



Code of Conduct

EN Business partner's guide





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President and CEO's message

Responsibility is more than just a word for us at Kesko. It is displayed in our everyday actions. Responsible business activities are crucial for achieving sustainable financial results. All our operations are built on trust between Kesko, the K-Group stores, our customers and business partners.

We operate in an increasingly globalised world, where many conventions and guidelines have an impact on the operations of Kesko. Our responsibility is global. Our core commitments are stated in the general principles of corporate responsibility. The principles are complemented by more detailed policies and statements and the K Code of Conduct, which lays the foundation for everything we do.

By complying with our jointly agreed operating models, we support the three cornerstones of our strategy:

- Value: "Customer and quality – in everything we do"
- Vision: "We are the customer's choice and the quality leader in retail in Europe"
- Mission: "We create welfare responsibly for all our stakeholders and the whole society"

into action in our daily work. The entire Company and its every single employee are committed to complying with the principles and practices described in this code. We also expect our business partners to operate responsibly. We monitor compliance with the code in line with globally proven best practices and aim for continuous improvement.

Responsibility starts with each of us. This code guides us in our day-to-day choices and activities. Together we put Kesko's Code of Conduct into action.

Helsinki, 1 October 2016



Mikko Helander
President and CEO
Kesko Corporation



We comply with the law



We do not offer or accept bribes



We respect human rights



We minimise our environmental impacts



We comply with the Kesko brand protection guidelines



We do not disclose business secrets



We process customer information and other personal data in confidence



We are committed to fair competition

**As a Kesko business partner,
I consistently comply with the
law in all my activities.
Kesko expects the same from
all of its business partners.**

As a Kesko business partner, I do not condone any breach of law, and I will never incite or advise anyone to violate applicable laws and regulations. Of particular significance are laws concerning the status of employees, equality, privacy, prevention of bribery and corruption, competition and consumer protection, occupational safety, environmental protection and product safety.

As a listed company, Kesko is also bound by securities market regulations as well as regulations and guidelines for good corporate governance.

As a Kesko business partner, I will not prompt any other party to do anything I would not do myself in view of the law, policies, principles or my commitments to Kesko. I will actively monitor and anticipate societal changes and amendments to legislation

Example

You are a Kesko supplier and you hear that the new legislation requires changes to package information. As a result, you can no longer deliver the products ordered by Kesko with your product information. Making the product information compliant with the law could delay delivery. What do you do?



I immediately get in touch with my contact person at Kesko to establish the course of action and the best way to make package information compliant with the law.



Kesko and its business partners do not tolerate bribery in any form. As a Kesko business partner, I will not promise or pay bribes and illegal payments to the authorities or other parties, and I will not incite or advise anyone to offer or accept them.

Kesko has zero tolerance towards all forms of bribery. This also applies to the operations of Kesko's business partners.

As a Kesko business partner, I do not promise or pay bribes and illegal payments to authorities or anyone else to secure the Company's business or its development. I am committed to not advising, inciting or enticing anyone to accept or offer bribes through third parties or directly.





Example

You are a Kesko business partner in a construction project pertaining to the zoning of a plot for a Kesko store site. On behalf of Kesko, you contact the public official in charge of zoning. He or she asks your employer to buy an advertising slot in a publication by his or her child's football team. What do you do?



I decline the request, as a working relationship does not justify sponsorship. All sponsorship deals must be geared towards clear business aims. Besides, buying the slot might give rise to a suspicion of bribing a public official.



As a Kesko business partner, **I establish procedures and practices that ensure due respect of human rights** in all Kesko operations, and I expect the same from our business partners.

As a Kesko business partner, I am committed to respecting internationally recognised human rights in all my operations and promoting them in practice. I do not tolerate human rights violations in any form. As a Kesko business partner, my business has a particularly substantial effect on the human rights of four groups:

- K-Group customers
- our own personnel
- the communities in which we operate
- our supply chain

I do my share to ensure product safety and that all products and services meet legal requirements.

I treat our employees equally and comply with applicable labour laws. I respect the individual's worth, privacy and

freedom of religion and conscience. I do not tolerate discrimination, harassment, threats or insults. I respect the freedom of association and employees' right to organise professionally. I actively ensure safe working conditions.

Kesko requires that its business partners respect all internationally recognised human rights. I do not tolerate the use of child labour, any form of forced labour nor other human rights violations in our supply chain.





Example

You are a Kesko supplier, and one of your subcontractors invokes the competition and trade secret exemption and will not disclose the details of a factory manufacturing a product. Do you accept this?



No. I insist on getting the details. We need the details to ensure that an appropriate social responsibility assurance has been conducted at the factory.

Working in an environmentally sustainable way is a shared responsibility of Kesko and its business partners. In our operations, we strive to promote the mitigation of climate change and sustainable use of natural resources.

The management of environmental impacts is part of our daily work in Kesko. The mitigation of climate change is a key theme of Kesko's sustainability work. Kesko reduces emissions through energy efficient solutions and by adopting renewable and low-carbon energy sources.

In collaboration with partners, Kesko wishes to promote sustainable production and consumption. We develop circular economy in cooperation with supply chains, logistics and consumer services. Product and package design and recycling are key in achieving increased recovery and reuse of materials. We continuously

cooperate with the food supply chain, logistics, K retail stores and consumer communications to reduce and utilise food waste.

As a Kesko business partner, I am committed to minimise the negative environmental impacts of all my activities. I constantly strive to find ways to further reduce our environmental impacts together.

Example

You are a supplier and you thought to offer one of your products for inclusion in Kesko's own product series. What environmental aspects should be taken into account in the product?



It is important to Kesko that the environmental impacts of products be taken into account already when planning the products. Avoid unnecessary product packaging and favour recyclable materials in both the products and their packages. Kesko also wants to help its customers reduce their environmental impacts. With good communication and clear packaging information, we make it easier for our customers to make responsible choices at the store.



As a Kesko business partner, I always ensure that my actions do not endanger Kesko's corporate image, brand value or reputation.

Kesko cherishes and protects the K brand. Kesko builds the brand on the basis of its value, vision and mission. Kesko expects its business partners to operate in a way that does not endanger Kesko's brand value.

As a Kesko business partner, I never act in a way that could harm Kesko's reputation or competitiveness. In social media, I comply with the same principles of confidentiality and accuracy as in other communications and interactions.





Example

You have just received a large order from Kesko, and you would like to publicise your cooperation with Kesko by putting the K logo on your website. What do you do?



I understand that the use of the K logo requires Kesko's consent. I get in touch with your contact person at Kesko to get permission, and I do not put the K logo on our website without receiving prior authorisation.



As a Kesko business partner, I maintain the secrecy of confidential information entrusted to me regarding Kesko's operations, personnel, customers and business partners, and I will not divulge or pass on this information to unauthorised parties.

Confidential information also includes matters pertaining to security arrangements, such as cash processing, data security, alarm systems and emergency instructions.

I use information systems and software in compliance with agreements and user rights. I always ensure that confidential or important information is not lost or passed on to third parties. I handle my electronic tools with care. When leaving the desk, I do not leave storage devices or documents containing confidential information in view.

Kesko Corporation, the parent company of Kesko Group, is listed on the main market of Nasdaq Helsinki Ltd. As a listed company, Kesko is therefore bound by insider information regulations at all times.





Example

You meet an acquaintance who works at Kesko at the spring party of your child's day-care centre. As the conversation steers to work-related topics, you would like to ask how Kesko's sales have fared in recent weeks. Can you do that?



I can't. Unpublished data related to Kesko's business are confidential and cannot be disclosed to third parties.



As a Kesko business partner,
I comply with best practices
in processing and protecting
personal data and with local
national laws and regulations.

**Due processing of personal data
enables me to maintain customer
trust and improve the efficiency
of operations.**

I plan ahead how personal data are processed. I only collect information which is relevant for the purpose of the data file. I ensure the accuracy of data on file and ensure that their processing does not jeopardise the privacy of individuals on file. I inform the individuals on file of the file's existence and their right to review the data on themselves.

The persons processing confidential data may not disclose personal data they have accessed without lawful justification. Public authorities may have a legal right of access.





Example

In the spirit of open data, a foreign supplier enquires about the possibility to obtain a list of the online store customers who have purchased one of their products. They would like to analyse what kind of consumers are interested in the product. Can personal information be disclosed?



No. Personal information is not public. The personal information of the customer shall only be used for the purposes described to the customer when collecting the data. These can be, for example, delivering the goods to the customer or marketing of the online store.

I strictly comply with applicable competition law in all my activities. I do not take any part in activities that might restrict or impede effective competition.

As a Kesko business partner, I am committed to compliance with applicable competition law in all my activities. My market operations are based on open and effective competition. Effective competition is beneficial to consumer customers as well as the entire trading sector.

I am aware of key competition law policies pertaining to my work. For example, I do not agree or discuss prices, customers or other business secrets with Kesko's competitors. I do not participate in activities that are aimed

at or potentially lead to restricting or impeding effective and fair competition. I understand that in addition to other serious consequences, competition law violations especially harm Kesko's reputation.

Example

You are discussing the merits of a seminar with your contact person at Kesko and a competitor's representative on a break at the seminar. After a while of chatting, the representative changes the subject and expresses his frustration at narrowing margins of a brand product. He or she suggests an agreement to you and your contact person at Kesko according to which you should both stop selling this popular article under a certain price. What do you do?



I understand that the suggestion is about a price cartel, which restricts competition with very severe effects. I immediately decline the suggestion and leave. My contact person at Kesko gets in touch with Kesko's legal counsel, who will assess how else we should react to the situation. A price cartel can lead to large penalties and liabilities for damages for all parties. In addition, it could severely harm Kesko's image as a responsible operator.

Reporting concerns and instances of non-compliance

Any activity violating the K Code of Conduct will negatively affect the Kesko brand and stakeholders' trust in the Company and may cause significant business, personal and social risks. It is the duty of each of Kesko's business partners to request assistance from their contact person at Kesko where needed and to immediately report to them any worries or detected violations.

1

If you face a difficult situation or detect behaviour that violates this Code of Conduct, you can always discuss the matter with your contact person at Kesko.

2

For help and guidance, see the K Code of Conduct website:
kesko.fi/codeofconduct-en

3

If the options above do not meet your need, you may give feedback confidentially via
kesko.fi/speakup-en.

Please note that this channel is only intended for reporting violations of this Code of Conduct and suspected violations of securities markets regulations. Any customer feedback received via the SpeakUp channel will not be processed. Customer feedback must be submitted via the appropriate channel.

Kesko's channels for customer feedback are presented [online](#)



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