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Kesko commits to even more ambitious climate targets

Kesko commits to setting new long-term emission reduction targets, according to which it aims to reduce emissions in its whole value chain to net zero by the year 2050. Achieving net-zero targets will require zero emissions in all parts of the value chain, which in turn requires even tighter collaboration with suppliers to reduce emissions during manufacturing, and further efforts to increase sustainable consumption among customers.

Sustainability is central to Kesko's strategy. Kesko's objective is to enable sustainable choices for its customers in grocery trade, building and technical trade, and car trade, by promoting change throughout the value chain. This comprises the primary production, manufacture, transport and use of products.

"Kesko is a forerunner in sustainability work in the trading sector, and it is a natural next step for us to commit to setting even tighter emission reduction targets for our whole value chain. We consider it important for the whole trading sector to engage more extensively in sustainability efforts together with suppliers and customers. This will have a major impact on mitigating climate change and also on promoting human rights and welfare," says **Mikko Helander**, Kesko's President and CEO.

The Science Based Targets initiative (SBTi) Net-Zero Standard is the most ambitious of the SBTi's science-based emission reduction standards so far. With the net-zero criteria, it is not enough for companies to offset emissions. Instead, any remaining emissions after a company has achieved its science-based emission reductions must be neutralised in ways that remove carbon from the atmosphere and permanently store it.

Kesko commits to setting the following net-zero emission targets:

- Kesko Corporation commits to reaching net-zero GHG emissions across the value chain by 2050.
- Kesko Corporation commits to reducing absolute scope 1, 2 and 3 GHG emissions by 90% by 2050 from 2020 base year.

"We aim to achieve a zero-emission supply chain by the year 2050. This means we need to work even more closely together with our product suppliers, as emissions must be reduced throughout the value chain, from manufacture all the way to store selections and product use. We must also support our customers in making sustainable choices. Naturally, we will also continue efforts to further reduce emissions from our own operations," says **Riikka Joukio**, Kesko's Executive Vice President of Sustainability and Public Affairs.

Kesko's commitment to the net-zero targets is a continuation of Kesko's previous commitments: the company set short-term emission reduction targets validated by the SBTi in both 2017 and 2021. Emission reduction targets validated by the SBTi must correspond to measures that limit global temperature rise to 1.5 °C above pre-industrial

levels. Kesko is seeking SBTi validation also for its new net-zero targets.

SBTi is a partnership between the corporate climate action and disclosure organisation CDP, the United Nations Global Compact initiative, World Resources Institute (WRI), and the World Wide Fund for Nature (WWF).

* Scope 1 and 2 = Direct and indirect emissions from the company's own operations

* Scope 3 = Other indirect emissions, i.e. emissions from the value chain

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Kesko and K-retailers together form K Group, whose retail sales total around €16 billion. K Group is the third largest 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 has approximately 1,800 stores engaged in chain operations in Finland, Sweden, Norway, Estonia, Latvia, Lithuania and Poland. Kesko's shares are listed on Nasdaq Helsinki. The company's domicile and main premises are in Helsinki.

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