



REMUNERATION REPORT 2024

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 and the Deputy CEO of Kesko in 2024. The remuneration report is based on the remuneration policy for Kesko’s governing bodies reviewed by the Annual General Meeting of 28 April 2020 and the new remuneration policy in force that was reviewed by the Annual General Meeting of 26 March 2024. 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 2025. 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 2025 Annual General Meeting. Kesko’s Annual General Meeting on 26 March 2024 approved the Remuneration Report for Governing Bodies for 2023. 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/.

Fees paid and business performance for the past five years

Role	2020	2021	2022	2023	2024
Board Chair	118,000	119,900	117,000	114,600	122,000
Board Deputy Chair	70,500	74,900	71,400	70,200	73,800
Other Board members, average	59,300	61,160	59,960	58,760	63,875
President and CEO Jorma Rauhala (as of 1 Feb. 2024)*					1,186,625
Deputy CEO Jorma Rauhala (until 31 Jan. 2024)	1,269,791	2,123,288	2,345,080	1,539,455	36,576
President and CEO Mikko Helander (until 31 Jan. 2024)**	2,997,382	4,381,783	4,866,364	3,370,070	2,084,510
Employee, Finland	41,127	42,974	43,236	43,697	44,292
Net sales, € million	10,669	11,300	11,809	11,784	11,920
Operating profit, comparable, € million	568	776	815	712	650
Return on capital employed, comparable, %	12.0	17.2	16.9	13.4	11.3
Total shareholder return (TSR, %) of a Kesko B share	37.36	43.08	-26.05	-7.77	5.76

The remuneration for the Board Chair, Deputy Chair and other members includes annual and meeting fees. The remuneration for the President and CEO and the Deputy CEO comprises their fixed annual salary, car and mobile phone benefits, 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.

*Jorma Rauhala was Deputy CEO between 1 Jan. 2024 and 31 Jan. 2024, and President and CEO as of 1 Feb. 2024.

** Mikko Helander was President and CEO between 1 Jan. 2024 and 31 Jan. 2024. He retired from the Company in 2024.

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 2024 financial year, the remuneration of Kesko’s Board members, President and CEO, and Deputy CEO was in line with the remuneration policies approved by the 2020 and 2024 Annual General Meetings. No fees already paid have been clawed back.

The Kesko’s Board of Directors has listened to shareholder feedback regarding the development of Kesko’s remuneration. The Board has decided on a new share plan to be initiated in 2025, which is the ‘PSP 2025-2028 President and CEO’. The key difference is that the performance period for the plan is three years instead of two years. Share awards for the President and CEO will follow the new plan from 2025 onwards. The three-year performance period will be followed by a one-year

commitment period. The share plan complies with Kesko's remuneration policy.

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 the Deputy CEO in order to increase the value of the Company and to execute its business strategy in the long term. As a result, remuneration promotes the Company's long-term financial success.

Changes to total remuneration of the President and CEO and the Deputy 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 26 March 2024 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 26 April 2024. 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 2024 ANNUAL GENERAL MEETING ON THE ANNUAL AND MEETING FEES OF BOARD MEMBERS

Annual fees to Board members (€)

	2024
Chair	107,000
Deputy Chair	66,000
Member	50,000
Board member who is the Audit Committee Chair	66,000

Board meeting fees / meeting (€)

	2024
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 2024 (€)

	Meeting fees				Remuneration, total	Number of B shares transferred as annual fees*
	Annual fee	Board of Directors	Audit Committee	Remuneration Committee		
Esa Kiiskinen (Chair)	107,000	13,200		1,800	122,000	1,899
Peter Fagernäs (Deputy Chair)	66,000	6,000		1,800	73,800	1,171
Jannica Fagerholm	66,000	6,600	7,200		79,800	1,171
Pauli Jaakola **	50,000	5,400			55,400	887
Piia Karhu	50,000	6,600	3,600		60,200	887
Jussi Perälä	50,000	6,600			56,600	887
Toni Pokela ***		1,200			1,200	
Timo Ritakallio	50,000	6,600	3,600	1,800	62,000	887
Total	439,000	52,200	14,400	5,400	511,000	7,789

* Kesko's treasury shares were transferred on 26 April 2024. The average share price on the transfer date was €16.06.

** Pauli Jaakola was elected as Board member on 26 March 2024.

*** Toni Pokela was a Board member until 26 March 2024.

In addition, Kesko's Board members were paid reimbursements for their expenses in accordance with the resolution of the 2024 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 AND THE DEPUTY CEO

The Company's managing director, referred to as the President and CEO, was Mikko Helander from 1 Jan. 2024 to 31 Jan. 2024, and Jorma Rauhala from 1 Feb. 2024 to 31 Dec. 2024. The Deputy CEO from 1 Jan. 2024 to 31 Jan. 2024 was Jorma Rauhala, whose principal position was President of the building and technical trade division. The Company has not had a Deputy CEO after 1 Feb. 2024. Former President and CEO Mikko Helander retired in 2024.

Kesko's Board of Directors decided on the remuneration for the President and CEO and the Deputy CEO based on a proposal prepared by the Remuneration Committee. The remuneration for the President and CEO and the Deputy CEO has 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 and the Deputy CEO have 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 and Deputy 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

Salaries, bonuses, fringe benefits and pension benefits for the President and CEO and Deputy CEO (€)

Description	President and CEO Jorma Rauhala 1.2.-31.12.2024	Deputy CEO Jorma Rauhala 1.1.-31.1.2024	President and CEO Mikko Helander
Fixed monetary salary*	755,226	34,381	900,000
Performance bonus	78,120		525,000
Share awards**	319,040		634,535
Car and mobile phone benefits	34,239	2,195	24,975
Total	1,186,625	36,576	2,084,510
Supplementary pension plan	***	***	1,000,000

* 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, 15 March 2024. 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 2024 was 18,675 shares, and the net amount 9,338 shares. The gross number of Kesko B shares transferred to the President and CEO Mikko Helander in 2024 was 37,143 shares, and the net amount 18,572 shares.

*** 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 2024.

be remunerated for 2024 within the limits provided for by Kesko's remuneration policy.

Fees paid and falling due

In 2024, the President and CEO and the Deputy CEO were paid the salaries, bonuses, fringe benefits and retirement benefits presented in the table.

The performance bonus to be paid to President and CEO Jorma Rauhala for 2024 will be €520,000. 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 32,828 shares (gross) in spring 2025 based on the 2023 and 2024 performance under the PSP 2023–2026.

Relative proportions of fixed and variable remuneration

Jorma Rauhala, who has been the President and CEO as of 1 February 2024, was paid a total of €397,160 in performance bonuses and share awards in 2024, representing 32% of his total remuneration. Mikko Helander, who was the President and CEO up until

31 January 2024, was paid a total of €1,159,535 in performance bonuses and share awards, representing 56% of his total remuneration.

The maximum performance bonus amount for 2023 and 2024 was 100% of the President and CEO's annual salary and 67% of the Deputy CEO's annual salary. Jorma Rauhala, who acted as Deputy CEO in 2023, was paid a performance bonus of €78,120 in spring 2024 based on 2023, which is equivalent to some 18.6% of his 2023 annual salary. The performance bonus paid in spring 2024 based on 2023 to Mikko Helander, who was the President and CEO in 2023, amounted to €525,000, which is equivalent to some 58.3% of his 2023 annual salary.

The new President and CEO Jorma Rauhala was paid a gross share award of €319,040, which is equivalent to some 43% of his 2024 annual salary. The gross share award paid to the former President and CEO Mikko Helander amounted to €634,535, which is equivalent to some 71% of his 2024 annual salary.

Share awards

Share awards to President and CEO Jorma Rauhala and former President and CEO Mikko Helander are presented in the following table. Under the Performance Share Plan (PSP) 2022–2025, shares were transferred in the spring of 2024 based on the performance indicators for 2022 and 2023. Under the Performance Share Plan (PSP) 2023–2026, shares will be transferred in the spring of 2025 based on the performance indicators for 2023 and 2024.

A two-year performance period is followed by a two-year commitment period. During the commitment period, the shares cannot be pledged or transferred, but the other rights attached to the shares remain in force. If a person's employment or service relationship terminates prior to the expiry of the 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 grantee may keep some or all of the shares under the return obligation. If the grantee retires during the commitment period, the grantee is 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.

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 2022, 2023 and 2024.

Information on the actual share awards granted is presented in the following table

Share award plans for the President and CEO

	PSP 2023-2026 President and CEO Jorma Rauhala	PSP 2022-2025 President and CEO Jorma Rauhala	PSP 2022-2025 President and CEO Mikko Helander
Performance period	2023-2024	2022-2023	2022-2023
Actual earnings, performance period average	39.00%	41.50%	41.50%
Performance period end date	31.12.2024	31.12.2023	31.12.2023
Year the shares are transferred	2025	2024	2024
Share price on the date of assignment, €	*	17,08	17,08
Commitment period end date	10.2.2027	10.2.2026	2.1.2025
Maximum share allocation**	84,173	45,000	89,500
Value of maximum share allocation at the grant date, € ***	1,504,172	1,240,650	2,467,515
Actual number shares**	32,828	18,675	37,143
Total value of actual share award, €	*	319,040	634,535

* The share price and total value of share award to be confirmed on the date of assignment in spring 2025.

** 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 2022, the average share price was €27.57. In January 2023, the average share price was €21.42. In January 2024, the average share price was €17.87.

The share award paid in 2024 was paid based on the actual average of the indicators presented in the table for 2022 and 2023. The share award to be paid in 2025 will be paid based on the actual average of the indicators presented in the table for 2023 and 2024.

Performance bonuses

The performance bonuses paid in 2024 were earned in 2023, and the performance bonuses to be paid in 2025 were earned in 2024. The key performance bonus targets in 2024 for Jorma Rauhala, who has been the President and CEO as of 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. The key performance bonus targets in 2023 for Jorma Rauhala, who at the time was the Deputy CEO, were the operating profit (EBIT) for Kesko, and the EBIT, return on capital employed (ROCE %), and sales development for the building and technical trade division.

The key performance bonus indicators for President and CEO Mikko Helander in 2023 were Kesko's total shareholder return (TSR, %) operating profit (EBIT), return on capital employed (ROCE %), and sales development.

Remuneration for the President and CEO and the Deputy CEO was also based on their overall performance. The indicators and levels achieved by President and CEO Jorma Rauhala and former President and CEO Mikko Helander are presented in the table.

Performance Share Plan (PSP) indicators and levels achieved

	2024		2023		2022	
	Weight	Level achieved	Weight	Level achieved	Weight	Level achieved
Absolute total shareholder return (TSR) of a Kesko B share	40%	40%	40%	20%	40%	0%
Kesko's return on capital employed (ROCE)	40%	40%	40%	30%	40%	80%
Kesko's sales development	10%	30%	10%	30%	10%	80%
Sustainability target*	10%	100%	10%	100%	10%	100%
Total level achieved		45%		33%		50%

* The sustainability target comprises emission reductions and targets linked to international sustainability indices and assessments. (In addition to the share award plan, in 2024 members of divisional management teams and persons reporting to them have had the target of the corporate 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).

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.

The former President and CEO Mikko Helander accrued old-age pension based on a defined benefit plan until 30 June 2023. The amount of his old-age pension is 60% of his pensionable earnings in accordance with the Employees Pensions Act (TyEL) for the ten (10) years preceding his retirement. Supplementary pension based on a defined contribution plan accumulated for the President and CEO from 1 July 2023 onwards. As stated in a stock exchange release issued on 8 December 2023, Helander retired from the Company in 2024.

Performance bonus targets and levels achieved in 2023 and 2024 by the President and CEO and Deputy CEO

President and CEO Jorma Rauhala		Target	Level achieved	Total assessment on a scale of 0 to 100	Payment year	
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"> • Kesko's EBIT • Kesko's ROCE, % • TSR • Sales development 	<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"> • Achieving the targets related to the market position of the business divisions • Profitable business growth organically and via acquisitions • Developing the store network • Specifying and implementing the Group's sustainability strategy. 	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>			
Deputy CEO Jorma Rauhala		Targets	Weight	Level achieved	Total assessment on a scale of 0 to 100	Payment year
STI 2023	Financial performance for Kesko and the building and technical trade division	<p>Financial targets for Kesko and the building and technical trade division:</p> <ul style="list-style-type: none"> • Kesko's EBIT • Division EBIT • Division ROCE % • Division sales development 	<p>20%</p> <p>30%</p> <p>15%</p> <p>15%</p>	<p>The Group's operating profit was below the target level. The division's operating profit, return on capital and sales performance were below the minimum level of the target table. Despite the sharp downturn in the construction market, the division achieved a good operating profit of over 5% and gained market share in its main business areas. According to the Board's assessment, the Deputy CEO's overall performance was good in terms of key operational objectives, including the implementation of the division's growth strategy and market share growth, both organically and through acquisitions, the successful integration of acquired businesses, growing digital commerce and e-commerce, and implementing the sustainability strategy in all countries and businesses.</p>	18.6	2024
	Personal targets	<p>Targets related to strategy execution have been set for the Deputy CEO and President of the building and technical trade division, which are taken into account in the total assessment.</p>	20%			

President and CEO Mikko Helander	Target	Level achieved	Total assessment on a scale of 0 to 100	Payment year	
STI 2023	Financial targets for Kesko and K Group	Targets related to the Company's financial performance: <ul style="list-style-type: none"> • Kesko's EBIT • Kesko's ROCE, % • TSR • Sales development 	The Group's operating profit, return on capital and sales development were below the target level. Despite the weakened market situation, the Group's result was at a good level. Cash flow from operating activities strengthened thanks to improved working capital management. According to the Board's assessment, the President and CEO's overall performance was good in terms of key operational objectives, including the successful execution of the growth strategy, development of the business portfolio and business growth through acquisitions and organically, growth in digital trade, development of the corporate and employer image, and development of sustainability work and success in key sustainability indices.	58.3	2024
	Personal targets	Targets related to strategy execution have been set for the President and CEO. The targets comprise 13 areas, which the Board has taken into account in the total assessment of the President and CEO.			