



# Kesko Sustainability Policy

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Approved by	Board of Directors of Kesko Corporation
Owner	K Legal and Sustainability
Reviewed by	K Legal and Sustainability
Review date	by 1 January 2028
Replacing	Kesco's Sustainability Policy, approved by Kesko Corporation's Board of Directors on 17 December 2020



## KESKO SUSTAINABILITY POLICY

### Introduction

This Policy describes objective and key principles of Kesko Group's ("Kesko") Sustainability Policy, as well as the responsibilities and organisation.

K Code of Conduct is always followed in addition to this Policy.

Kesko is committed to several international initiatives and principles. The most important of these are:

- The UN Universal Declaration of Human Rights and the Convention on the Rights of the Child
- ILO conventions on fundamental principles and rights at work
- OECD Guidelines for Multinational Enterprises and OECD Due Diligence Guidance for Responsible Business Conduct
- UN Global Compact initiative
- UN Sustainable Development Goals
- amfori BSCI Code of Conduct
- UN Guiding Principles on Business and Human Rights
- Science Based Targets initiative

This Policy applies to the operations of Kesko Group companies in all Kesko's operating countries. Personnel of Kesko Group must comply with the Policy.

### Policy objective

The objective of the Policy is to ensure compliance with Kesko's sustainability strategy, commitments, and sourcing guidelines in our operations, as well as to promote sustainability throughout the value chain.



## Key principles

Sustainability is a central part of Kesko's business strategy, and Kesko promotes sustainability across all three of its business divisions.

Our vision for sustainability is to enable our customers to make sustainable choices by driving change throughout the value chain. We aim to identify positive and negative impacts, opportunities, and sustainability risks related to our operations. We set targets for our sustainability work and monitor their progress.

**Climate and environment:** We are committed to setting emission reduction targets based on climate science and aligned with the Paris Agreement. We measure, monitor, and report emissions from our own operations and our value chain. We promote energy efficiency, the use of renewable energy sources, and seek ways to reduce emissions in our operations and in the value chain. We work with suppliers and partners to encourage them to set their own science-based emission reduction targets.

We strive to prevent biodiversity loss in our operations and value chain. We reduce water-related risks in our value chain, paying special attention to products and raw materials that require significant water use.

We guide the sourcing of raw materials and commodities identified as critical for environmental sustainability through our sustainable sourcing guidelines, which we continuously develop.

We are committed to the principles of the circular economy in our operations by developing and promoting circular business models and solutions. We prevent waste generation, improve recycling rates, and reduce food waste in cooperation with the entire food chain, from primary production to end consumers.

We work with suppliers and partners to improve the environmental impacts of the products we sell throughout their life cycle.

**Social responsibility:** Kesko respects all internationally recognized human rights. We are committed to continuously improving working conditions for both our own employees and workers in our value chain through various means. Principles concerning our own personnel are described in our Kesko People Policy.

We are committed to identifying, preventing, and mitigating adverse human rights impacts. We pay special attention to human rights issues and working conditions in our supply chains in countries where the risk of human rights violations is greatest. Our



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principle is to cooperate only with suppliers in high-risk countries who are subject to social responsibility audits.

We guide the sourcing of raw materials and commodities identified as critical for social responsibility through our sustainable sourcing guidelines.

**Good governance:** Through our common Code, the K Code of Conduct, we ensure that everyone at Kesko has a unified understanding of the rules and principles that guide our actions. We select our partners carefully and require them to act in accordance with the K Code of Conduct. Kesko's stakeholders can report violations of the K Code of Conduct or the law through the confidential SpeakUp reporting channel.

We are committed to active dialogue with our stakeholders to understand their perspectives and concerns regarding our sustainability. Our key stakeholders include shareholders, customers, employees, retailers, suppliers of goods and services, and society. Our communication with stakeholders is regular and transparent.

## Responsibilities and organisation

**The Board of Directors** of Kesko Corporation approves this Sustainability Policy.

**The President and CEO** of Kesko has the right to make technical changes to the Policy, such as updates required by legislation.

**K Legal and Sustainability** owns the Policy, and the Executive Vice President, Legal and Sustainability is responsible for updating it.

**The Sustainability Management Team**'s task is to promote measures included in the sustainability strategy, monitor the progress of the strategy, coordinate group-level initiatives, and share best practices within Kesko. The chair of the management team is the Executive Vice President, Legal Affairs and Sustainability, who is a member of the Group Management Board and reports directly to the President and CEO.

**Division Presidents** are responsible for achieving group-level and division-specific sustainability targets in their divisions, monitoring progress, allocating resources, and making necessary investments. Group functions support progress in sustainability work.

Kesko reports on the progress of the sustainability strategy annually in the sustainability statement.