor to be present at the Annual General Meeting. General Meeting Minutes are made available to shareholders on Kesko's website at kesko.fi within two weeks of the General Meeting. General Meeting resolutions are published without delay after the meeting in a stock exchange release.

Kesko's Annual General Meeting was held on 24 March 2025 on the Company premises in Helsinki. The Company's Board of Directors, President and CEO and other members of the Group Management Board, the auditor with principal authority and the principal Authorised Sustainability Auditor were present at the meeting. The Annual General Meeting adopted the 2024 financial statements and resolved to distribute a dividend of 0.90 per share. The Annual General Meeting discharged the Board members and the Managing Director from liability, approved the Remuneration Report for Governing Bodies, made resolutions concerning the Board members and their number and remuneration, elected the firm of authorised public accountants and Sustainability Audit Firm Deloitte Oy as the company's Auditor and Authorised Sustainability Auditor, and authorised the Board to decide on the repurchase of the company's own shares and on the issuance of shares, as well as on donations for charitable purposes. The Annual General Meeting was in favour of all proposals submitted to the General Meeting by the Shareholders' Nomination Committee and the Board of Directors. The resolutions were communicated in a stock exchange release on the day of the General Meeting.

Shareholders' Nomination Committee

Selection process and duties of the Shareholders' Nomination Committee

Kesko has a Shareholders' Nomination Committee, which comprises three members. Two members are appointed by Kesko's biggest shareholders, and the third member is the Chair of Kesko's Board of Directors. The right of nomination of members representing the shareholders belongs to those two shareholders whose share of votes conferred by all shares in Kesko is the largest according to the register of shareholders maintained by Euroclear Finland Ltd on 1 September preceding the Annual General Meeting. The term of office for the members of the Shareholders' Nomination Committee ends when new Committee members are appointed. The Nomination Committee members do not receive fees for their membership. Their travel expenses are reimbursed in accordance with the general travel rules of Kesko.

The main duty of the Nomination Committee is to ensure that the Board of Directors and its members have the expertise, know-how and experience adequate for Kesko's needs, and to prepare reasoned proposals for this purpose to the General Meeting. In accordance with its rules of procedure, the Nomination Committee's duties are

- to prepare and present a proposal for the remuneration of the members of the Board of Directors to the General Meeting,
- to prepare and present a proposal for the number of members of the Board of Directors to the General Meeting,
- to prepare and present a proposal for members of the Board of Directors to the General Meeting,
- to answer questions asked by shareholders at the General Meeting concerning the proposals made by the Nomination Committee, and
- to look for candidates to replace members of the Board of Directors.

The Nomination Committee submits proposals to the General Meeting on the matters listed as duties of the

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Nomination Committee which, on the grounds of the Finnish Limited Liability Companies Act and Kesko's Articles of Association, are on the General Meeting agenda.

Kesko's Shareholders' Nomination Committee was established and its rules of procedure confirmed by the 2020 Annual General Meeting. The Nomination Committee is established for the time being, until decided otherwise by the General Meeting. The Nomination Committee rules of procedure are available on Kesko's website at kesko.fi/shareholders-nomination-committee.

Composition and actions of the Shareholders' Nomination Committee in 2025

The members of Kesko's Shareholders' Nomination Committee in the 2025–2026 term of office are

- Pauli Jaakola, retailer, appointed by K-Retailers' Association,
- Annika Ekman, Chief Investment Officer, appointed by Ilmarinen Mutual Pension Insurance Company, and
- Esa Kiiskinen, Chair of Kesko's Board of Directors.

At its organisational meeting on 23 September 2025, the Committee elected Pauli Jaakola as Committee Chair. In the 2024–2025 term of office, President and CEO Jouko Pölönen, appointed by Ilmarinen Mutual Pension Insurance Company, was a member of the Shareholders' Nomination Committee alongside Jaakola and Kiiskinen.

Personal details regarding Pauli Jaakola and Esa Kiiskinen can be found in this CG Statement's section on Kesko's Board of Directors. Annika Ekman (female, born 1977, M.Sc. Econ.) is the Chief Investment Officer at Ilmarinen Mutual Pension Insurance Company. Two of the members of the Shareholders' Nomination Committee are men and one is a woman.

The Shareholders' Nomination Committee convened three (3) times in 2025, and all members attended all meetings. The Shareholders' Nomination Committee proposed to Kesko's 2025 Annual General Meeting that seven members be elected to the Board of Directors, and that Esa Kiiskinen, Jannica Fagerholm, Pauli Jaakola, Piia Karhu, Jussi Perälä and Timo Ritakallio be re-elected as Board members and Tiina Alahuhta-Kasko be elected as a new member. The Nomination Committee proposed that the annual fees of Board members be raised by approximately 10-14 percent, and that other remuneration of Board members and the reimbursement of their expenses remain unchanged. The General Meeting was in favour of all proposals submitted by the Shareholders' Nomination Committee.

The Shareholders' Nomination Committee proposes to Kesko's 2026 Annual General Meeting that seven members be elected to the Board of Directors. The Nomination Committee proposes that the following persons be re-elected as Board members: retailer Esa Kiiskinen, business college graduate, kauppaneuvos; Tiina Alahuhta-Kasko, D.Sc. (Tech.) h.c., M.Sc. (Econ), CEMS MIM; Jannica Fagerholm, M.Sc. Economics; retailer Pauli Jaakola, EMBA; retailer Jussi Perälä, business college graduate; and Timo Ritakallio, Doctor of Science (Technology), LL.M., MBA, vuorineuvos. Mervi Airaksinen, M.Sc. (Econ.) is proposed to be elected as a new member of the Board. Of the current Board members, Piia Karhu has stated she is not available for re-election.

The Shareholders' Nomination Committee also proposes that the annual fees and other remuneration for Board members and the reimbursement of their expenses remain unchanged. The proposal regarding the remuneration of Board members and the reimbursement of their expenses in 2026–2027 is as follows:

- Board Chair, an annual fee of €120,000;
- Board Deputy Chair, an annual fee of €75,000;
- Board member, an annual fee of €55,000;
- Board member who is the Chair of the Audit Committee, an annual fee of €75,000;
- A meeting fee of €600/meeting for a Board meeting and its Committee's meeting. A meeting fee of €1,200/Board meeting for the Board Chair. However, a meeting fee of €1,200/Committee meeting is to be paid to a Committee Chair who is not the Chair or Deputy Chair of the Board. The meeting fees are to be paid in cash.
- Daily allowances and the reimbursements of travel expenses are to be paid to the Board members in accordance with the general travel rules of Kesko.

It is proposed that the aforementioned annual fees be paid in Kesko Corporation's B shares and in cash, with approximately 30% of the remuneration paid in shares and the remaining amount paid in cash. The Company will acquire the shares from the market or transfer shares held by the Company as treasury shares in the name and on behalf of the Board members. The Company is responsible for the costs arising from the acquisition of the shares. The shares are to be acquired or transferred to the Board members on the first working day to follow the publication of the interim report for the first quarter of 2026, or on the first date enabled by applicable legislation. A Board member cannot transfer shares obtained in this manner until either three years have passed from the day the member has received the shares or their membership on the Board has ended, whichever comes first.

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The Nomination Committee proposals were published as stock exchange releases on 15 January 2025 with regard to the proposals to the 2025 Annual General Meeting, and on 16 January 2026 with regard to the proposals to the 2026 Annual General Meeting.

Board of Directors

The number and term of Board members

According to the Articles of Association, Kesko's Board of Directors is composed of a minimum of five (5) and a maximum of eight (8) members. The General Meeting decides on the number of Board members, elects all Board members, and decides on the Board members' remuneration. The Shareholders' Nomination Committee submits proposals concerning the above matters to the General Meeting. The Board elects the Chair and the Deputy Chair from amongst its members.

The term of office for a Board member is one (1) year, starting at the close of the General Meeting that elects the Board member and expiring at the close of the next Annual General Meeting to follow.

Board composition in 2025

Name	Year of birth	Gender	Education	Principal occupation	Board member since	Committee member
Esa Kiiskinen (Chair)	1963	Male	Business College Graduate	Food retailer	2009	Remuneration Committee (Chair)
Timo Ritakallio (Deputy Chair)	1962	Male	Doctor of Science (Technology), Master´s degree in law (LL.M.), MBA	President and Group CEO, OP Pohjola	2021	Audit Committee (Deputy Chair) Remuneration Committee (Deputy Chair)
Tiina Alahuhta-Kasko*	1981	Female	D.Sc. (Tech.) h.c., M.Sc. (Econ), CEMS MIM	President and CEO, Marimekko Corporation	2025	Remuneration Committee
Jannica Fagerholm	1961	Female	Master of Science (Economics)	Managing Director, Signe and Ane Gyllenberg Foundation	2016	Audit Committee (Chair)
Pauli Jaakola	1973	Male	eMBA	Food retailer	2024	
Piia Karhu	1976	Female	Doctor, Business Administration	President, Minerals, Metso Corporation	2018	Audit Committee
Jussi Perälä	1970	Male	Business College Graduate	Building and home improvement retailer	2021	
Peter Fagernäs (Deputy Chair)**	1952	Male	Master of Laws	Chairman of the Board, Oy Hermitage Ab	2018	Remuneration Committee (Deputy Chair)

*Alahuhta-Kasko was elected as a Board member from 24 March 2025 onwards.
**Fagernäs was a Board member until 24 March 2025.

Board composition in 2025

The following members were elected on Kesko's Board of Directors by the Annual General Meeting of 24 March 2025: Esa Kiiskinen (Chair), Timo Ritakallio (Deputy Chair), Tiina Alahuhta-Kasko, Jannica Fagerholm, Pauli Jaakola, Piia Karhu and Jussi Perälä. The term of office of the Board members will expire at the close of the 2026 Annual General Meeting. Men account for approximately 57% of the Board members and women for approximately 43%. The aforementioned Board members (apart from Alahuhta-Kasko) were members of the Board of Directors in the months leading up to the 2025 Annual General Meeting, as was Peter Fagernäs.

The Board's 2025 composition is depicted in the table.

Independence

The Board evaluates the independence of its members on a regular basis in accordance with Recommendation 10 of the Corporate Governance Code. A Board member is obliged to provide the Board with necessary information for the evaluation of independence. All members of Kesko's Board of Directors are non-executive directors.

The Board carried out its annual independence evaluation at its meeting on 24 March 2025. Based on the independence evaluations, the Board considers the majority of Board members to be independent of the Company. Esa Kiiskinen, Pauli Jaakola and Jussi Perälä are not considered independent of the Company, as they each control a company that has a chain agreement with Kesko. All Board members apart from Jaakola were deemed independent of Kesko's significant shareholders. Jaakola is the Chairman of the Board of Kesko's significant shareholder K-Retailers' Association. The Board and Committee compositions meet

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the independence requirements of the Corporate Governance Code.

The independence of each Board member is presented in the following table.

Board members' independence in 2025

	Independent of the company	Independent of a significant shareholder
Esa Kiiskinen (Chair)	No*	Yes
Timo Ritakallio (Deputy Chair)	Yes	Yes
Tiina Alahuhta-Kasko	Yes	Yes
Jannica Fagerholm	Yes	Yes
Pauli Jaakola	No*	No**
Piia Karhu	Yes	Yes
Jussi Perälä	No*	Yes

* Companies controlled by Kiiskinen, Jaakola and Perälä each have a chain agreement with Kesko Corporation.
** Jaakola is the Chairman of the Board of Kesko´s significant shareholder K-Retailers´ Association.

Description of the operations of the Board of Directors and the main contents of its charter

Kesko's Board of Directors is responsible for the Company's corporate governance and for the proper organisation of its operations. The Board is responsible for the appropriate arrangement of the control of Kesko's accounts and finances. The Board of Directors has confirmed a written charter of the Board of Directors' duties, principles of operation, meeting practices and decision-making procedures.

According to its charter, the Board reviews and makes decisions on matters that are financially, operationally or fundamentally significant to the Group. According to its charter, the Board of Directors:

Strategic and financial matters
- decides on the Group strategy and confirms the divisions' strategies
- confirms the Group's budget and forecast update, including a capital expenditure plan
- reviews the Group's most significant risks and uncertainties
- decides on strategically or financially significant individual investments, acquisitions, divestments or arrangements, and commitments
- monitors Kesko Group's financial situation and financing
- is responsible for the development of shareholder value and approves the dividend policy

Organisational and personnel matters
- appoints and discharges the Company's President and CEO, approves their managing director's service contract, and decides on their remuneration and other financial benefits, and makes corresponding decisions for the possible Deputy CEO
- decides on the appointments of the Group Management Board members responsible for lines of business, their remuneration and financial benefits
- decides on the essential structure and organisation of the Group
- ensures the proper operation and supervision of the management system
- decides on management authorisation rules
- decides on the principles of Kesko's commitment and incentive schemes, the terms and conditions and distribution of shares or options under the remuneration policy in force, and monitors the results of the schemes

Matters related to reporting, financial audit and sustainability reporting assurance
- reviews and adopts the half-year financial reports, interim reports, and financial statements including the Report by the Board of Directors containing sustainability reporting data, as well as the related stock exchange releases
- monitors and assesses the reporting system for Kesko's financial reporting and financial audit and sustainability reporting and sustainability reporting assurance
- monitors the Company's financial audit and sustainability reporting assurance
- monitors and assesses the efficiency of Kesko's internal control, internal audit and risk management systems with regard to financial reporting and financial audit and sustainability reporting and sustainability reporting assurance
- reviews the results presented to the Board by the Board's Audit Committee on the financial audit and sustainability reporting assurance, the Committee's opinion on how the financial audit and sustainability reporting assurance have increased reporting reliability, and the view on the Committee's role during the financial audit and sustainability reporting assurance procedure
- monitors and assesses the independence of the Company's Auditor and Authorised Sustainability Auditor, and in particular the acceptability of such services offered by the Auditor and Authorised Sustainability Auditor to Kesko that are not related to financial audit or sustainability reporting assurance
- submits proposals to the General Meeting on the Auditor and the Authorised Sustainability Auditor
- reviews Kesko's Annual Report as necessary

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Other duties

- submits Board proposals to the General Meeting on matters such as dividend distribution and authorisations to issue and acquire shares
- monitors and assesses how agreements and other legal acts between the Company and its related parties meet the requirements for operations that are part of ordinary course of business and for under arms-length terms
- confirms Kesko's values
- approves the K Code of Conduct and other Group policies such as the treasury and investment policy and risk management policy
- approves the Board's principles concerning diversity
- is responsible for the other statutory duties prescribed to the Board of Directors by the Limited Liability Companies Act or other, and for duties prescribed by the Corporate Governance Code.

Kesko's Board of Directors has a duty to promote the best interest of Kesko and all its shareholders. The Board members do not represent the interests of the parties that have proposed their election as Board members. A Board member is disqualified from participating in the handling of any matter between that person (including entities over which the person exercises control) and the Company. When a vote is taken, the Board's decision will be the opinion of the majority and, if a vote results in a tie, the decision will be the opinion supported by the Board Chair. If the votes taken at an election of a person end in a tie, the result will be decided by drawing lots.

Board of Directors' operations in 2025

In 2025, the Board held ten (10) meetings. Board meetings regularly discuss a review by the President and CEO on key topical issues, as well as reports by the Chairs of the Board's Audit Committee and Remuneration Committee on Committee meetings preceding the Board meetings. The Auditor and Authorised Sustainability Auditor present their findings to the Board once a year in connection with the review of financial statements and sustainability statement.

As in previous years, in 2025 the Board reviewed the financial reports and monitored the Group's financial situation, approved the most significant capital expenditure, monitored the progress of Group-level projects, and approved the interim reports, the half-year financial report and the financial statements as well as the Report by the Board of Directors prior to their publication.

In 2025, the Board monitored the overall economy and its development as well as market trends, and assessed their impact on the sales and profit of Kesko and K Group. The Board reviewed strategic reviews relating to divisions, technology, and artificial intelligence, and made decisions regarding, among other things, the Group's new science-based emission reduction targets, the divestment and leasing of 10 grocery store properties to the Swedish Prisma Properties AB, and significant store site investments, including the construction of a K-Citymarket in Espoontori and the acquisition of a controlling interest in the Tikkuri shopping centre in Vantaa. In addition, the Board decided on the use of the donation funds approved by the Annual General Meeting, on the establishment of new share plans for compensation purposes and on the principles for performance bonuses in 2026, and approved updated versions of the Group's governance policy, people policy,

Attendance at meetings by members of the Board and its Committees in 2025

		Attendance		
	Committee membership	Board	Audit Committee	Remuneration Committee
Esa Kiiskinen (Chair)	Remuneration Committee (Chair)	10/10		3/3
Timo Ritakallio (Deputy Chair)	Audit Committee (Deputy Chair) Remuneration Committee (Deputy Chair)	10/10	5/5	3/3
Tiina Alahuhta-Kasko (24 March 2025 onwards)	Remuneration Committee	8/8		1/1
Jannica Fagerholm	Audit Committee (Chair)	10/10	5/5	
Pauli Jaakola		10/10		
Piia Karhu	Audit Committee	10/10	5/5	
Jussi Perälä		10/10		
Peter Fagernäs (until 24 March 2025)	Remuneration Committee (Deputy Chair)	2/2		2/2

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sustainability policy, and data protection policy, as well as a new artificial intelligence policy.

The Chair of the Audit Committee reported to the Board on measures to develop Kesko's sustainability statement, monitored by the Committee, and on the update to the double materiality assessment, reviewed by the Committee.

The Board carried out a self-assessment regarding Board operations and working practices. The assessment was conducted via discussions between the Board's Chair and each Board member based on a predetermined discussion agenda. Among other things, the Board members assessed the Company's strategy, the working practices and composition of the Board and its Committees and related development measures, the performance of the Board Chair, Board members and Company management, reporting, risk management and succession planning for Company management. The Board reviewed a summary of the results of the assessment discussions at its December meeting. In addition to the summary, each Board member received personal feedback. A summary of the assessment results was also provided to the Shareholders' Nomination Committee.

Board diversity policy

Diversity is an essential component in Kesko's success, the achievement of Kesko's strategic objectives and good governance at Kesko. The principles regarding Board diversity are included in the diversity policy approved by Kesko's Board of Directors. The policy describes the objectives in the achievement of diversity in the operations and composition of the Board of Directors.

"Board size and election of its members

According to the Company's Articles of Association, the term of Board members elected is one (1) year, so that the term begins at the close of the General Meeting electing the member and expires at the close of the next Annual General Meeting. According to the Articles of Association, Kesko's Board of Directors is composed of a minimum of five (5) and a maximum of eight (8) members. A sufficient number of Board members promotes the diversity of Board composition, as the areas of expertise and competence of the Board members are mutually complementary and the Board's independence requirements are satisfied.

The Board members are elected by majority votes at the General Meeting. The Board elects the Chair and the Deputy Chair from among its members for the whole term of office of the Board. In the preparation of a proposal for the Board composition, Kesko applies the practice in which a Shareholders' Nomination Committee prepares proposals to the General Meeting concerning Board members' fees and, as necessary, for the number of Board members and for the Board members.

Planning the Board composition

The composition of Kesko's Board of Directors shall support Kesko's current and future business operations. The Board members are appointed on their merits. Essential features in the Board diversified composition are that the Board members' educational and cultural backgrounds, experience and professional competences for example in the social, business and cultural conditions of the markets in which Kesko operates in as well as the nationality, country of origin, age and gender distribution support Kesko's business objectives and enable efficient Board work from Kesko's point of view. The Board members shall also be able to devote a sufficient amount of time to Board work. Board members are recommended to hold Board memberships or high level positions in no more than four other publicly listed companies.

Kesko aims to achieve a balanced gender distribution in the composition of its Board of Directors. The composition of the Board shall reflect experience in both national and international business operations. The educational background of the Board members shall represent multiple disciplines and diversity. In addition, Kesko's Board shall include members with strong experience in the trading sector and in-depth knowledge of the retailer business."

The policy is available on Kesko's website at kesko.fi/diversity-policy. The Shareholders' Nomination Committee must take the diversity policy into account when preparing proposals for Board members to the Annual General Meeting.

Diversity policy implementation in 2025

The educational backgrounds and experience and professional competencies of the Board members elected by the 2025 Annual General Meeting represent multiple disciplines and diversity. Several Board members have experience in the trading sector and the principal occupation of two of the seven Board members is acting as a K Group grocery retailer, while one is a K Group building and home improvement trade retailer. Several Board members also have experience in international business operations. Three of the seven Board members are women, which means that the proportion of the gender with the smaller representation on the Board is approximately 43%.

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The age of the Board members varies from 44 to 64 years (see the table "Board composition" for detailed personal data).

Board committees

Kesko's Board of Directors has established an Audit Committee and a Remuneration Committee to support the Board's work and prepare matters the Board is responsible for. Each Committee is composed of three (3) Board members. At the close of the 2025 Annual General Meeting, which elected the Board members, the Board elected the Committee Chairs, Deputy Chairs, and members from amongst its members.

All members of both Committees are independent of the Company's significant shareholders. All members of the Audit Committee are also independent of the Company. The majority of the members of the Remuneration Committee are independent of the Company. In the election of committee members, the competence requirements for the members of the Committee in question have been taken into account.

The Committees have no independent decision-making power. Instead, the Board makes decisions on matters based on the Committees' preparatory work. The Board has confirmed written charters for the Committees detailing the Committees' duties and operating principles. Each Committee Chair reports on the Committee's work at the Board meeting following a Committee meeting. Minutes of the Committee meetings are submitted for information to the Board members. The actions and working practices of the Committees are assessed annually in conjunction with the Board evaluation.

Audit Committee

The Board's organisational meeting, held after the 2025 Annual General Meeting, elected the following Board members as Audit Committee members:

- Jannica Fagerholm (Chair)
- Timo Ritakallio (Deputy Chair)
- Piia Karhu

In accordance with its charter, the Audit Committee:

Financial and sustainability reporting and related processes

- monitors Kesko Group's financial position and funding
- monitors and assesses Kesko's financial and sustainability reporting system, including the processes for financial statements reporting and sustainability reporting
- monitors procedures in financial, sustainability and digital reporting and in identifying information to be reported in compliance with sustainability reporting standards
- monitors the statutory financial audit and sustainability reporting assurance
- discusses, where necessary, matters that emerge in connection with the financial audit or sustainability reporting assurance or otherwise in relation to the Committee's duties with the Auditor and/or Authorised Sustainability Auditor
- reviews the Auditor's Report and possible audit minutes and reports presented by the Auditor to the Committee
- reviews the assurance report by the Authorised Sustainability Auditor and possible other reports presented by the Authorised Sustainability Auditor to the Committee
- presents to the Board the results of the financial audit and sustainability reporting assurance, the Committee's opinion on how the financial audit and sustainability reporting assurance have increased reporting reliability, and its view on the Committee's role during the financial audit and sustainability reporting assurance related procedure
- discusses financial reporting, sustainability reporting, outlook and forecast updates with the Company's management
- prepares recommendations to the Board regarding the review of interim reports, the half-year financial report, and the financial statement, including the Report by the Board of Directors containing sustainability reporting data
- reviews the Company's Corporate Governance Statement

Auditor and Authorised Sustainability Auditor

- monitors and evaluates the independence of the Company's Auditor and Authorised Sustainability Auditor, and in particular, the acceptability of such services offered by the Auditor and Authorised Sustainability Auditor to Kesko that are not related to financial audit or sustainability reporting assurance
- organises the election process for the Auditor and the Authorised Sustainability Auditor and their tendering at necessary intervals, and provides recommendations to the Board on the Auditor and Authorised Sustainability Auditor and their remuneration

Internal control, internal audit, and risk management

- monitors and assesses the effectiveness of Kesko's internal control, internal audit, and risk management systems
- approves the operating instructions for the Company's internal audit and annually assesses the need for changes, approves the annual audit plan, budget and resources and related material changes
- reviews reports concerning internal audit, risk management, cyber security, financing, taxation, insurance and other matters within the Committee's purview

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Compliance

- monitors and assesses how agreements and other legal acts between the Company and its related parties meet the requirements for operations that are part of ordinary course of business and for under arms-length terms
- monitors and assesses the scope and efficiency of Kesko's compliance system, and reviews reports submitted to the Committee
- supervises that the Company employs processes for receiving and handling complaints and notifications concerning financial and sustainability reporting, financial audit and sustainability reporting assurance, internal control, legislation, the K Code of Conduct and policies

Other duties

- reviews the K Code of Conduct and other Group policies within the scope of its duties before they are approved by the Board
- prepares and reviews other tasks given by the Board to the Committee, and at its discretion, other necessary tasks related to the duties and responsibilities of the Committee

In 2025, the Audit Committee held five (5) meetings. The attendance rate of the Committee members at the meetings was 100%. The Group's Chief Financial Officer, the Group Controller, the Chief Audit and Risk Officer, and the Executive Vice President for Legal and Sustainability regularly reported on their areas of responsibility to the Committee at the meetings. The Auditor and the Authorised Sustainability Auditor are present at the Committee meetings and present their audit plan and report to the Audit Committee.

During the year, the Committee reviewed reports on the Group's financial situation, including the financial statements release, the half-year financial report, interim reports, and updated forecasts, and made a recommendation to the Board on the review of the reports and the financial statements release.

The Committee reviewed reports on the Group's external and internal audits, risk management, artificial intelligence and cyber security, and governance, compliance and ethics, the report on related party transactions, and the Corporate Governance Statement. The Committee furthermore reviewed reports related to the Company's financing, taxation, insurance and corporate security. The Audit Committee monitored measures to develop Kesko's sustainability statement and reviewed the update to the double materiality assessment. In terms of risk management, the Audit Committee concentrated in particular on uncertainties in the operating environment and general economic developments, geopolitical risks and cybersecurity, and other aspects of business continuity risks. The Audit Committee approved the Group's internal audit plan, personnel resources and budget for 2026. The Committee also reviewed the results of goodwill impairment testing. For the purposes of the proposal to be submitted to the Annual General Meeting, the Committee gave recommendations to the Board regarding the Auditor, the Authorised Sustainability Auditor, and their remuneration. The Committee monitored and assessed the independence of the Auditor and the Authorised Sustainability Auditor, and the additional services provided by them to Kesko.

The work of the Audit Committee was assessed as part of the evaluation of Kesko's Board work.

Remuneration Committee

The Board's organisational meeting, held after the 2025 Annual General Meeting, elected the following Board members as Remuneration Committee members:

- Esa Kiiskinen (Chair)
- Timo Ritakallio (Deputy Chair)
- Tiina Alahuhta-Kasko

In accordance with its charter, the Remuneration Committee:

Remuneration policy and report

- prepares the Company's Remuneration Policy and Remuneration Report for Governing Bodies
- presents the remuneration policy and report at the General Meeting and answers related questions
- monitors the implementation of the remuneration policy presented to the General Meeting and ensures that the remuneration of the Company's governing bodies is conducted within the remuneration policy presented to the General Meeting

Appointment and remuneration matters

- conducts preparatory work for the remuneration and other financial benefits for the Company's President and CEO and possible Deputy CEO and for their service contracts
- conducts preparatory work for the remuneration and other financial benefits for Group Management Board members responsible for lines of business
- monitors and assesses the realisation of the remuneration and other financial benefits for Group Management Board members not responsible for lines of business; decisions on the appointment and remuneration and other financial benefits for such Group

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Management Board members are made by the President and CEO within the limits set by the Remuneration Committee Chair
- conducts preparatory work pertaining to the appointment of a President and CEO, possible Deputy CEO, and Group Management Board members responsible for lines of business, and to identifying their potential successors
- conducts preparatory and development work on matters pertaining to remuneration schemes, including
  - evaluating the remuneration for the President and CEO, possible Deputy CEO, and other management, and ensuring the appropriateness of the Company's remuneration schemes
  - preparing potential share or share-based compensation schemes
  - preparing the distribution and terms and conditions of shares or options under any share or share-based compensation schemes the General Meeting may have decided on
  - preparing the principles for the performance and result criteria of the compensation schemes, and monitoring their implementation and evaluating their impact on Kesko's long-term financial success
- monitors the regulatory compliance of the Company's remuneration matters

Other duties
- reviews the Group policies within the scope of its duties before they are approved by the Board
- prepares and reviews other tasks given by the Board to the Committee and, at its discretion, other necessary tasks related to the duties and responsibilities of the Committee.

In 2025, the Remuneration Committee held three meetings. The attendance rate of Committee members at the meetings was 100%. The Committee prepared, among other things, proposals to the Board for Kesko's Remuneration Report for Governing Bodies 2024, for Kesko's 2025–2028 share-award plans, for the performance criteria and target values and the target group for share awards, for the principles of Group performance bonuses for 2026, as well as for the performance bonuses to be paid for 2024 to the President and CEO and Group Management Board members responsible for lines of business. The Committee monitored and evaluated the implementation of management total remuneration.

The work of the Remuneration Committee was assessed as part of the evaluation of Kesko's Board work.

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Managing Director (President and CEO) and their duties

Kesko's managing director is referred to as the President and CEO. Jorma Rauhala (born 1965, MSc. Econ.) has been Kesko's President and CEO since 1 February 2024. Rauhala has also chaired the Group Management Board from 1 February 2024 onwards, and has been a member of the Group Management Board since 5 February 2013. He acted as Deputy CEO from 15 November 2017 to 31 January 2024.

The President and CEO's duty is to manage Kesko Group's operations in accordance with the instructions and orders issued by the Company's Board of Directors, and to report to the Board the developments in the Company's business operations and financial situation. The President and CEO is also responsible for organising the Company's day-to-day governance, and for the Company's accounting complying with legislation, and financial matters being organised in a reliable manner. The President and CEO also chairs the Group Management Board.

The President and CEO is appointed by the Board of Directors. The Board has decided the terms and conditions of the President and CEO's service contract. A written managing director's service contract, approved by the Board, has been made between the Company and the President and CEO.

Group Management Board

Kesko Group has a Group Management Board, the Chair of which is Kesko's President and CEO. The Group Management Board does not have any powers under law or the Company's Articles of Association. The Group Management Board's duty is to discuss Group-wide development projects and Group-level policies and procedures. In addition, the Group Management Board discusses, among other things, the Group's and the divisions' business plans, profit performance, and matters reviewed by Kesko's Board of Directors, the preparation of which it also participates in. The Group Management Board typically meets 11–15 times a year. In 2025, the Group Management Board met 12 times.

Group Management Board 2025

	Year of birth	Gender	Group Management Board member since	Area of responsibility
Jorma Rauhala, President and CEO	1965	Male	5.2.2013	Kesko's President and CEO
Ari Akseli, President, grocery trade division	1972	Male	15.11.2017	Grocery trade
Sami Kiiski, President, building and technical trade division	1976	Male	1.6.2023	Building and technical trade
Johanna Ali, President, the car trade division	1977	Female	1.4.2024	Car trade
Anu Hämäläinen, Executive Vice President, Chief Financial Officer	1965	Female	1.6.2024	Finance, IT, risk management and M&A
Lasse Luukkainen, Executive Vice President	1978	Male	1.6.2024	Legal and Sustainability
Matti Mettälä, Executive Vice President	1963	Male	1.10.2012	HR
Karoliina Partanen, Executive Vice President	1977	Female	1.10.2020	Communications, Branding and Stakeholder Relations

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DESCRIPTIONS OF INTERNAL CONTROL PROCEDURES AND THE FEATURES OF RISK MANAGEMENT SYSTEMS

Group financial reporting

Kesko's management model

Kesko's financial reporting and planning are based on Kesko Group's management model. The financial results of the Group's units are reported and analysed internally within the Group on a monthly basis and disclosed quarterly in interim reports, the half-year financial report, and the financial statements release. Financial forecasts are updated quarterly, in addition to which significant changes are taken into account in the monthly reported performance forecast. The strategies of the Group and its divisions as well as businesses are updated annually.

Roles and responsibilities

Kesko Group's financial reporting and its supervision are organised on three levels. The businesses analyse and report their figures to the divisions, which then report the division-specific figures to Group level. Analysis and control points for ensuring the accuracy of reporting are used on each of the three reporting levels.

Planning and performance reporting

The Group's financial development and achievement of financial targets are monitored by financial reporting covering the entire Group. Monthly performance reporting includes actual Group, division and business specific results, changes compared to the previous year, comparison with forecasts, and forecasts for the ongoing financial year. The Group's short-term financial planning is based on annual budgeting and quarterly updated forecasts extending to the end of the ongoing financial year. The key financial indicators are sales performance for growth, comparable operating profit, comparable operating margin, and comparable return on capital employed for profitability, and free cash flow for cash flow, monitored through monthly internal reporting. Information on the Group's financial situation is provided in interim reports, the half-year financial report, and the financial statements release. The Group's sales figures are published monthly.

Performance reporting to Group top management

Performance reporting to the Group's top management comprises monthly reports on the Group's, divisions' and businesses' sales, profits, capital employed and cash flows, as well as on the Group's financial items, cash flow, and balance sheet position. Each business is primarily responsible for the financial reporting and the accuracy of the figures. The controlling function of each division analyses the whole division's figures for which the division's financial management is responsible. The Group is responsible for the whole Group's figures. Key income statement, capital employed and balance sheet items are analysed monthly at business, division and Group level, based on an agreed division of duties. This makes real-time information on the financial situation constantly available and enables real-time responses to possible issues.

Public performance reporting

Public performance reporting comprises interim reports, the half-year financial report, the financial statements release, the annual financial statements, and monthly sales reports. The same accounting principles and control methods are applied to public performance reporting as to monthly performance reporting. The Audit Committee reviews the interim report, the half-year financial report, the financial statements release and the financial statements and gives a recommendation on their review to the Board of Directors. The Board approves the interim report, the half-year financial report, the financial statements release and the financial statements before they are published.

Key actions for 2025

In 2025, the development of financial administration processes and controls and the harmonisation and automation of reporting continued with a business-driven approach. An impact assessment was conducted in preparation for the implementation of IFRS 18, which will enter into force on 1 January 2027. The three Danish building and home improvement trade companies acquired during the year were integrated into the Group's financial and sustainability reporting.

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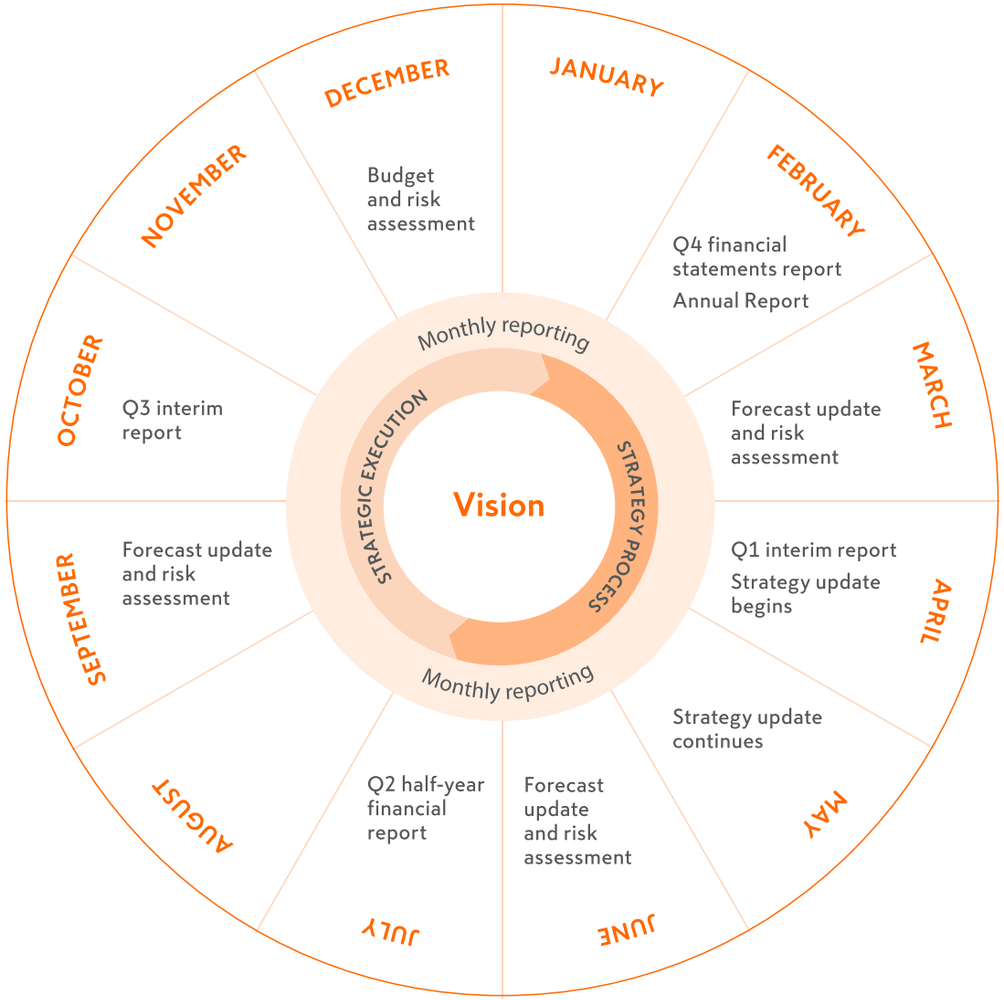
Key actions for 2026

In 2026, preparations for the implementation of IFRS 18 will continue. The development of financial administration information systems, processes and controls and the harmonisation and automation of reporting will continue with a business-driven approach.

Accounting policies and financial administration IT systems

Kesko Group complies with the International Financial Reporting Standards (IFRS) approved for adoption by the European Union. The accounting policies adopted by the Group have been compiled in an accounting manual, which is updated as standards and interpretations are amended. The manual contains instructions for Group companies and for preparing the consolidated financial statements. Kesko Group's financial administration information is generated from division and company specific enterprise resource planning systems and basic finance systems into the Group's centralised consolidation system to generate the Group's key financial reports. The key systems used to generate financial information have been certified and secured with back-up systems, and they are controlled and checked regularly to ensure reliability and continuity.

Kesko Group's management model



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Internal control

Control environment

Internal control is an integral part of management and involves Kesko's Board of Directors, management and personnel. The objective is to ensure Kesko can achieve its targets. Efficient internal control ensures that deviations from objectives can be prevented or detected as early on as possible so that corrective measures can be taken. Internal control tools include policies, principles and instructions, approvals, access rights and system and manual controls, reconciliations, monitoring reports, inspections and control self-assessments.

The objective of internal control in Kesko Group is to ensure the efficiency, productivity, continuity and freedom from disruptions of operations, compliance with laws, regulations and agreements and Kesko's values and operating principles, the reliability of financial and operational reporting both externally and internally, as well as the safeguarding of assets, information and expertise.

Risk assessment and control activities

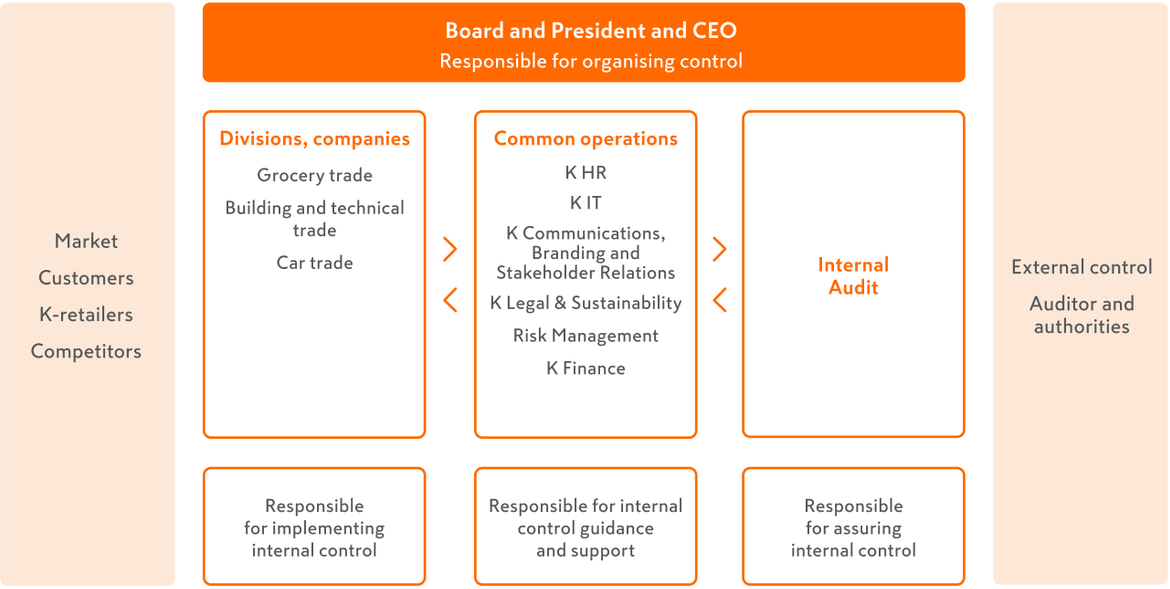
The objective of Kesko's control activities is to ensure, among other things, the efficiency, continuity and compliance of operations, the reliability of financial reporting, and the safeguarding of assets and information. Internal control is efficient when it is continuous, integrated as part of operations, and ensures sufficiently that business targets are met. For the internal control system to remain efficient, it is important that management identifies the risks related to achieving targets and that control activities are targeted based on risk. The objective of control activities is to achieve an acceptable level for identified risks. Kesko's risk assessment process is described in more detail in the section on risk management.

Kesko's Board has approved Kesko's internal control policy, which is based on internationally widely accepted good control principles (COSO) and Kesko's document management model, which comprises policies, principles and instructions that must be complied with throughout Kesko Group.

Communication

Efficient communication supports the achievement of internal control objectives. Policies, principles and instructions have been made available to personnel, and regular training is arranged on internal control. Kesko Group's internal audit reports on internal control effectiveness to the President and CEO and the Audit Committee of Kesko's Board of Directors. Close cooperation and good communication between different lines of defence also support the clear division of responsibilities with regard to control measures.

Roles and responsibilities in Kesko Group's internal control



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Monitoring

The Board of Directors and the President and CEO are responsible for organising internal control. The management of each division, company and unit is responsible for developing, implementing and maintaining an efficient and functional internal control system in their respective area of responsibility. The management is also responsible for extending control to outsourced services. The objective of monitoring is also to identify potential changes in the operating environment and processes, seen to impact the control measures required.

Kesko's common operations guide and support the divisions, companies and units with Group-level policies, principles and instructions pertaining to their respective areas of responsibility. Kesko Group's internal audit function assesses and verifies the effectiveness and efficiency of Kesko's internal control, reports on it to the President and CEO and the Audit Committee of Kesko Corporations' Board of Directors, and assists management and Kesko's units in the development of the internal control system.

Reporting suspected breaches

Everyone working at Kesko is obliged to comply with the K Code of Conduct and Kesko's policies, principles and work-related instructions, and to report any issues they identify to their manager. People can also use the SpeakUp channel to report suspected breaches of law or internal misconduct. The head of Kesko Group's Governance, Compliance & Ethics function and the Compliance & Ethics Officer working in the function review reports received via the SpeakUp channel when they are to be investigated by Kesko. Some investigations may necessitate the contribution of Group internal audit, other experts, or the authorities.

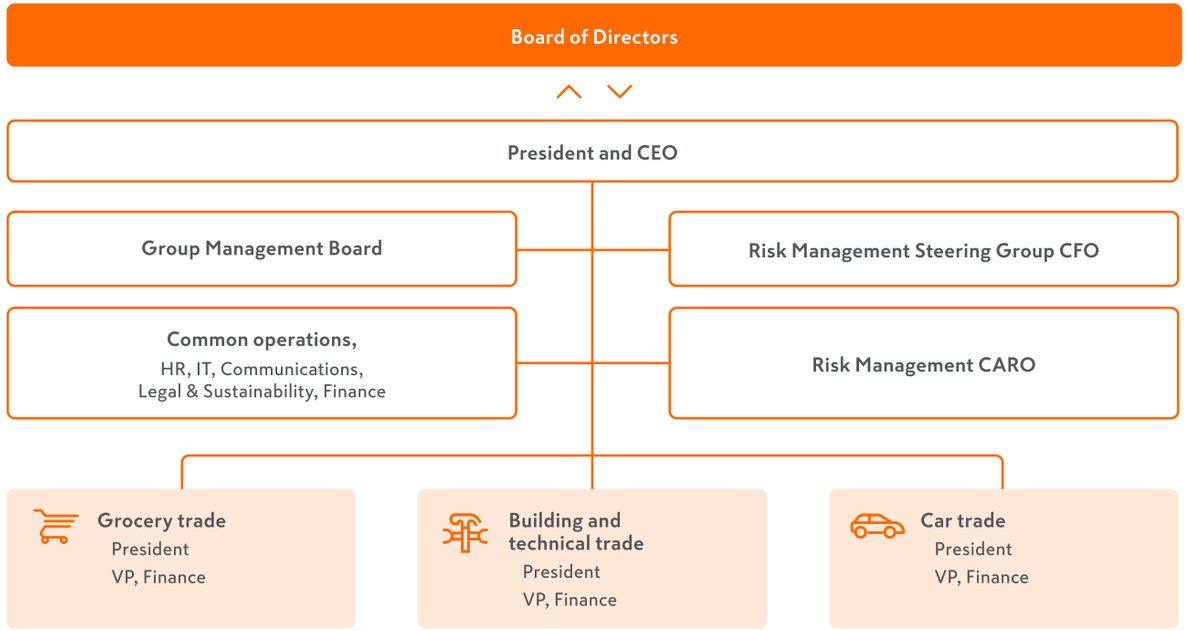
Risk management

Kesko's risk management is proactive and an integral part of day-to-day management. Risk management in Kesko Group is guided by the risk management policy approved by Kesko's Board of Directors. The policy defines the goals and principles, organisation, responsibilities and practices of risk management in Kesko Group. Financial risk management follows the Group's Treasury policy, approved by Kesko's Board of Directors.

Risk management steering model and responsibilities

Kesko's business divisions are responsible for implementing risk management in their respective areas of responsibility, for identifying, assessing, handling and managing risks related to their operations, and they report on risks, risk management responses and the results of those responses to the risk management function. Common operations are responsible for Group-level policies, principles and instructions and for implementing risk management in their

Risk management steering model



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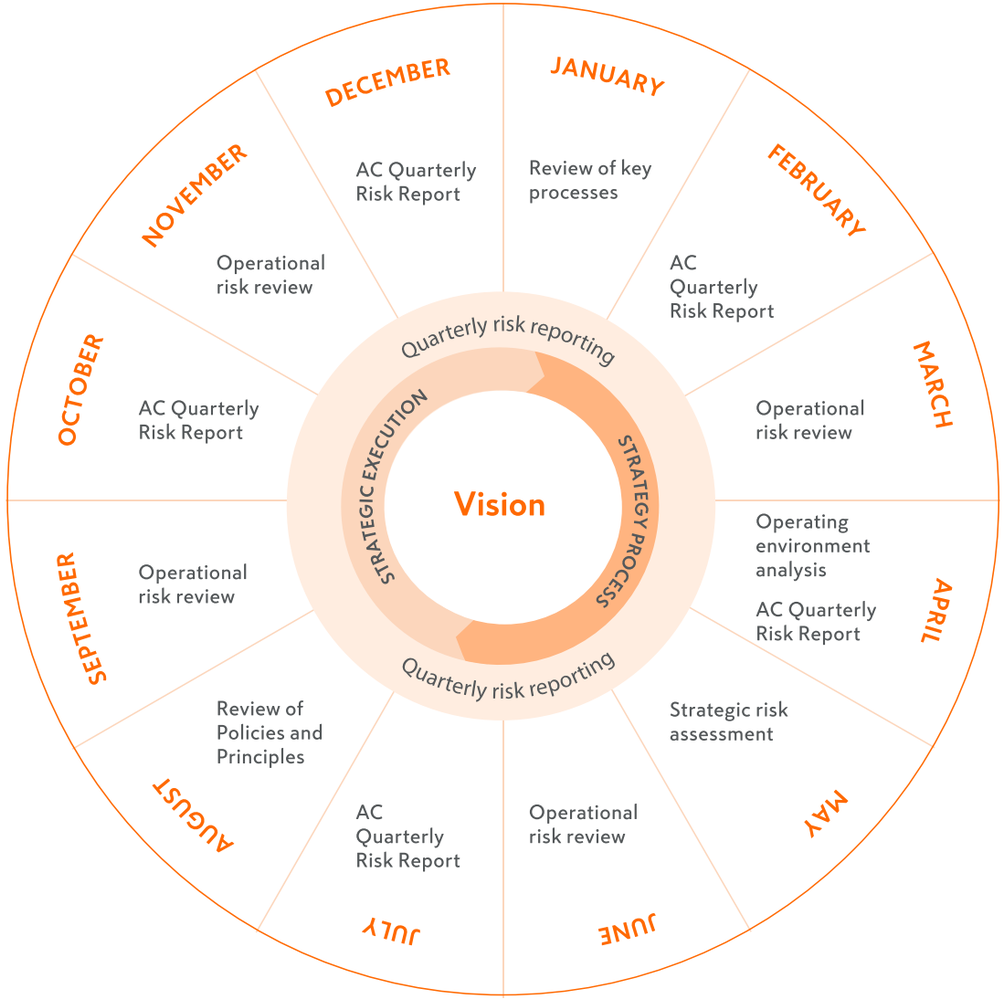
respective areas of responsibility. A risk management function independent of businesses is responsible for providing a framework and guidance for internal control and risk management, and it supports, coordinates and supervises risk management implementation in Kesko Group. Members of the Group Management Board are responsible for the effective and efficient implementation of internal control and risk management in their respective areas of responsibility. The Risk Management Steering Group headed by the Chief Financial Officer is responsible for establishing the Group's overview of the risk situation.

The Chief Audit and Risk Officer reports functionally to the Chair of the Audit Committee and administratively to Kesko's President and CEO on matters related to internal audit, and to the Group's Chief Financial Officer on matters related to risk management. The President and CEO is responsible for the effectiveness and efficiency of the Group's risk management, and approves Group risk reports before they are reviewed by the Board of Directors. Kesko's Board of Directors monitors and assesses the effectiveness of risk management and supervises the assessment of risks related to the Company's strategy and operations and their management, supported by the Audit Committee.

Risk management process

Kesko's risk management process is based on the Group's management model and follows the schedule for financial reporting. Kesko employs uniform risk assessment and reporting models. Risk identification is based on business objectives and opportunities and the defined risk appetite. Risks are prioritised by assessing their impacts in euros in case of realisation, and by the likelihood of their realisation.



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When assessing the impact of a risk, the impacts on e.g. reputation, the wellbeing of people, and the environment are taken into account in addition to the impact in euros.

Risk identification and assessment play a key role in Kesko's strategy work and operational planning. In addition, risk assessments are made on significant projects and investments, business arrangements, or changes in operations. The risk assessments of business divisions and common operations, including a risk map, risk management responses and indicators, responsible persons and schedules, are reviewed regularly by the management of the respective business divisions or common operations.

Strategic risks and opportunities are assessed annually as part of the strategy process, based on changes in the operating environment and on business objectives. The risks are prioritised at division-level and consolidated into a Group strategy risk report. Operational and financial risks are identified and assessed quarterly, and they are reported in the Group's operational risk report.

Risks and opportunities related to sustainability are assessed annually in accordance with the ESRS, and they are consolidated into the Group's sustainability risk report. Compliance risks are assessed biannually based on their financial impact and the likelihood of realisation and they are reported in the Group's compliance risk report.

Risks and mitigation actions are reported in accordance with Kesko's reporting responsibilities to the President and CEO, who reviews and approves the reports. The most significant risks and uncertainties, as well as material changes in and mitigation actions, are reported to the Board's Audit Committee in accordance with the annual risk management schedule. The Audit Committee assesses the efficiency of the risk management system and reports its findings to the Board.

Kesko's Board of Directors reviews the Group's most significant risks and uncertainties and reports on them to the market in the Report by the Board of Directors, and any material changes in them in the annual financial report and interim reports. A review regarding the need to amend risk management key processes and policies and principles is conducted annually, and any amendments are approved by the Board of Directors before they take effect.

Risk management implementation in 2025

In 2025, Kesko adopted a new risk management information system, which enabled significant development of risk management processes and efficient digitalisation of risk data. The system enabled the structural development of the risk register, which improved the pooling of risks and the assessment of functional joint impacts in risk analyses. In addition, risk management, in cooperation with the business divisions and common operations, adopted risk assessment models that comply with new regulation. The risk management process for sustainability reporting was developed to comply with both legislative and business requirements.

Risk management focus areas in 2026

In 2026, the digitalisation of risk management processes and the utilisation of data and artificial intelligence will be deepened in an effort to make risk categorisation, management and reporting more efficient. AI solutions will be actively taken into use in risk management, insurance processes, and operations development. In business continuity management, reporting capability and development will be advanced in cooperation with the businesses. Sustainability risk assessments and risk management process will be integrated tighter into the Group's risk management model and practices.

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Internal audit

Kesko's internal audit is responsible for the Group's independent evaluation and assurance function required of a listed company, which systematically examines and verifies the efficiency of risk management, management, control and governance. The Audit Committee of Kesko's Board of Directors has approved the operating instructions for Kesko's internal audit function.

The internal audit function operates under Kesko's President and CEO and the Audit Committee, and it reports on its findings and recommendations to the Audit Committee, the President and CEO, the management of the audited operation, and the external Auditor. Internal audit covers all Kesko's divisions, companies and functions. Auditing is based on risk assessments, as well as risk management and control discussions conducted with the management of the Group and the divisions. Regular meetings are arranged with the external Auditor to ensure sufficient audit coverage and to eliminate overlapping operations.

An internal audit plan is prepared annually, and it is approved by the President and CEO and the Audit Committee. The audit plan is modified quarterly on a risk basis. If necessary, the internal audit function acquires external services for additional resources or for conducting audit operations requiring particular expertise. Internal audit can also make use of the expertise and work contribution of Kesko Group's other specialists.

The Chief Audit and Risk Officer reports functionally to the Chair of the Audit Committee, and administratively to Kesko's President and CEO on matters related to internal audit, and to the Group's Chief Financial Officer on matters related to risk management.

Internal audit in 2025

The main focus areas for internal audit in 2025 were the utilisation of artificial intelligence, IT project management, acquisitions and their integration, cyber security, store site investments, sales management, the home and speciality goods trade business, vehicle servicing, indirect sourcing, and processes of the shared services centre.

Focus areas for internal audit in 2026

The main focus areas for internal audit in 2026 will be the utilisation of artificial intelligence and related processes, cyber security, changes in IT services, strategic projects, acquisitions and their integration, improving operational efficiency and processes, and processes of the shared services centre.

Related party transactions

In accordance with the Corporate Governance Code, Kesko's Board of Directors has determined the principles for monitoring and evaluating related party transactions complied within the Group. The principles determine Kesko's related parties, and a list of related parties is maintained. The principles identify business operations that are part of ordinary course of business and implemented under arms-length terms. These include chain agreements in the K-chain operations used to join retailers to Kesko's retail chains, such as the K-Citymarket, K-Supermarket, K-Market and K-Rauta chains, and the terms and conditions of sales for K-chain commerce and services. Kesko has made chain agreements also with companies controlled by Board members and engaged in retailer operations. Like other chain agreements, these are part of Kesko's ordinary course of business. The agreements are made at the same organisational level following the same principles as other similar chain agreements. The Board makes decisions on agreements and other legal acts that are not part of Kesko's ordinary course of business or are not implemented under arms-length terms. The matter and related decision-making are prepared with care utilising, for example, external evaluations. Decision-making complies with the conflict of interest provisions of the Finnish Limited Liability Companies Act. Related party transactions and information concerning the monitoring of related party transactions are reported to Kesko's Audit Committee, and the supervision of related party transactions is part of Kesko Group's internal control. Kesko regularly reports related party transactions as part of its financial reporting, and publishes related party transactions in a manner determined by regulations. Kesko Group's related party transactions are reported in note 5.2 to the consolidated financial statements.

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Insider administration

Insider regulations

Kesko complies with the EU and Finnish insider regulations, the insider guidelines of Nasdaq Helsinki Ltd, and the complementary insider instructions confirmed by Kesko.

Managers and management transactions

Kesko has determined that 'managers' (persons discharging managerial responsibilities) in Kesko, as referred to in the EU Market Abuse Regulation (MAR), comprise the members of Kesko Corporation's Board of Directors, and the President and CEO and other members of the Group Management Board. The managers and their related parties are obliged to inform Kesko and the Finnish Financial Supervisory Authority of transactions they make with Kesko's financial instruments, such as shares. Transactions by the managers and their related parties are disclosed in accordance with MAR.

Closed period

A closed period of 30 calendar days before the publication of interim reports, the half-year financial report, and the financial statements release is applied to persons discharging managerial responsibilities at Kesko. The Company has imposed a corresponding 30-day closed period also on persons involved in the preparation, drafting or publication of Kesko's interim reports, the half-year financial report, and the financial statements. During the closed period, the persons are prohibited from trading on Kesko's shares and other financial instruments.

Insider projects

A project-specific insider list of persons involved is established for projects involving insider information. Persons on the list cannot trade on financial instruments in Kesko during the project.

Reporting breaches

Kesko has a confidential channel for reporting suspected violations of securities markets regulations. The channel is maintained by an external company independent of Kesko Group. Within Kesko Group, the Governance, Compliance & Ethics function is responsible for the channel, for conducting investigations, and for taking further action.

Duties

Insider management at Kesko is concentrated in Kesko Legal. Kesko Legal

- provides information, instructions, training and advice on insider matters internally,
- develops insider administration,
- monitors regulatory changes concerning insider matters,
- is responsible for insider lists, the list of persons discharging managerial responsibilities and related parties, and other insider administration-related procedures,
- participates in internal investigation of concerns and suspected breaches related to insider matters, and
- monitors compliance with insider guidelines together with Kesko's internal audit.

Financial audit and sustainability reporting assurance

Financial audit

According to Kesko's Articles of Association, Kesko's Auditor shall be an Authorised Public Accountants Organisation which shall designate an Authorised Public Accountant as the auditor with principal responsibility. The Audit Committee conducts preparatory work for the election of the Company's Auditor, and recommends an Auditor. The Board submits a proposal to the Annual General Meeting. The Auditor's term of office is the

Auditor's fees in 2025–2024 (€1,000)

	2025			2024		
	Kesko Corporation	Other Group companies	Total	Kesko Corporation	Other Group companies	Total
Auditing	444	1,077	1,521	329	951	1,279
Other statutory services	105		105	97		97
Tax consultation	-	16	16	-	-	-
IFRS consultation	25	-	25	21	-	21
Other services	32	47	79	84	4	88
Total	606	1,140	1,746	531	955	1,486

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financial year during which the Auditor is elected, and the Auditor's term continues until the close of the next Annual General Meeting to follow.

The Annual General Meeting of 2025 elected the firm of authorised public accountants Deloitte Oy as the Company's Auditor, with APA Jukka Vattulainen as the auditor with principal responsibility. The Annual General Meeting resolved that the Auditor's fee and the reimbursement of the Auditor's expenses be paid according to an invoice approved by the Company.

Sustainability reporting assurance

Kesko's Authorised Sustainability Auditor shall be an Authorised Sustainability Audit Firm, which shall designate an authorised sustainability auditor as the principal authorised sustainability auditor. The Audit Committee conducts preparatory work for the election of the Company's Authorised Sustainability Auditor and recommends an Authorised Sustainability Auditor. The Board submits a proposal to the Annual General Meeting. The term of office for the Authorised Sustainability Auditor is the financial year during which the Authorised Sustainability Auditor is elected. The Authorised Sustainability Auditor's term continues until the close of the next Annual General Meeting to follow.

The 2025 Annual General Meeting elected the Sustainability Audit Firm Deloitte Oy as the company's Authorised Sustainability Auditor, with APA, ASA Jukka Vattulainen as the principal Authorised Sustainability Auditor. The Annual General Meeting resolved that the Authorised Sustainability Auditor's fee and the reimbursement of their expenses will be paid according to an invoice approved by the Company.

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BOARD OF DIRECTORS

Esa Kiiskinen

Chair, Chair of the Remuneration Committee.

b. 1963, male. Kauppaneuvos (an honorary title granted by the President of the Republic of Finland), Business College Graduate.

Independence: He is considered not to be independent of the Company (entity controlled by him has a chain agreement with a Kesko Group company) but to be independent of its significant shareholders.

Domicile: Helsinki, Finland.

Principal occupation: Food retailer.

Main employment history: K-food retailer since 1990.

Main positions of trust: Saija ja Esa Kiiskinen Oy: Chair of the Board 1995–.

Board member since: 30 March 2009.

Kesko shares held:

- 31 December 2025: 459,910 A shares held by him and entities controlled by him and 14,766 B shares held by him and entities controlled by him.
- 31 December 2024: 459,910 A shares held by him and entities controlled by him and 13,020 B shares held by him and entities controlled by him.

Timo Ritakallio

Deputy Chair, Deputy Chair of the Audit Committee, Deputy Chair of the Remuneration Committee.
b. 1962, male.
Vuorineuvos, Doctor of Science (Technology), Master´s degree in law (LL.M.), MBA.

Independence: He is considered to be independent of the Company and of its significant shareholders.

Domicile: Helsinki, Finland.

Principal occupation: President and Group Chief Executive Officer.

Main employment history:
OP Pohjola: President and Group Chief Executive Officer 2018–, Ilmarinen Mutual Pension Insurance Company: President and CEO 2015–2018, Deputy Chief Executive Officer 2008–2014, Pohjola Bank Group: Deputy Executive Officer and Vice Chairman of the Executive Committee 2006–2008, OKO Bank: Deputy Chief Executive Officer and Member of the Executive Board 2001–2005, OKO Bank: Member of the Executive Board 1997–2001, Opstock Securities Ltd: Managing Director 1993–1997, Uudenkaupungin Seudun Osuuspankki: Managing Director 1991–1993.

Main positions of trust: Finance Finland, FFI: Chairman of the Board of Directors 2026– and 2020–2021, Deputy Chairman of the Board of Directors 2022–2025, Member of the Board of Directors 2017–, Confederation of Finnish Industries EK: Member of the Board of Directors 2026- and 2020–2021, Finnish Chamber of Commerce: Member of the Board of Directors 2019–2025, Chairman of the Board 2022–2025, OP Corporate Bank plc: Chairman of the Board of Directors 2018–, Pohjola Insurance Ltd: Chairman of the Board of Directors 2018–, The Finnish Olympic Committee: Chairman of the Board of Directors 2016–2020, Outotec Oyj: Member of the Board of Directors 2011–2019, Vice Chairman of the Board of Directors 2013–2019, Technopolis Oyj: Member of the Board of Directors 2008–2015, Nasdaq OMX Nordic Inc: Member of the Board of Directors 2003–2011, SSH Communication Security Oyj: Member of the Board of Directors 2003–2009.

Board member since: 12 April 2021.

Kesko shares held:

- 31 December 2025: 2,000 A shares and 3,768 B shares held by him.
- 31 December 2024: 4,000 A shares and 25,880 B shares held by him.

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Tiina Alahuhta-Kasko

Member of the Remuneration Committee.

b. 1981, female.
D.Sc. (Tech.) h.c., M.Sc. (Econ), CEMS MIM.

Independence: Considered to be independent of the company and of its significant shareholders.

Domicile: Helsinki, Finland.

Principal occupation: President and CEO, Marimekko Corporation.

Main employment history: Marimekko Corporation: President and CEO 2015–; Chief Operating Officer (COO) and Member of Management Group 2014–2015; Chief Marketing Officer (CMO) and Member of Management Group 2012–2015; Head of PR, PR Manager 2005–2012.

Main positions of trust: IMD (International Institute for Management Development): Foundation Board member 2018–; Climate Leadership Coalition: Board member 2022–; Aalto University: Board member 2025–; Finnair Plc: member of Board and its People and Remuneration Committee 2019–2025.

Board member since: 24 March 2025.

Kesko shares held:
- 31 December 2025: 801 B shares held by her.

Jannica Fagerholm

Chair of the Audit Committee.

b. 1961, female
Master of Science (Economics).

Independence: She is considered to be independent of the Company and of its significant shareholders.

Domicile: Helsinki, Finland.

Principal occupation: Managing Director.

Main employment history: Signe and Ane Gyllenberg Foundation: Managing Director 2010–; SEB Gyllenberg Private Bank: Managing Director 1999–2010; Handelsbanken Liv Finland: Country Director 1998–1999.

Main positions of trust: Sanoma Corporation: member of the Board 2025–; Foundation for the Finnish Museum of Architecture and Design: member of the Board 2025–; Mandatum plc: Vice Chair of the Board 2023–; Solidium Oy, member of the Board 2019–, Kelonia Ab, member of the Board 2010–; The Society of Swedish Literature in Finland, member of the Board 2015–2025, member of the Financial Board 2001–2015; Sampo plc: member of the Board 2013–2025; Föreningen Stiftelser och Fonder (Säätiöt ja rahastot ry): member of the Board 2015–2021, Chair of the Board 2022–2023; Eira Hospital Ltd: member of the Board 2010–2025; Veritas Pension Insurance, member of the Supervisory Board 2010–2022; Hanken School of Economics: member of the Board 2008–2022, Chair of the Board 2019–2021; Teleste Corporation: member of the Board 2013–2020; Aktia Abp: member of the Board 2012–2013; Partiosäätiö foundation: member of the Board 1997–2013.

Board member since: 4 April 2016.

Kesko shares held:
- 31 December 2025: 12,972 B shares held by her.
- 31 December 2024: 11,880 B shares held by her.

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Pauli Jaakola

b. 1973, male
retailer, EMBA.

Independence: He is considered not to be independent of the company (entity controlled by him has a chain agreement with a Kesko Group company) and not independent of its significant shareholders (Chair of the Board of a significant Company shareholder, the K-Retailers' Association).

Domicile: Kirkkonummi, Finland.

Principal occupation: Food retailer, P. Jaakola Oy.

Main employment history: K-food retailer since 2001.

Main positions of trust: Confederation of Finnish Industries: member of General Assembly and Delegation for Entrepreneurs 2026–; Board of Finnish Commerce Federation: Board member 1 Jan. 2025–; K-Retailers' Association: Chair of the Board 2024–, Board member 2019–, 2012–2016; K-ruokakauppiasyhdistys ry: Board Chair 2019–2024, Deputy chair 2012–2016, member 2011–2012, 2016–2018; Finnish Grocery Trade Association: Board member 2019–2024; Vähittäiskaupan tilipalvelu VTP Oy: Board member 2019–2024; Foundation for Vocational Training in the Retail Trade: Chair of the Board 2024–, Board member 2023–; K-instituutti Oy: Board member 2012–2016.

Board member since: 26 March 2024.

Kesko shares held:
- 31 December 2025: 180,000 A shares held by entities controlled by him and 4,188 B shares held by him.
- 31 December 2024: 180,000 A shares held by entities controlled by him and 3,387 B shares held by him.

Piia Karhu

Member of the Audit Committee.

s. 1976, female
Doctor, Business Administration.

Independence: She is considered to be independent of the Company and of its significant shareholders.

Domicile: Kauniainen, Finland.

Principal occupation: President, Metso.

Main employment history: Metso: President, Minerals 2024–, President, Metals 2022–2024, SVP Business Development 2020–2022; Finnair Plc: Senior Vice President, Customer Experience 2016–2020. Various leadership positions at Finnair Plc since 2013. Previously worked as a management consultant for 12 years at Ernst & Young and Capgemini.

Main positions of trust: Board member in East Office of Finnish Industries Oy 2024–.

Board member since: 11 April 2018.

Kesko shares held:
- 31 December 2025: 6,734 B shares held by her.
- 31 December 2024: 5,933 B shares held- by her.

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Jussi Perälä

s. 1970, male
Retailer, Business College Graduate.

Independence: He is considered not to be independent of the Company (entity controlled by Perälä has a chain agreement with a Kesko Group company), but to be independent of its significant shareholders.

Domicile: Helsinki, Finland.

Principal occupation: Retailer, J & M Perälä Oy.

Main employment history: Retailer: K-Rauta Hämeenkylä 2025–, K-Rauta Oulunkylä 2014– and K-Rauta Procenter Pasila 2020–, K-Rauta Palokka Jyväskylä 2010–2014, Rautia-maatalous Vasarakatu Jyväskylä 2003–2010, K-Rauta Kangasniemi 1998–2008, K-Rauta Laukaa 1997–2013, Rautia Joutsa 1997–2012, K-Rauta Toivakka 1997–2005.

Main positions of trust: K-Retailers' Association: Vice Chairman of the Board 2016–2021, Board member 2009–2014, K-rautakauppiasyhdistys: Board member 2008, Vice Chairman of the Board 2009–2014, Vähittäiskaupan Takaus Oy: Board member 2018–2021, Vähittäiskaupan Tilipalvelu Oy: Chair of the Board 2020–2021, Board member 2017–2020, Finnish Hardware Association: Board member 2009–2011 and 2016–2021, Rautia Chain Board: Chairman 2008, member 2001–2007, K-Rauta planning group: 2011–2014.

Board member since: 12 April 2021.

Kesko shares held:

- 31 December 2025: 133,000 A shares and 97,433 B shares held by him and entities controlled by him.
- 31 December 2024: 133,000 A shares and 99,121 B shares held by him and entities controlled by him.

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GROUP MANAGEMENT BOARD

Jorma Rauhala

Kesko Corporation's Managing Director and Kesko Group's President and CEO.

b. 1965, male
Master of Science (Economics).

Other major duties: Ilmarinen Mutual Pension Insurance Company: Chairman of the Board 26 March 2025–; Confederation of Finnish Industries EK: Vice Chair of the Board 1.1.2025– and member of the Board 1.2.2024–; Finnish Commerce Federation: member of the Board 1.1.2026– and Chair of the Board 1.2.2024–31.12.2025, European DIY Retail Association (EDRA): member of the Board 2019–6/2024; Haaga-Helia University of Applied Sciences Ltd: Chair of the Board 2021–2025; The Finnish Grocery Trade Association: Chair of the Board 2017 (until 20.11.2017) and 2013–2014; member of the Board 2013–2016; the Association of Finnish Advertisers: member of the Board 2014–2017 (until 24.11.2017).

Employment history: employed by Kesko Corporation since 1992. Kesko Corporation's Managing Director and Kesko Group's President and CEO since 1 February 2024. President of Kesko's building and technical trade since 15 November 2017 and Deputy CEO 15 November 2017 –31 January 2024. Senior Vice President, grocery trade division 2015–2017. President of Kesko Food Ltd 2013–2017. Vice President for the K-Citymarket chain's food trade 2012–2013; Managing Director of Kespro Ltd 2007–2012; Purchasing Director of Kespro Ltd 2003–2007.

Member of the Group Management Board since: 5 February 2013.

Kesko shares held:
- 31 December 2025: 254,443 B shares.
- 31 December 2024: 238,029 B shares.

Ari Akseli

President, grocery trade.

b. 1972, male
Master of Science (Economics).

Other major duties: Finnish Chambers of Commerce: member of the Board 2026–; The Finnish Grocery Trade Association: Chair of the Board 2025–, member of the Board 2019–, Deputy Chair of the Board 2023–, Chair of the Board 2021–2022 and 2017–2018; Varma Mutual Pension Insurance Company: member of the Supervisory Board 2021–; Haaga-Helia University of Applied Sciences Ltd: Chair of the Board 2025–; AMS Advisor Board: member 2013–2019; IGS Advisor Board: member 2016–; Ruokatieto: Vice Chairman of the Board 2016–2019, member of the Board 2013–2015; Association for Finnish Work: member of the Executive Committee 2014–2019.

Employment history: Employed by Kesko Corporation since 1995. President of Kesko's grocery trade division since 15 November 2017. Vice President for Commerce, Kesko's grocery trade 2013–2017; President, Anttila Oy 2010–2013; President, K-citymarket Oy 2008–2013.

Member of the Group Management Board since: 15 November 2017.

Kesko shares held:
- 31 December 2025: 1,824 A shares, 139,955 B shares.
- 31 December 2024: 1,824 A shares, 130,493 B shares.

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Sami Kiiski

President, building and technical trade.

b. 1976, male
Master of Science (Economics).

Other major duties: European DIY Retail Association (EDRA): member of the Board 6/2024–; member of the Board of Intersport International Corporation (IIC) 2022–9/2024; member of the Board of Association of Automobile Industry in Finland 2023–2024; member of the Board of the Finnish Central Organisation for Motor Trades and Repairs (AKL) 2023–2024; member of the Board of the Fashion and Sports Commerce Association 2020–2023; member of the Board of the Sport Retail and Wholesale Association (UVT) 2014–2019.

Employment history: Employed by Kesko Corporation since 2020. President of building and technical trade since 1 April 2024; President of Kesko's car trade division and CEO of K Auto Oy June 2023–March 2024; Director in charge of Kesko's leisure trade and CEO of Intersport Finland Oy 2020–8/2023; CEO of Halti Oy 2015–2020; Executive Vice President of Sultrade Oy 2014–2015 and International Sales Director 2009–2014; head of leisure trade business at Solifer Group 2007–2009.

Member of the Group Management Board since: 1 June 2023.

Kesko shares held:
- 31 December 2025: 24,321 B shares.
- 31 December 2024: 16,376 B shares.

Johanna Ali

President, car trade division.

b. 1977, female
Master of Science (Economics and Business).

Other major duties: Finnish Central Organisation for Motor Trades and Repairs (AKL): member of the Board 2024–; The Association of Automobile Industry in Finland: Deputy Chair of Board 23.9.2025, member of the Board 2024–; Finnish Car Recycling: Chair of the Board 30.10.2025–.

Employment history: Employed by Kesko Corporation since 2021. President of car trade division and CEO of K Auto Oy since 4 June 2024 (acting President of Kesko's car trade division since 1 April 2024); K-Auto Oy, Vice President of Audi Finland 2021–2024; Forenom Oy Country Director 2019–2021; LeasePlan Finland Oy, Commercial Director 2015–2019, Operational Director 2009–2015, Development and IT Manager 2007–2009, Business Controller 2003–2006, PricewaterhouseCoopers Oy, Auditor 1999–2002.

Member of the Group Management Board since: 1 April 2024.

Kesko shares held:
- 31 December 2025: 4,450 B shares.
- 31 December 2024: 1,510 B shares.

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Anu Hämäläinen

Executive Vice President, CFO.

b. 1965, female
Master of Science (Economics).

Other major duties: Valmet Corporation: Member of the Board 2022–, Chair of the Audit Committee 2024–; Neles Corporation: Member of the Board 2020–2021, Vice Chair of the Board 2021–2022, Chair of the Audit Committee 2020–2022; Finnfund (Finnish Fund for Industrial Cooperation Ltd): Member of the Board 2019–2024; Outotec Oyj: Member of the Board 2019–2020, Chair of the Audit and Risk Committee 2019–2020; Fingrid Oyj: Member of the Board 2016–2020; Glaston Corporation: Member of the Board 2012–2019.

Employment history: Employed by Kesko Corporation since 2020. Executive Vice President, CFO since 1 June 2024. Kesko Corporation: Vice President, Group Finance and Treasury 2020–2024; Wärtsilä Corporation: Vice President, Group Treasury and Financial Services 2015–2020, Vice President, Group Control 2010–2015, Director, Financial Accounting 2008–2010; SRV Group Ltd: Senior Vice President, Financial Administration 2006–2008; Quorum Ltd: Senior Partner 2005–2006; Conventum Ltd: Administration Director 2001–2005; Opstock Oy: Administration Director and a Partner 1999–2001; Wärtsilä: various treasury and finance tasks 1991–1999.

Member of the Group Management Board since: 1 June 2024.

Kesko shares held:
- 31 December 2025: 11,963 B shares.
- 31 December 2024: 8,395 B shares.

Lasse Luukkainen

Executive Vice President, Legal and Sustainability.

b. 1978, male
Master of Laws.

Other major duties: Davidsens Tømmerhandel A/S: Chair of the Board of Directors 2024–, UAB "Kesko Senukai Lithuania": Chair of the Board of Directors 2020–, EuroCommerce: Member of the Board 2025–, Independent Retail Europe: Member of the Board of Directors 2020–2024, Vähittäiskaupan Takaus Oy: Member of the Board of Directors 2020–, Confederation of Finnish Industries EK: member of the Legal Committee 2020–, Finnish Commerce Federation: member of the Legal Committee 2020–2024.

Employment history: employed by Kesko Corporation since 2010. Executive Vice President, Legal and Sustainability 2024–; Senior Vice President, Group General Counsel 2020–2024; Senior Corporate Counsel 2015–2019; Corporate Counsel 2012–2015; Legal Counsel 2010–2011. Associate Castrén & Snellman Attorneys 2005–2010.

Member of the Group Management Board since: 1 June 2024.

Kesko shares held:
- 31 December 2025: 36,195 B shares.
- 31 December 2024: 31,537 B shares.

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Matti Mettälä

Executive Vice President, Human Resources.

b. 1963, male
Master of Laws.

Other major duties: Employment Fund: member of the Supervisory Board 2018–; Foundation for Vocational Training in the Retail Trade: member of the Board 2005–.

Employment history: employed by Kesko Corporation 1990–2005 and since 2012. Executive Vice President, Human Resources 12 April 2021–. Executive Vice President, Human Resources, Corporate Responsibility and Regional Relations 2018–2021. Senior Vice President, Human Resources 2015–2017. Senior Vice President, Human Resources and Stakeholder Relations 2012–2014. K-retailers' Association: Managing Director 2005–2012; Kesko Hardware and Builders' Supplies: Vice President for Finance 2002–2005; Rautakesko Ltd: Development Director 2001–2002; Builders' and Agricultural Supplies Division: Project Manager 1999–2000; Kesko Hardware and Builders' Supplies: Vice President for the Rautia chain 1998–1999; Builders' and Agricultural Supplies Division: Retail Services Manager 1996–1998; Vähittäiskaupan Takaus Oy: Retail Services Manager 1994–1996; Kesko Ltd's Credit Department: Credit Manager 1991–1992; Kesko Ltd's Credit Department: Legal Counsel 1990–1991.

Member of the Group Management Board since: 1 October 2012.

Kesko shares held:
- 31 December 2025: 1,000 A shares, 125,205 B shares.
- 31 December 2024: 1,000 A shares, 119,557 B shares.

Karoliina Partanen

Executive Vice President, Communications.

b. 1977, female
Master of Political Science.

Areas of responsibility: Communications, Brand and Stakeholder Relations.

Employment history: employed by Kesko Corporation since 2015. Kesko Corporation's Executive Vice President, Communications 2017–. Kesko grocery trade, Vice President, Communications 2015–2017. Metso Corporation: Vice President, Global Brand and Marketing 2013–2015; Vice President, Marketing and Communications 2009–2013; Communications Manager 2005–2009. Pohjoisranta Burson-Marsteller Oy: Communications Consultant 2000–2005.

Member of the Group Management Board since: 1 October 2020.

Kesko shares held:
- 31 December 2025: 39,225 B shares.
- 31 December 2024: 35,284 B shares.

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INTRODUCTION

This is the remuneration report for governing bodies applied within Kesko Corporation ("Kesko") which complies with legislation and the Finnish Securities Market Association's Corporate Governance Code that entered into force on 1 January 2025. This remuneration report concerns the reporting on remuneration of the members of Kesko's Board of Directors as well as the President and CEO in 2025. The remuneration report is based on the remuneration policy for Kesko's governing bodies reviewed by the Annual General Meeting of 26 March 2024, and the preceding remuneration policy reviewed by the Annual General Meeting of 28 April 2020. The Annual General Meeting resolved in favour of the proposed remuneration policies.

The Remuneration Committee of Kesko's Board of Directors prepared the remuneration report, and the Board approved it in its meeting on 4 February 2026. Kesko's auditor, Deloitte Oy, has audited this remuneration report to confirm that it contains the information referred to in the Ministry of Finance Decree on the remuneration policy and remuneration report of a share issuer (608/2019). This remuneration report will be reviewed by Kesko's 2026 Annual General Meeting. Kesko's Annual General Meeting on 24 March 2025 approved the Remuneration Report for Governing Bodies for 2024. The General Meeting resolution concerning the remuneration report is advisory in nature.

This remuneration report is available on Kesko's website at kesko.fi/en/investor/corporate-governance/.

Fees paid and business performance for the past five years

Role	2021	2022	2023	2024	2025
Board Chair	119,900	117,000	114,600	122,000	133,800
Board Deputy Chair	74,900	71,400	70,200	73,800	85,800
Other Board members, average	61,160	59,960	58,760	63,875	55,967
President and CEO Jorma Rauhala				1,186,625	2,008,008
Employee, Finland	42,974	43,236	43,697	44,292	46,629
Net sales, € million	**11,300**	**11,809**	**11,784**	**11,920**	**12,475**
Operating profit, comparable, € million	**776**	**815**	**712**	**650**	**655**
Return on capital employed, comparable, %	**17.2**	**16.9**	**13.4**	**11.3**	**10.4**
Total shareholder return (TSR, %) of a Kesko B share	**43.08**	**-26.05**	**-7.77**	**5.76**	**16.60**

The remuneration for the Board Chair, Deputy Chair and other members includes annual and meeting fees. The remuneration for the President and CEO comprises his fixed annual salary, car and mobile phone benefits, health insurance and variable components, namely performance bonuses and share awards. The employee salary is the average annual salary and fees (personnel expenses as presented in the financial statements divided by the number of full-time employees in Finland). The figures in the above table are presented as payment-based. Remunerations to be paid in the later years are not included in the figures.

In accordance with the remuneration policy, the Remuneration Committee of Kesko's Board of Directors supervises the policy's implementation and ensures that the remuneration of the Company's governing bodies takes place within the limits of the policy presented to the General Meeting. In the 2025 financial year, the remuneration of Kesko's Board members and the President and CEO was in line with the remuneration policies approved by the 2024 and 2020 Annual General Meetings. No fees already paid have been clawed back.

In line with what is presented in Kesko's remuneration policy, the aim of remuneration is to align the objectives of the shareholders and the members of the Company's Board, the President and CEO and possible Deputy CEO in order to increase the Company's value and to execute its business strategy in the long term. As a result, remuneration promotes the Company's long-term financial success.

Changes to the total remuneration of the President and CEO are mostly due to changes in their realised performance bonuses and share awards.

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BOARD OF DIRECTORS' REMUNERATION

In accordance with Kesko's remuneration policy for governing bodies, the Annual General Meeting of 24 March 2025 made resolutions regarding the Board members' remuneration and the basis for reimbursement of their expenses. Kesko's Shareholders' Nomination Committee had submitted a proposal on the matter to the General Meeting.

The annual and meeting fees determined by the General Meeting for the members of the Board of Directors are presented in the following tables. In accordance with the General Meeting resolution, the annual fees were paid in Kesko Corporation's B shares and cash, with approximately 30% of the fees paid in shares. After the transfer of shares, the remaining fee amount was paid in cash. The Company transferred treasury shares held by the Company to the Board members on 30 April 2025. A Board member cannot transfer shares until either three years have passed from the day the member received the shares or their membership on the Board has ended, whichever comes first.

Resolution of the 2025 Annual General Meeting on the annual and meeting fees of Board members

Annual fees to Board members (€)

	2025
Chair	120,000
Deputy Chair	75,000
Member	55,000
Board member who is the Audit Committee Chair	75,000

Board meeting fees / meeting (€)

	2025
Board meeting	
Chair	1,200
Member	600
Committee meeting	
Committee Chair who is not the Chair or Deputy Chair of the Board	1,200
Member	600

Annual and meeting fees paid to Board members for Board and Committee work in 2025 (€)

		Meeting fees				
	Annual fee	Board of Directors	Audit Committee	Remuneration Committee	Remuneration, total	Number of B shares transferred as annual fees*
Esa Kiiskinen (Chair)	120,000	12,000		1,800	133,800	1,746
Timo Ritakallio (Deputy Chair)	75,000	6,000	3,000	1,800	85,800	1,092
Tiina Alahuhta-Kasko**	55,000	4,800		600	60,400	801
Jannica Fagerholm	75,000	6,000	6,000		87,000	1,092
Pauli Jaakola	55,000	6,000			61,000	801
Piia Karhu	55,000	6,000	3,000		64,000	801
Jussi Perälä	55,000	6,000			61,000	801
Peter Fagernäs ***		1,200		1,200	2,400	
Total	490,000	48,000	12,000	5,400	555,400	7,134

* Kesko's treasury shares were transferred on 30 April 2025. The average share price on the transfer date was €20.14.
** Tiina Alahuhta-Kasko was elected as Board member on 24 March 2025.
*** Peter Fagernäs was a Board member until 24 March 2025.

In addition, Kesko's Board members were paid reimbursements for their expenses in accordance with the resolution of the 2025 Annual General Meeting.

There are no share compensation schemes for Board members nor do they participate in Kesko's remuneration schemes or pension plans.

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REMUNERATION FOR THE PRESIDENT AND CEO

The Company's managing director, referred to as the President and CEO, was Jorma Rauhala in the period between 1 January 2025 and 31 December 2025.

Kesko's Board of Directors decided on the remuneration for the President and CEO based on a proposal prepared by the Remuneration Committee. Remuneration for the President and CEO consisted of a fixed monetary salary (a monthly salary), a short-term incentive scheme (a performance bonus) and a long-term commitment and incentive scheme (share award), and other financial benefits such as car and mobile phone benefits and a supplementary pension. A health insurance and leisure travel insurance policies have been taken out for the President and CEO. The President and CEO has leisure accident insurance and they are provided with an employer-subsidised benefit for cultural activities and physical exercise.

The remuneration for Kesko's President and CEO has been compared with the remuneration levels and practices of similar companies. Based on the comparisons, it was decided that the President and CEO will be remunerated for 2025 within the limits provided for by Kesko's remuneration policy.

Fees paid and falling due

In 2025, the President and CEO was paid the salaries, bonuses, fringe benefits and retirement benefits presented in the following table.

The performance bonus to be paid to the President and CEO for 2025 will be €585,000. In accordance with Kesko's performance bonus rules, the performance bonus will be paid on the final day of April of the year to follow the performance period at the latest. Moreover, the President and CEO will be paid share awards totalling 61,538 shares (gross) in spring 2026 based on the 2024 and 2025 performance under the PSP 2024–2027.

Relative proportions of fixed and variable remuneration

The President and CEO was paid a total of €1,147,763 in performance bonuses and share awards in 2025, representing 57.2% of his total remuneration.

The maximum performance bonus amount for 2024 and 2025 was 100% of the President and CEO's annual salary. Jorma Rauhala, who acted as Deputy CEO between 1 January and 31 January 2024 and as the President and CEO between 1 February and 31 December 2024 was paid a performance bonus of €520,000 in spring 2025 based on 2024, which is equivalent to some 69.3% of his 2024 annual salary.

In spring 2025, the President and CEO was paid a gross share award of €627,763, which is equivalent to some 80.5% of his 2025 annual salary.

Salaries, bonuses, fringe benefits and pension benefits for the President and CEO (€)

Description	President and CEO
Fixed monetary salary*	819,000
Performance bonus	520,000
Share awards**	627,763
Fringe benefits ***	41,245
Total	2,008,008
Supplementary pension plan	****

* Includes holiday pay and holiday bonus.

** The euro value of the share awards has been calculated using the trade-weighted average share price on the date of assignment, 12 March 2025. The euro amounts of the share awards are gross amounts, from which the applicable withholding and asset transfer taxes have been deducted, and the remaining net amount has been paid in shares. The gross number of Kesko B shares transferred to the President and CEO Jorma Rauhala in 2025 was 32,827 shares, and the net amount 16,414 shares.

*** Includes car and mobile phone benefits and health insurance

**** The President and CEO Jorma Rauhala is a member of Kesko Pension Fund and his pension is determined in accordance with the rules of the pension fund. No contributions were made to President and CEO Jorma Rauhala's supplementary pension in 2025.

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Share awards

Actual share awards to the President and CEO Jorma Rauhala are presented in the table. Under the Performance Share Plan (PSP) 2023–2026, shares were transferred in the spring of 2025 based on the performance indicators for 2023 and 2024. Under the Performance Share Plan (PSP) 2024–2027, shares will be transferred in the spring of 2026 based on the performance indicators for 2024 and 2025. The Performance Share Plans have a two-year performance period followed by a two-year commitment period.

A new Performance Share Plan President and CEO (PSP President and CEO) 2025–2028 and a transitional phase share-based compensation plan (Bridge Plan) 2025–2028 were initiated in 2025. As of 2025, share-based compensation for the President and CEO is paid under the new plan. The PSP President and CEO has a three-year performance period followed by a one-year commitment period. The Bridge Plan comprises a two-year performance period followed by a two-year commitment period. Shares under the PSP President and CEO are to be transferred in spring 2028 based on the indicators for 2025, 2026 and 2027. Shares under the Bridge Plan are to be transferred in spring 2027 based on the indicators for 2025 and 2026. Both share plans align with Kesko's remuneration policy.

During the commitment period for the PSP President and CEO, Bridge Plan, and Performance Share Plan (PSP), the shares cannot be pledged or transferred, but other rights attached to the shares remain in force. If a grantee's employment or service relationship terminates prior to the expiry of a commitment period, the person must, as a rule, return the shares under transfer restriction to Kesko or its designate for no consideration. In individual cases, the Board may decide that the person can keep some or all of the shares under return obligation. If the grantee retires during the commitment period, they are entitled to keep the shares and other securities already received.

The President and CEO is required to hold a number of Kesko shares equivalent to at least four times their gross annual salary, so as to ensure that the interests of the Company's management and shareholders are aligned. The requirement concerning the shareholding in Kesko is met by President and CEO Jorma Rauhala.

Information on the actual share awards granted is presented in the following table

Share award plans for the President and CEO

	PSP 2024–2027	PSP 2023–2026
Performance period	2024–2025	2023–2024
Actual earnings, performance period average, %	45.00	39.00
Performance period end date	31.12.2025	31.12.2024
Year the shares are transferred	2026	2025
Share price on the date of assignment, €	*	19,12
Commitment period end date	10.2.2028	10.2.2027
Maximum share allocation**	136,750	84,173
Value of maximum share allocation at the grant date, € ***	2,416,373	1,504,172
Actual number shares**	61,538	32,827
Total value of actual share award, €	*	627,763

* The share price and total value of share award to be confirmed on the date of assignment in spring 2026.

** The stated number of shares represents the gross amount, from which the applicable withholding and asset transfer taxes are deducted. The remaining net amount is paid to the participants in shares.

*** In January 2023, the average share price was €21.42. In January 2024, the average share price was €17.87 and in January 2025, the average share price was €17.97.

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The criteria for Kesko's performance-based share award plan were Kesko's return on capital employed (ROCE, %), Kesko's sales development, the total shareholder return of a Kesko B share, and the sustainability target. The table depicts changes in these in 2023, 2024 and 2025.

The share award paid in 2025 was paid based on the actual average of the indicators presented in the table for 2023 and 2024. The share award to be paid in 2026 will be paid based on the actual average of the indicators presented in the table for 2024 and 2025.

Performance bonuses

The performance bonuses paid in 2025 were earned in 2024, and the performance bonuses to be paid in 2026 were earned in 2025. The key performance bonus targets for the President and CEO in 2025 were Kesko's total shareholder return (TSR, %) operating profit (EBIT), return on capital employed (ROCE %), sales development, and targets related to strategy execution. The key performance bonus targets in 2024 for Jorma Rauhala, who assumed the role of President and CEO on 1 February 2024, were Kesko's total shareholder return (TSR, %) operating profit (EBIT), return on capital employed (ROCE %), sales development, and targets related to strategy execution.

Remuneration for the President and CEO was also based on their overall performance. The performance bonus indicators and levels achieved by the President and CEO are presented in the table on the following page.

Supplementary pensions

Old-age pension for President and CEO Jorma Rauhala begins at the age of 65. Jorma Rauhala is a member of the Kesko Pension Fund. The amount of his old-age pension is 66% of the President and CEO's pensionable salary. The pension is based on a defined benefit plan, and the pensionable salary is determined by the rules of Kesko Pension Fund.

Performance Share Plan President and CEO, Bridge Plan and Performance Share Plan indicators and levels achieved

	2025		2024		2023	
	Weight	Level achieved	Weight	Level achieved	Weight	Level achieved
Absolute total shareholder return (TSR) of a Kesko B share	40%	50%	40%	40%	40%	20%
Kesko's return on capital employed (ROCE)	40%	30%	40%	40%	40%	30%
Kesko's sales development	10%	30%	10%	30%	10%	30%
Sustainability target*	10%	100%	10%	100%	10%	100%
Total level achieved		45%		45%		33%

* The sustainability target comprises targets linked to climate emission reductions, international sustainability indices and assessments and social sustainability. (In addition to the share award plan, in 2025 members of divisional management teams and persons reporting to them had a sustainability target aligned with the sustainability strategy as one of the performance bonus criteria. Sustainability targets have also been set for a large number of key persons covered by the performance bonus scheme, based on their role).

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Performance bonus targets and levels achieved in 2024 and 2025 by the President and CEO

President and CEO	Target		Level achieved	Total assessment on a scale of 0 to 100	Payment year
STI 2025	Financial targets for Kesko and K Group	Targets related to the Company's financial performance: • Kesko's EBIT • Kesko's ROCE, % • TSR • Sales development	In grocery trade and car trade, operating profit exceeded the target level, while in building and technical trade, operating profit fell below the target level due to a weaker than anticipated market environment. In grocery trade, net sales were slightly below the target level and return on capital employed was close to the target level. In building and technical trade, both net sales and return on capital employed fell below the target level due to the weak market environment. In car trade, both net sales and return on capital employed exceeded the target level. In addition, the Board has assessed the objectives related to the implementation of the strategy, including: • achieving the market position objectives of each division • increasing shareholder value • profitable business growth both organically and through acquisitions • developing the store network • utilising technology and data as a competitive advantage • refining and implementing the Group's sustainability strategy • further strengthening the organisational culture and managing the corporate and employer brand Based on its assessment, the Board concluded that the President and CEO's overall performance in relation to the key strategy implementation objectives was good.	75.0	2026
	Personal targets	Targets related to strategy execution have been set for the President and CEO. The targets comprise eight areas, which the Board has taken into account in the total assessment of the President and CEO.			
STI 2024	Financial targets for Kesko and K Group	Targets related to the Company's financial performance: • Kesko's EBIT • Kesko's ROCE, % • TSR • Sales development	The Group's operating profit and ROCE were close to the target level, and sales development was slightly below the target level. The Board also assessed targets related to strategy execution, including •Achieving the targets related to the market position of the business divisions •Profitable business growth organically and via acquisitions • Developing the store network • Specifying and implementing the Group's sustainability strategy. According to the Board assessment, the President and CEO's overall performance was good on key targets related to strategy execution.	66.7	2025
	Personal targets	Targets related to strategy execution have been set for the President and CEO. The targets comprise eight areas, which the Board has taken into account in the total assessment of the President and CEO. One of the areas concerned key targets for the divisions, where the Board has evaluated the President and CEO's performance on 16 targets.			

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