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Kesko signs a sustainability-linked loan with the Nordic Investment Bank

Kesko has signed a €150 million 7-year sustainability-linked loan with the Nordic Investment Bank (NIB), where the interest rate margin is tied to the attainment of certain sustainability targets set for greenhouse gas emissions and food waste. At the end of June 2024, more than half of all Kesko loans were sustainability-linked.

The new loan will support Kesko's ambition to minimise impact on the climate and nature through its own operations and its value chain. The loan's interest rate margin is tied to three key performance indicators (KPIs) aligned with sustainability targets that are part of Kesko's wider sustainability strategy.

The agreed KPIs are:

- KPI 1: The reduction of absolute greenhouse gas emissions (GHG) from Kesko's own operations (Scope 1) and from energy purchased and used by Kesko (Scope 2). The KPI is aligned with Kesko's science-based targets to decrease absolute Scope 1 and 2 GHG emissions by 90% by the end of 2030 from a 2020 baseline.
- KPI 2: The increase in the share of Kesko's suppliers of goods and services that have publicly set GHG emission reduction targets approved by the Science Based Targets initiative. The KPI is aligned with Kesko's science-based target that 67% of suppliers and service providers by spend will have set science-based targets by the end of 2026.
- KPI 3: The reduction of food waste generated in Kesko's food retail operations (including K-retailer grocery stores and Kesko's own warehouses and logistics) in relation to total food sold. The KPI is aligned with Kesko's target to reduce food waste by 50% by 2030 from a 2019 baseline.

Kesko and NIB have also agreed that the climate-related KPIs (KPI 1 and 2) for the loan shall be updated once Kesko has finalised the ongoing process of updating its science-based targets and the new targets have been approved by the Science Based Targets initiative (SBTi).

"Sustainability is at the heart of Kesko's strategy. Our objective is to enable sustainable choices for our customers and drive change throughout our value chain from production to consumption. We are very pleased to have signed a sustainability linked 7-year loan with NIB, which supports and promotes our sustainability efforts, especially when it comes to reducing our own and value chain's greenhouse gas emissions as well as reducing food waste in our grocery trade operations," says Anu Hämäläinen, Kesko's Chief Financial Officer.

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Kesko and K-retailers together form K Group, whose retail sales total around €16 billion. K Group is the leading trading sector operator in Northern Europe and it employs approximately 45,000 people. Kesko operates in grocery trade, building and technical trade, and car trade. Its divisions and chains act in close cooperation with retailer entrepreneurs and other partners. Kesko's net sales total around €12 billion and Kesko employs approximately 18,000 people. Kesko's chain operations include approximately 1,800 stores in Finland, Sweden, Norway, Denmark, Estonia, Latvia, Lithuania and Poland. Kesko's shares are listed on Nasdaq Helsinki. The company's domicile and main premises are in Helsinki. www.kesko.fi