



# REMUNERATION REPORT 2025

# 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/](https://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        |
| <b>Net sales, € million</b>                                 | <b>11,300</b> | <b>11,809</b> | <b>11,784</b> | <b>11,920</b> | <b>12,475</b> |
| <b>Operating profit, comparable, € million</b>              | <b>776</b>    | <b>815</b>    | <b>712</b>    | <b>650</b>    | <b>655</b>    |
| <b>Return on capital employed, comparable, %</b>            | <b>17.2</b>   | <b>16.9</b>   | <b>13.4</b>   | <b>11.3</b>   | <b>10.4</b>   |
| <b>Total shareholder return (TSR, %) of a Kesko B share</b> | <b>43.08</b>  | <b>-26.05</b> | <b>-7.77</b>  | <b>5.76</b>   | <b>16.60</b>  |

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.

# 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   |                    |                 |                        | Remuneration, total | Number of B shares transferred as annual fees* |
|--------------------------------|----------------|--------------------|-----------------|------------------------|---------------------|--|
|                                | Annual fee     | Board of Directors | Audit Committee | Remuneration Committee |                     |  |
| 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 Fagnäs ***               |                | 1,200              |                 | 1,200                  | 2,400               |  |
| <b>Total</b>                   | <b>490,000</b> | <b>48,000</b>      | <b>12,000</b>   | <b>5,400</b>           | <b>555,400</b>      | <b>7,134</b>                                   |

\* 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 Fagnäs 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.

# 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.

## 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.

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).

## 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 | <p>Targets related to the Company’s financial performance:</p> <ul style="list-style-type: none"> <li>• Kesko’s EBIT</li> <li>• Kesko’s ROCE, %</li> <li>• TSR</li> <li>• Sales development</li> </ul>  | <p>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.</p> <p>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.</p>   | 75.0         | 2026 |
|                   | Personal targets                        | <p>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.</p>  | <p>In addition, the Board has assessed the objectives related to the implementation of the strategy, including:</p> <ul style="list-style-type: none"> <li>• achieving the market position objectives of each division</li> <li>• increasing shareholder value</li> <li>• profitable business growth both organically and through acquisitions</li> <li>• developing the store network</li> <li>• utilising technology and data as a competitive advantage</li> <li>• refining and implementing the Group’s sustainability strategy</li> <li>• further strengthening the organisational culture and managing the corporate and employer brand</li> </ul> <p>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.</p> |              |      |
| STI 2024          | Financial targets for Kesko and K Group | <p>Targets related to the Company’s financial performance:</p> <ul style="list-style-type: none"> <li>• Kesko’s EBIT</li> <li>• Kesko’s ROCE, %</li> <li>• TSR</li> <li>• Sales development</li> </ul>  | <p>The Group’s operating profit and ROCE were close to the target level, and sales development was slightly below the target level.</p> <p>The Board also assessed targets related to strategy execution, including</p> <ul style="list-style-type: none"> <li>• Achieving the targets related to the market position of the business divisions</li> <li>• Profitable business growth organically and via acquisitions</li> <li>• Developing the store network</li> <li>• Specifying and implementing the Group’s sustainability strategy.</li> </ul>   | 66.7         | 2025 |
|                   | Personal targets                        | <p>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.</p> | <p>According to the Board assessment, the President and CEO’s overall performance was good on key targets related to strategy execution.</p>  |              |      |



Head office K-Kampus  
PO Box 1, FI-00016 Kesko  
Street address: Työpajankatu 12, 00580 Helsinki  
tel. +358 105 311

[www.kesko.fi/investors](http://www.kesko.fi/investors)