

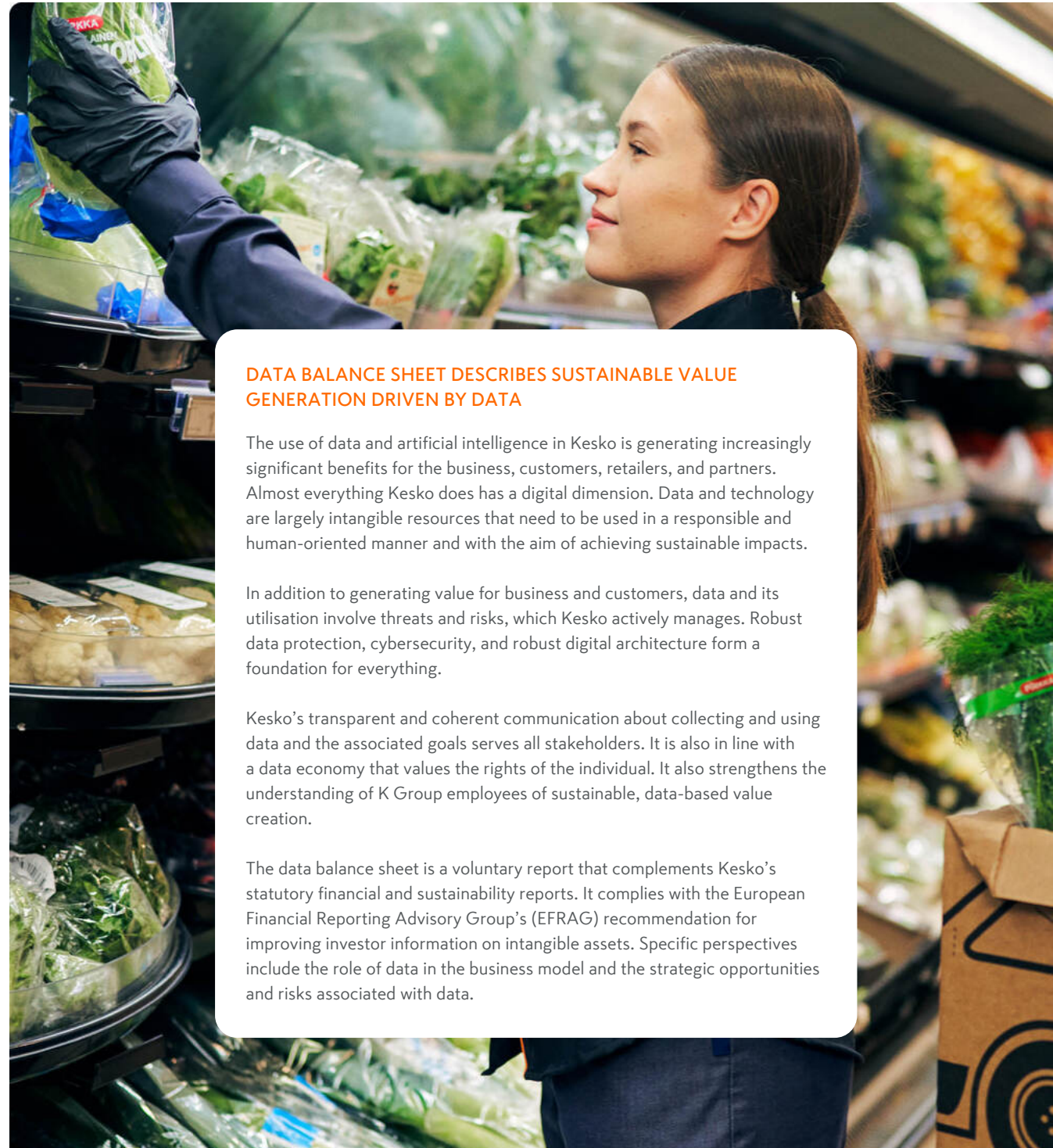


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**KESKO'S  
DATA  
BALANCE  
SHEET  
2025**

# DATA BALANCE SHEET

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## DATA BALANCE SHEET DESCRIBES SUSTAINABLE VALUE GENERATION DRIVEN BY DATA

The use of data and artificial intelligence in Kesko is generating increasingly significant benefits for the business, customers, retailers, and partners. Almost everything Kesko does has a digital dimension. Data and technology are largely intangible resources that need to be used in a responsible and human-oriented manner and with the aim of achieving sustainable impacts.

In addition to generating value for business and customers, data and its utilisation involve threats and risks, which Kesko actively manages. Robust data protection, cybersecurity, and robust digital architecture form a foundation for everything.

Kesko's transparent and coherent communication about collecting and using data and the associated goals serves all stakeholders. It is also in line with a data economy that values the rights of the individual. It also strengthens the understanding of K Group employees of sustainable, data-based value creation.

The data balance sheet is a voluntary report that complements Kesko's statutory financial and sustainability reports. It complies with the European Financial Reporting Advisory Group's (EFRAG) recommendation for improving investor information on intangible assets. Specific perspectives include the role of data in the business model and the strategic opportunities and risks associated with data.

# FOREWORD

Dear reader,

Over the years, Kesko's data capital has become a strategic asset whose value is realised in our business and customer encounters every day. Our competitive advantage is built on the skills of Kesko's personnel and partners, high-quality data, strong data and analytics capabilities, and effective digital architecture.

Our unique retailer model combined with data analytics and artificial intelligence helps us deliver a more personalised customer experience and optimise our operations at a scale that sets us apart from the rest of the trading sector. K-retailers utilise Kesko's shared data services and the customer insight provided by our K-Plussa customer loyalty scheme to respond to the needs of their particular customer base. Store-specific business ideas combine the efficiency of chain business operations with a local customer focus.

We want our customers to gain real benefits from data. K-Plussa is at the heart of our value creation, especially in grocery trade. Last year, our K-Plussa customers received €826 million in benefits and discounts from K Group, and the value of fully personalised benefits doubled from the previous year. Data helps us target benefits more effectively, which strengthens customer loyalty and makes value creation sustainable also from a business perspective. For all of our divisions, the purpose of using data is to return value to the customer in the form of personalised services and recommendations, more relevant benefits, and digital services that make everyday life easier.

Kesko has been utilising AI in its digital operations for a long time to support decision-making and optimise store processes. Now, we are integrating generative AI solutions into our operations in a controlled manner. All use cases and technology choices are based on business objectives and measurable benefits.

At the same time, more and more of Kesko's employees are using data and AI to support their work. The AI innovation challenge organised at the end of 2025 increased the number of internal AI agents, and around five hundred people at Kesko use them in their work on a monthly basis. Competence grows through day-to-day experimentation, and the best solutions are scaled up and introduced for use throughout the company.

Data does not appear on the financial balance sheet in the same way as many other assets, but it plays a sizeable role in Kesko's value creation. Our divisions' data capabilities have been built over the long term, and they support sales growth, operational efficiency and better customer and employee experience. High-quality data, fast decision-making and agile development create an advantage that is reinforced over time.

Responsibility and transparency guide all our data use, and we are committed to a high level of data protection and multiple layers of information security. At the same time, we help our customers make more sustainable choices by



providing data-based information on the climate impacts, origin and healthiness of their purchases.

This data balance sheet describes Kesko's current situation and its capabilities for creating sustainable growth in going forward.

Helsinki, April 2026

**Minna Vakkilainen,**  
Senior Vice President, Marketing, Data & Digital Services

# SUSTAINABLE COMPETITIVE ADVANTAGE THROUGH DATA

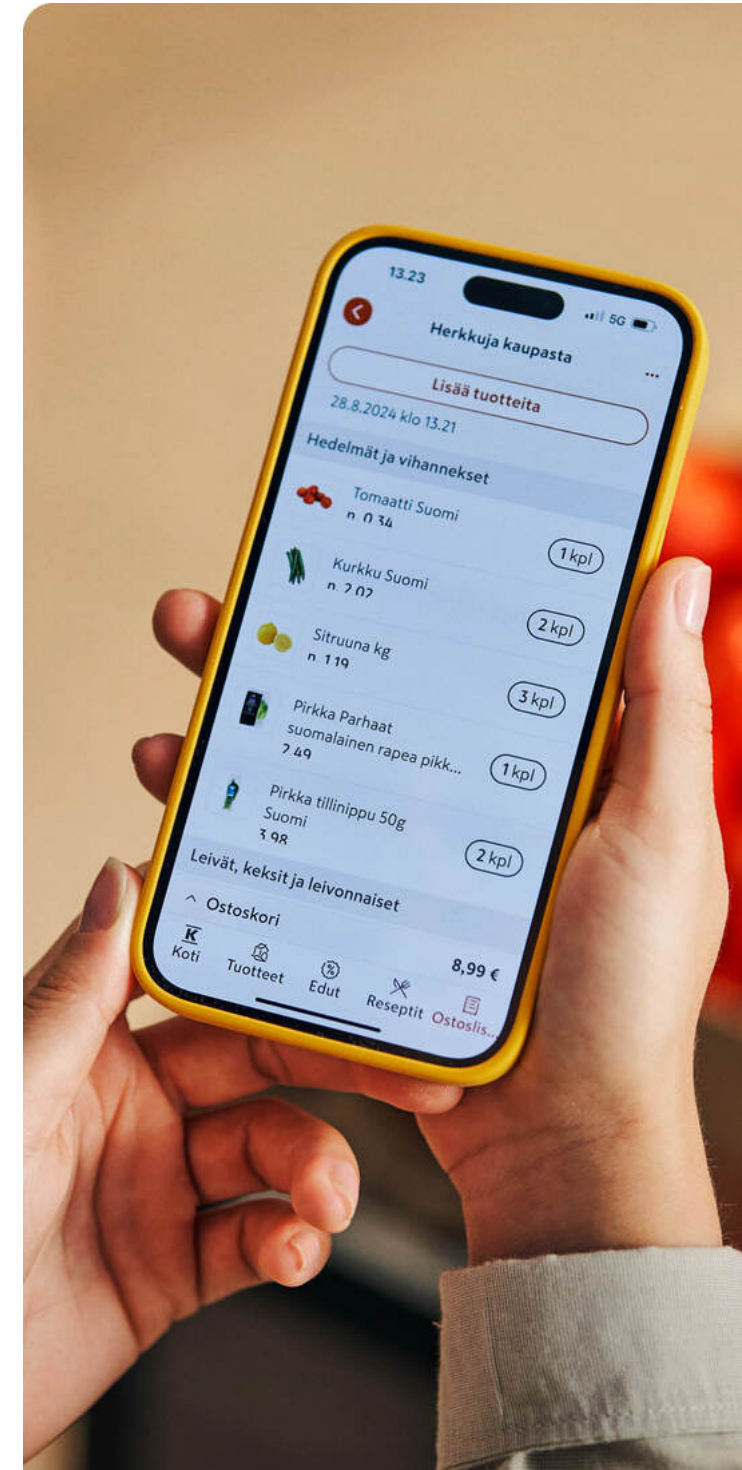
Kesko is a strongly data-driven trading sector company that strives to be the leading and most attractive operator in its sector in Northern Europe. AI is used in a business-oriented and scalable manner throughout the company, with focus on applications where AI delivers measurable value to business processes.

By leveraging data, data analytics and artificial intelligence, Kesko aims to create sustainable and growing competitive advantage based on a combination of superior customer experience, operational efficiency and reliability, and profitability. Everything is underpinned by robust risk management and compliance, multi-tier cybersecurity, and responsible operating practices.

Data is a strategic asset as well as a key intangible asset for Kesko

Kesko develops its data and technology capabilities based on the strategic needs of its businesses. The synergies of digital capabilities within the grocery trade, building and technical trade, and car trade divisions and at Group level are developed to respond to and anticipate the needs of the businesses and customers.

Data is a strategic asset as well as a key intangible asset for Kesko. Investments focus on supporting profitable growth: productive use of AI as part of daily work, continuous improvement of data and technology competencies, and the development of value-creating digital services. Equally important is the continuous improvement of processes through data and AI capabilities.



# DATA CREATES VALUE FOR CUSTOMERS AND BUSINESS

At Kesko, data is an actively managed business resource and a source of competitive advantage. Continuous improvement of a multichannel customer experience and continuous development of digital services are at the core of Kesko's growth strategy.

Data enables Kesko to differentiate itself with services, convenience, and customer experience both in stores and digital channels. Kesko has plenty of potential to increase its data utilisation rate and to develop new data-based models for value creation. This requires continuous investments in the improvement of capabilities related to, for example, data, technology, analytics and design.

Kesko's strength is its vast amounts of high-quality data on customers, processes, products, the value chain, and the operating environment. Data capital generates value and is the result of years of determined work. The value is realised in active business use.

The comprehensive utilisation of the various sources of data enables unique customer and business insight and rapid responses to changing business and customer needs in all divisions. This enforces Kesko's competitive advantage in a market that can change very fast.

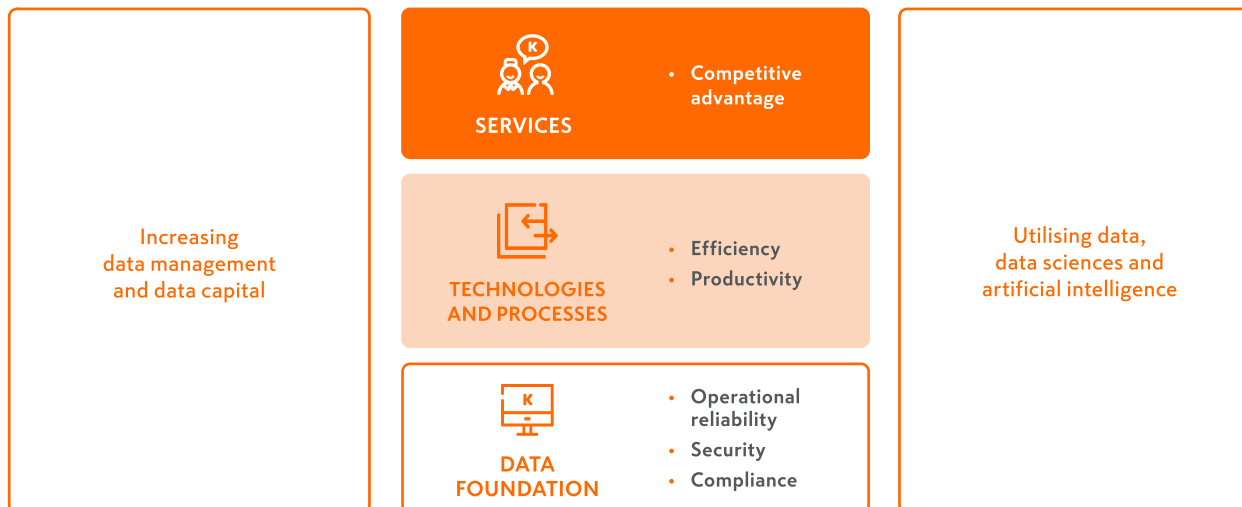
## Customers at the heart of value creation

Kesko offers a unique customer experience by combining its extensive data capital and technological capabilities with the expertise of its personnel. Data-driven management enables a deep understanding of customer needs and preferences and the means to respond across all channels, from mobile services to physical stores. Around 3.5 million Finns have joined the K-Plussa customer loyalty scheme, which covers some 90% of all Finnish households.

Rewarding customers is a key part of Kesko's profitable growth. Data-driven rewards create value in both directions. Offering benefits that are useful and relevant to customers strengthens customer loyalty, while precise targeting and management of benefits support efficient and cost-effective management in a rapidly changing market environment.

In grocery trade, emphasis is on the K-Ruoka mobile app and its recommendations, benefits and content, combined with a broad understanding of customer needs and data-driven selections in physical and online stores. Kesko helps foodservice professionals be successful with services that support their business. In building and technical trade, digital solutions provided by Onninen and K-Rauta increase work efficiency and offer customers comprehensive online stores and mobile apps with rich product information. In car trade, K-Auto makes the processes related to buying, servicing and maintaining a car easy in multiple channels.

## Levels of data strategy at Kesko



## AI capabilities scaled across divisions

Kesko is moving from decentralised, division-specific AI development towards a more centralised model. The AI Solutions team, set up at the beginning of 2026, will centralise Group-level AI capabilities. The change reflects a strategic choice towards a scalable model that delivers synergies across the Group.

By developing its own AI capabilities and competencies, Kesko seeks a unique competitive advantage based on synergies between a strong data platform, a digital operating model and business-focused AI applications. Data science and analytics capabilities generate value in areas such as deeper customer insight, optimisation of flows of goods, and market analysis. Alongside its own AI capabilities, Kesko leverages selected off-the-shelf solutions to improve operational efficiency.

Kesko's approach to developing AI solutions is process-oriented and business-driven. Before a solution is created, it is important to first determine the best way to meet the business needs. Actions are driven by measurable objectives: increased efficiency, improved productivity, sales growth, and better margins. The value generated by AI solutions is directly related to the quality, structure and usability of the available data.

Kesko's AI journey has progressed according to plan. First we laid a strong foundation, adopting AI tools, establishing sufficient governance models and information security and data protection practices, and developing an

understanding of responsible and compliant use of AI in Kesko's operating environment.

The AI strategy approved in spring 2025 brings Kesko to a new level in the utilisation of artificial intelligence. It defines AI as a business capability that will be developed internally especially from the perspective of competitive advantage. To make AI skills a part of day-to-day work, a

generative AI ambassador network of some 100 people was formed to drive change across the organisation. Kesko's AI governance model was also updated, moving from separate AI Governance to a joint Data and AI Governance model that recognises the inextricable connection between data and AI in value creation.



In line with its AI strategy, Kesko is now moving from the pilot phase to the scalable value creation phase. Investing in long-term, process-driven development and centralised capability creates conditions for gaining significant and sustainable business benefits.

## Modern data architecture and mature K-Data platform

Kesko's digital architecture is a business enabler and accelerator. This business-driven approach ensures that all solutions and decisions related to data and technology help execute Kesko's strategy.

In 2026, the architecture will be increasingly guided by a Group-level technology strategy, based on common platform choices to dismantle unnecessary silos and duplication. The architecture is guided based on an integrated business and technology perspective. The life cycle management of systems is actively managed

to ensure that solutions are not only efficient, but also sustainable and secure. The Enterprise Architecture Board, which is in charge of guidance, will ensure that all solutions and decisions associated with data and technology help execute Kesko's common strategy.

The ongoing large-scale IT vendor transformation will reshape the foundations of the architecture in the coming years: cyber and security architecture has been updated first to set strict parameters for building the new digital infrastructure.

Cloud-based architecture enables high quality data, data flow and an understanding of the business context. This has allowed advanced analytics and automation to be scaled up from pilot to production across all divisions. It also ensures that the use of generative AI and agent-based solutions can be effectively promoted.

K-Data is a modular data and technology platform that serves Kesko's businesses. In 2025, its focus shifted

from building a foundation to scalable efficiency and rapid deployment across divisions. The platform provides ready-made capabilities on which business can build new use cases. While grocery trade has been the force driving this development, synergies from the platform have successfully been extended also to building and technical trade and car trade. For example, bringing car trade data to the common platform speeds up learning for the entire Group in optimising purchase journeys.

The K-Data platform with its interfaces has also grown into to a true ecosystem platform. It enables the sharing and processing of data not only between Kesko's own functions, but also with retailers, suppliers and partners. For example, retailers can add their own local products and data to the platform, which enriches the overall picture and returns processed data to support retailers' and partners' decision-making.

## Case

### K-Plussa rewards customers from the first purchase

In 2025, K Group returned more than €826 million in benefits to its K-Plussa loyalty customers. On average, the amount has increased by 11% annually in recent years. Rewarding is based on in-depth customer understanding and overall customer relationship management.

Every euro returned through K-Plussa is data-driven and targeted by store type and geographic region, all the way down to the business idea of a specific store or a customer's purchase history.

K-Plussa is at the heart of Kesko's value creation. According to **Toni Jarimo**, Director, K-Plussa Customer Programme and Partners, the figure shows how valuable customer data is for both Kesko and the customer.

“We have carefully calculated the exact amount K Group provides its customers in terms of rewards. Actual Plussa money accounts for a relatively small portion of the total. Most of the rewards come in the form of popular discounts and benefits for identified loyalty customers,” says Jarimo.

#### Data-driven benefits for an entire store or an individual shopping basket

Competition in Finnish grocery trade is a given, and customers have a lot of choice. Kesko's strategy is not based on general uniform offers throughout the chain, but rather on the ability to give value back more intelligently.

The benefits are reflected in the price of a shopping basket from the first purchase. On average, K-Plussa customers receive a discount of more than 10% directly at the checkout. In many loyalty programmes, customers are rewarded only after they have accumulated purchases, while K-Plussa customers receive full benefits immediately.

While many of the benefits are the same for all K-Plussa customers, customer data is also used in their planning. In addition to general and store-specific benefits, there are now fully personalised benefits, the proportion of which has doubled over the past few years.

“By linking a customer with the right product and the right store, we can form truly personalised benefits that appeal to that particular person. The increase in targeted benefits has a direct impact on our customers every day, and directs sales towards the right products,” says Jarimo.

#### The retailer model also improves accuracy in benefits

Kesko's rewarding model combines national scale with local precision. K-retailers can offer additional benefits based on data, tailored to the needs of their specific customer base or neighbourhood.

“If an individual retailer wants to delight their customers by offering local food or seasonal specialities at a good price, data and digital channels can help them do this at short notice. Adding this local insight to customer benefits is a major competitive advantage for us,” explains Jarimo.

#### Easily controlling the benefits

From a business perspective, providing significant benefits to customers is also an effective and intelligent way to manage profitability. In-depth knowledge of the customer segments and control of data tools allows for the benefits to be accurately directed, supporting profitability for the whole chain.

“We are able to adjust the benefits offered by K-Plussa whenever and wherever, react quickly to market changes, and manage the whole in a way that allows us to continuously seek both better customer loyalty and profitable growth. The whole organisation has contributed to building this data capability over the long term,” concludes Jarimo.



# DATA QUALITY AND RISK MANAGEMENT ENSURE SUSTAINABLE VALUE CREATION

## High-quality data is vital to Kesko and its divisions

Data governance processes and data-related collaboration are developed with an emphasis on data quality, usability, and risk management. Changes in the operating environment related to EU regulations and information security are anticipated and managed proactively. Kesko's integrated risk management model covers a wide range of risks related to data and cybersecurity, and the risks are monitored systematically across the organisation.

## High quality data delivers value and minimises risks

Kesko's data governance safeguards the management of the lifecycle of data and data capital, while putting business needs first. Processes and responsibilities ensure that data is handled appropriately, securely and lawfully. Because generative AI is sensitive to data quality and semantic noise, the importance of data accuracy and currency and fitness for business use has become even more crucial.

In 2025, Kesko advanced from the build phase to the leveraging phase in data governance maturity. The consolidation of the K-Data platform has improved the scalability and usability of data products, and the discussion is no longer focused on the existence of data, but rather on how existing data can be harnessed quickly for business use.

Common, reliable datasets and data products have embedded use cases into everyday store operations and strategic decision-making.

## Data models and data interoperability as solutions to data overload

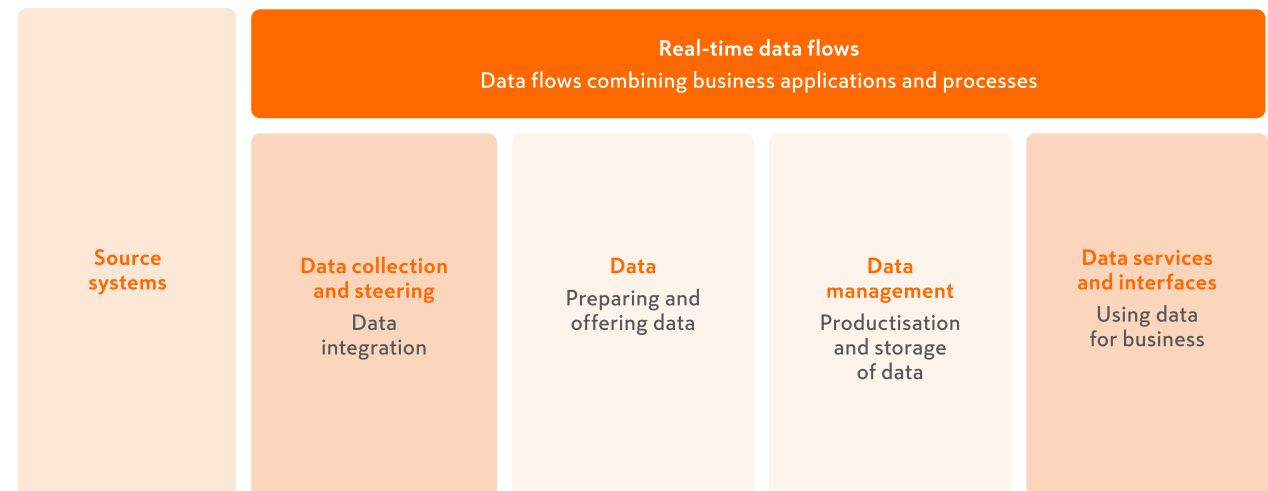
The challenges of data governance are changing as the volume and forms of data grow. Kesko is responding by investing more heavily in the development of data models and business-related concepts. This will be necessary as the

use cases for data become more diverse and the use of AI agents and language models becomes more common. Despite the growing volumes of data, Kesko ensures data quality with automated metrics and processes that scale to the needs of the entire ecosystem, from Kesko's own operations to partners and suppliers.

## Clear ownership enables agility

The cornerstone of quality management is a clear management model that reinforces understanding of the business value of data. The data governance model defines

### Overview of the K-Data platform





data ownership, responsibilities and roles to support practical use.

Linking data ownership to strategic business and process understanding ensures that development resources are focused where they have the most impact. At the same time, we are continuously improving understanding of data content and its dependencies, which is a prerequisite for the use of advanced AI solutions.

## Risk management ensures continuity and security

Risk management ensures continuity and security in a changing operating environment. Identifying and managing data-related risks is a critical part of Kesko's data-intensive operating model. Data risk management covers data quality, availability, security, processing security, compliance and liability issues. Business continuity is also being ensured through a strategic IT service provider transformation project, which includes an upgrade of the security architecture by the end of 2026.

Cyber risks and their management are integrated into Kesko's comprehensive risk management model, taking into account the geopolitical situation and threat of denial-of-service attacks. The model systematically covers all of the Group's divisions and country operations. Particular attention is paid to regulatory requirements (such as NIS2) for critical infrastructure and supply chains (e.g. Kespro, K-Lataus). Risk management extends beyond Kesko's own data to customer and partner data throughout their lifecycles.

In the risk management model, operational risks, including data protection and cyber risks, are assessed on a quarterly basis. Identified new risks or material changes in existing risks are added to the risk management model that is the responsibility of the business that owns the data. The Audit Committee of Kesko's Board of Directors discusses the risk universe on a quarterly basis.

Internal audits of data and cybersecurity are carried out in an independent and risk-based manner. The audit programme also covers new regulatory requirements, such as the audit of NIS2 capabilities. Audit activities and a separate AI Steering Group cover the risks associated with the use of AI and preparing for AI-assisted attacks.

## Data regulation and compliance

Compliance with data regulations is monitored with a structure and management model that ensures that Kesko processes and utilises data as a whole responsibly and in compliance with the regulations. The model also supports the EU's Corporate Sustainability Reporting Directive (CSRD), which sets requirements for data quality and traceability similar to financial reporting.

The most significant regulatory framework for Kesko is the EU General Data Protection Regulation (GDPR). Kesko's compliance with the GDPR is described in more detail in the data protection section of this data balance sheet. The impact of the ePrivacy Regulation covering electronic communications has been visible to customers, for example, as transparent cookie policies of online services. Alongside these, is the new regulatory framework of the EU's

European Data Strategy. Kesko's operations will be most affected by the AI Act, the Data Act and the national cybersecurity law implementing the Cyber Security Directive (NIS2).

The Data Act, which entered into force in late 2025, opens up new opportunities for Kesko, for example as a user of real estate and energy services or as a service provider in car trade, to utilise data collected by devices in its operations. For instance, in vehicle maintenance services there is better access to vehicle-generated data, which can improve the efficiency of maintenance services and enables more comprehensive diagnostics, predictive servicing, and more effective troubleshooting. Although Kesko is not a device manufacturer, the act imposes obligations on it as a distributor to inform customers about the possibilities provided by the Data Act to use and share the data collected by the devices they purchase.

In the context of the AI Act, Kesko has mapped the risks of AI systems from a regulatory perspective. The analysis did not identify any high-risk or prohibited AI systems in current operations as defined by regulation. Kesko has set up a group-level governance model (AI Governance Steering Group) and processes to ensure compliance with the AI Act when it is fully implemented in August 2026. As an example of a combination of compliance and technology, Kesko is utilising AI to identify and verify Green Claims in marketing.

## Case

### AI agents innovated by Kesko personnel make experiments part of everyday work

Kesko organised a shared AI Innovation Challenge for its employees to build AI agents. When people are given the chance to design an agent for their everyday work, it leads to the best ideas and the motivation to put the ideas into practice.

“The number of agents built and deployed at Kesko doubled as a result of the competition. This demonstrates more than anything else that people have both the willingness and capability to advance AI in their everyday work,” says **Mikke Bergström**, GenAI Transformation Manager at Kesko.

The competition winners were announced in early 2026. The ideas generated formed a basis for a tangible list for further development, which Kesko’s new AI Solutions team is now working on. The team will further develop the agents generated and deployed in the competition using internal resources, so that the accumulated knowledge and learning accelerate change on a large scale. The change is fast yet controlled, with around 500 Kesko employees already using one or more of Kesko’s shared agents every month to support their work.

The AI Solutions team is working on scaling up the best ideas from experimentation into production. “We always

put the process first. Before we start building a solution, we determine the actual problem that AI can genuinely address. AI is not always the right solution – our team has broad expertise to evaluate if another technology might provide a better solution. This approach is the only way to ensure that the final outcome has real impact,” says **Krista Bär**, Head of AI Solutions.

#### Low threshold, high impact

Participation in the challenge was deliberately made easy. Solutions could be built without programming skills, making AI genuinely accessible to everyone – from managers to specialists, and from product managers to store personnel. “Generative AI democratises access to artificial intelligence for everyone, also without coding,” says Bergström.

The ideas were inspired by genuine everyday needs. For example, one participant identified how an agent could speed up the review of product catalogues – a process that previously required hours of manual work.

#### Part of a broader cultural shift

The AI Innovation Challenge did not emerge in isolation. It was supported by Kesko’s network of generative AI change ambassadors, which includes around 100 people from nearly all business operations. The network provides frontline support in day-to-day work and shares best practices across divisions. “Knowledge of best practices moves, for instance, from building and technical trade to

grocery trade, and that is exactly the type of synergy we are seeking,” Bergström says.

Leadership commitment has been critical: the Group Management Board and the Board of Directors have actively monitored the implementation of AI, providing both direction and resources.

#### Continuity fuels momentum and impact

The second AI Innovation Challenge will take place in the latter half of 2026. The new challenge will be launched well in advance to give participants time to develop proposals alongside their regular work. Kesko will provide AI literacy training in 2026 that will significantly broaden the base of Kesko personnel able to respond to the challenge.

In early autumn 2026, Kesko will also host a Tech Hackathon to further accelerate the use of AI and other technologies in solving business use cases. The Hackathon will include a commitment to implement the winning projects through to production.

“By this time next year, we will have a significantly larger number of concrete, benefit-delivering solutions in production and the number and quality of new proposals will have reached a whole new level. That’s when a real flywheel effect begins,” says **Minna Vakkilainen**, Senior Vice President, Marketing, Data & Digital services.

# DATA BALANCE SHEET COMBINES KESKO'S DATA CAPITAL AND ITS USES

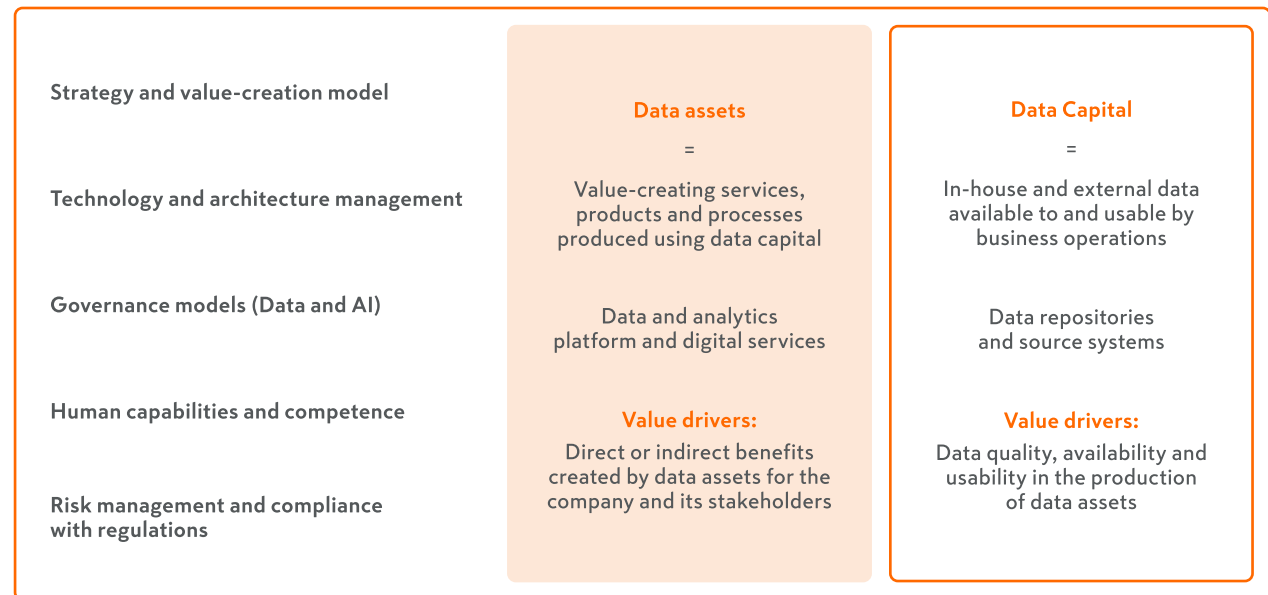
## Kesko's data balance sheet model summarises Kesko's data-based value creation

The data balance sheet consists of the data used by Kesko and use cases where data is utilised in services, products and processes. The two sides of the balance sheet describe how data capital delivers value to business, customers, and stakeholders.

Data in itself has no value. Instead, its value is based on the benefits it generates for customers and business. The data balance sheet is used for managing data capital and its utilisation in business operations in a balanced way that increases the value of both sides of the balance sheet.

The data balance sheet combines the management of data usability, availability, quality and lifecycle in terms of data capital with the use of data to create value in terms of data assets. Value is created through Kesko's data and analytics platform services and the digital services, products and processes that Kesko produces for its own operations and for its customers and stakeholders.

Kesko's data balance sheet



## Case

### Logistics is the heart that keeps the flow of goods moving

In Kesko's grocery trade logistics, 2025 marked a major step forward: the use of automation increased, and the traceability of sustainability data was extended across the entire supply chain.

Logistics is the heart of Kesko's store operations, keeping three critical flows moving: physical products, data, and finances. All three run in parallel throughout the entire chain.

“Data and information systems play an extremely important role in managing goods flows. Information must flow, and it must be accurate and timely. It is just as critical as the physical movement of goods,” says **Jyrki Tomminen**, Vice President, Supply Chain Management, Logistics and Store Operations in Kesko's grocery trade.

The scale of Kesko's grocery trade logistics is huge: it comprises over 160,000 square metres of logistics space, including central warehouses for groceries, home and speciality goods, and frozen goods. A special feature is the integration of the grocery trade and Kesko's foodservice deliveries into one system. While there are around 1,100 grocery stores, Kesko

serves 25,000 customers from restaurants to schools and hospitals. Combining the two brings significant synergies, particularly in terms of transport efficiency.

#### Automation at full speed

In 2025, a major milestone was reached at the central warehouse in Vantaa: around half of the processed food

items are now picked automatically. This is not just about speed, but also about quality.

Alongside this, a major system renewal is underway. Kesko is upgrading its inventory management systems to gain greater optimisation capabilities and new opportunities to utilise artificial intelligence.



### Artificial intelligence at three levels

AI is applied in areas where it delivers the greatest relative value. “We see the greatest benefits of AI in three areas: volume forecasting, requirements planning and ordering, and optimising warehousing and transport. All three entail optimising multiple variables simultaneously,” says Tomminen.

The most advanced area is supporting demand forecasting and ordering. The system continuously learns from multiple data sources and is increasingly able to anticipate the impact of different seasons and campaigns on sales both at store and product level.

In warehousing, advanced analytics improve operational efficiency and speed. Effectively optimising the placement of products in warehouses significantly reduces picking times. This enables faster deliveries to customers at lower picking costs.

Transport route planning brings together the different aspects of goods flows: customer-specific schedules, minimising distribution kilometres, and maximising the volumetric efficiency of vehicles. The entire system is managed 24/7 across more than 700 vehicles and 26,000 delivery points.

### Taking supply chain sustainability data to the next level

The importance of sustainability data has grown significantly in recent years. An increasing number of

customers require reporting of Scope 3 emissions across the value chain. Kesko has developed an advanced calculation model that enables reporting of transport-related emissions across the entire purchasing and supply chain. “Previously, we only reported emissions from our own trucks operating in Finland. Now we are able to model and report transport emissions across the entire international supply chain from suppliers to customers,” Tomminen says.

Another major leap forward in data capabilities relates to the EU Deforestation Regulation (EUDR). Kesko has developed a system that automatically verifies, already at the goods receipt stage, that product batches have the required traceability data.

“If deforestation-related data is missing for a product batch, the goods can be stopped and referred for further investigation. This is not just a compliance issue – while we are building this capability to meet regulatory requirements, we can also use the same data to improve the efficiency of our warehouse processes,” says Tomminen.

### Next focus area: home and speciality goods

The objective is to extend the grocery trade forecasting models also to home and speciality goods trade and sports trade and to gradually move towards demand-driven procurement and replenishment that is increasingly data-

based and conducted in tighter collaboration with suppliers.

“Goods in home and speciality goods trade have traditionally been purchased in large batches months in advance of the sales season. We are now introducing the same continuous replenishment logic used in grocery trade to these categories. It will improve accuracy and reduce the risk of slow-moving inventory. This continuous replenishment operating model has already been successfully implemented in the Intersport chain,” says Tomminen.

### New logistics centre is the future

Kesko is already implementing its operating model of the future. A new logistics centre planned for Nurmijärvi will, when completed, gradually replace older warehouses and establish a new foundation for data-driven, automated logistics at Kesko. At the same time, system renewal will continue to further improve forecasting accuracy and optimisation capabilities.

“Our ambition is to use AI to manage this vast flow of goods tailored to individual customers with maximum precision – combining the efficiency of automation with human expertise. We have a clear roadmap, and we will continue to implement it systematically,” Tomminen says.

# DATA PROTECTION

Kesko safeguards the personal data of its customers, employees and partners and ensures that individuals' data protection rights are upheld in all data processing activities.

The primary purposes for processing the personal data of customers, employees and partners are linked to conducting business operations and delivering customer experience, managing employment relationships and the payment of salaries, and enabling stakeholder communications.

Customer data is widely used at Kesko in business planning and development, as well as in delivering customer benefits and experiences across channels. For customers, this is reflected in increasingly relevant benefits and more personalised service. For Kesko, customer data provides valuable tools for developing products and services that genuinely meet customer needs.

The processing of personal data is always lawful, fair and transparent. Data is processed for specific, identified purposes in accordance with a legal basis as required by law. Kesko processes personal data only to the extent necessary and for as long as required for the intended purpose.

Kesko processes the health data of its employees in its occupational health function for the purpose of providing occupational healthcare and, to a limited extent, in its HR management as part of the payment of sick leave pay. In connection with the payment of wages, trade union

membership data may, with the employee's consent, be used to deduct membership fees from wages. Kesko does not collect or process as a data controller any data belonging to special categories of other stakeholders' personal data.

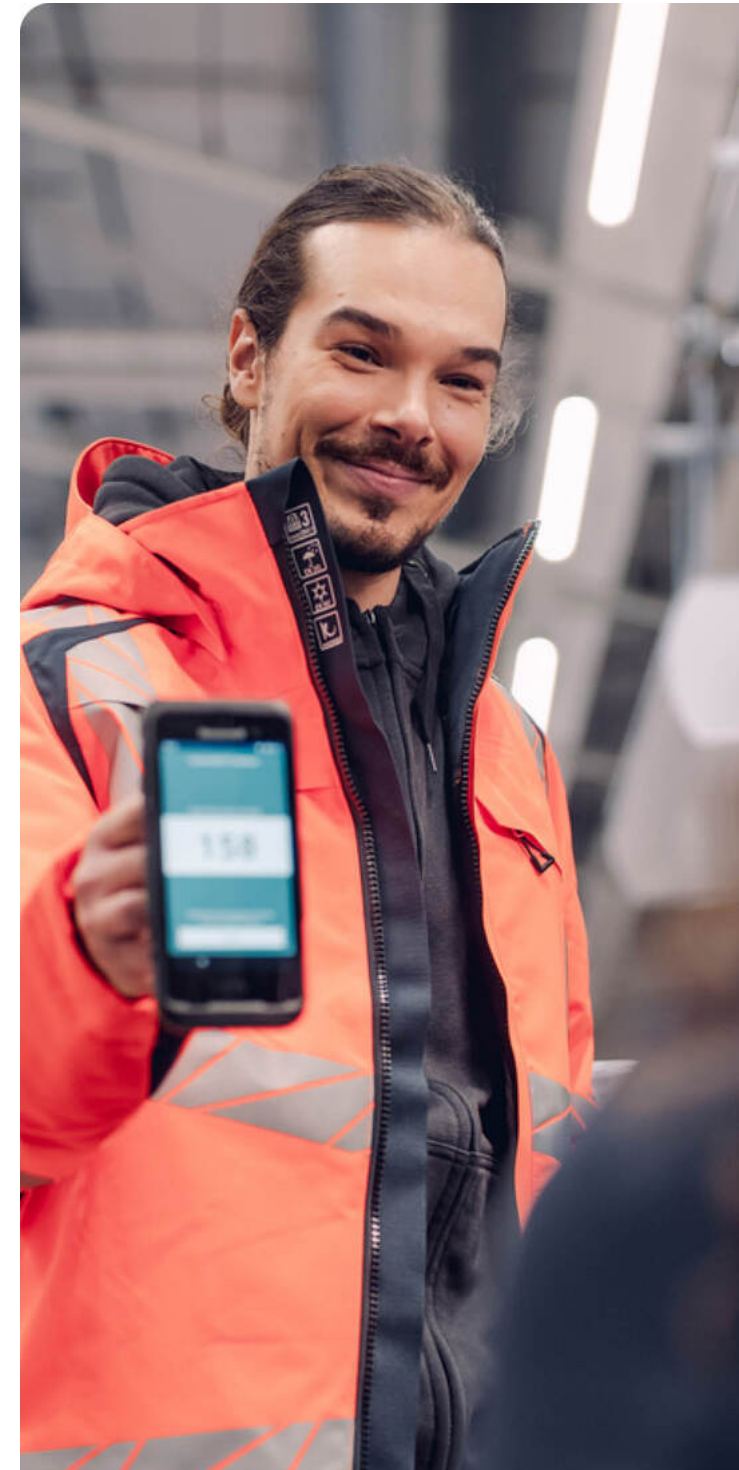
Kesko's data protection policy is available at <https://www.kesko.fi/en/company/policies-and-principles/data-protection-policy/>

## Data protection management model

Kesko's President and CEO bears the overall responsibility for the implementation and management of data protection. Business management is responsible for implementing data protection.

Kesko's Board of Directors has approved a data protection policy that defines the principles, procedures and responsibilities to ensure the lawful processing of personal data and a high level of data protection. The Board's Audit Committee monitors and evaluates the policy's implementation.

Kesko's Group-wide data protection organisation includes a Data Protection Officer, a Corporate Counsel specialising in data protection legislation, and two experts from the Compliance & Ethics team who specialise in training and communication and data subjects' data protection requests.



Each business unit and data controller ensures and monitors the implementation of data protection in their own operations. The daily implementation of data protection and risk management in the businesses is supported by Data Protection Champions. Requests submitted by data subjects are processed by the business operation processing the personal data, while the Group-level data protection organisation provides support as necessary.

Ensuring data protection is a key part of the K Code of Conduct, compliance operations, and risk management.

The management of data protection risks has been integrated into Kesko's risk management process. Risk assessments are conducted at the planning stage of personal data processing and as part of the annual risk assessment. Data Protection Impact Assessments (DPIAs) are made in situations where required by regulations and authority instructions. The specification of technical and organisational management tools is based on the results of risk assessments.

## Data protection implementation

The objective of Kesko's data protection compliance programme is to ensure the high level of data protection competences and awareness of related operating instructions. This supports the identification and management of data protection risks in Kesko's units in a changing regulatory and technological environment.

The data protection guidelines consist of Kesko's data protection manual and supplementary country-specific instructions. Kesko's data protection guidelines concern all employees and include key rules, operating instructions and processes for implementing data protection and identifying and processing incidents and risks. Data protection is taken into account in the development of business processes and digital services (Privacy by Design).

An annual plan linked to the data protection compliance programme maintains a high standard of data protection. Kesko conducts internal and commissions external data protection audits, especially when there are changes in business operations and in connection with corporate arrangements. It also actively monitors both authorities' practices and legal cases.

Kesko only cooperates with personal data processing partners that comply with good processing practices by means of appropriate technical and organisational measures, meet the requirements of the GDPR, and can ensure the implementation of data subjects' rights. A written agreement is made between Kesko and personal data processing partners as required by law.

## Training and communication

Kesko processes a lot of customer data. Each Kesko employee acquires and maintains the level of data protection competence required for their role through an induction programme and ongoing training. Competence is ensured through active communications, information bulletins and training. Instructions concerning data protection are easily available to all employees.

An eLearning course on data protection is a mandatory part of the induction of each Kesko employee, and the training must be repeated every two years. Data protection and information security training based on individual roles is also provided. The online training environment ensures that training is widely accessible and competences documented.

The regular online training that is completed every two years is complemented with targeted training events. The quarterly Data Protection Interest Group events cover the latest data protection application practices, instructions issued by the authorities, amendments to legislation, and best practices. Training targeted for specific units is also organised as necessary.

Kesko provides its customers with easy-to-use channels to handle data protection-related matters. In Finland, Kesko has a public data protection portal on its website, which contains information and instructions on data protection. Individuals can make data protection requests regarding their personal data through the portal or by contacting register-specific contact points or customer service. Questions raised and requests made will be answered without undue delay.

Kesko's data protection portal  
<https://tietosuoja.kesko.fi>

## Interaction and addressing issues

Kesko ensures that the rights of data subjects are implemented in accordance with the General Data Protection Regulation. Data subjects are provided with clear information on how their data is processed and what their rights are. Clear operating models and instructions are in place to implement these rights.

Kesko documents all information security breaches and reports them to the data protection authorities if the event poses a risk to the data subject. If the risk is high, Kesko will, without undue delay, also inform the person concerned and provide instructions on what to do in the situation.

Data subjects can contact Kesko's Data Protection officer in all data protection matters at the address [tietosuojavastaava@kesko.fi](mailto:tietosuojavastaava@kesko.fi). Suspected abuses associated with data protection, suspected crimes and actions that violate the K Code of Conduct can also be reported anonymously via Kesko's SpeakUp whistleblowing channel.

## Data protection requests and incidents

In 2025, Kesko handled 936 (2024: 875) data protection requests submitted through its data protection portal. Requests were also processed in other channels.

Approximately 82% of data protection requests made in Finland are related to reviewing and rectifying the data subjects' personal data. This also includes the usual updating of information, such as name and contact detail changes when a person uses the data protection portal to submit a request. Erasure requests (approximately 14% of all requests) are typically related to situations in which the customer feels that the customer relationship has ended or otherwise wants the processing of their personal data to stop. The remainder (around 4%) concern restriction or objection to processing or transfer of data.

Kesko does not implement erasure requests automatically; they are always assessed on a case-by-case basis. Kesko may retain data, for example, to fulfil its legal obligations or to protect its own legal rights. A data subject does not have an absolute right to erasure if Kesko has a legitimate reason to retain the data.

In Finland, Kesko Group detected and investigated a total of 273 (2024: 347) information security breaches in its operations in 2025, of which 44 (2024: 63) were also reported to the Data Protection Ombudsman's office. The data subject was informed in six cases where a breach posed a high risk to the person. A total of eight information security breaches were detected in the other operating countries. Of these, four were reported to the local competent supervisory authorities.

The majority of information security breaches concern individual data subjects: documents containing the data subject's information get lost in the post, an electronic message containing personal data is sent to the wrong recipient, or a person's data is incorrectly updated.

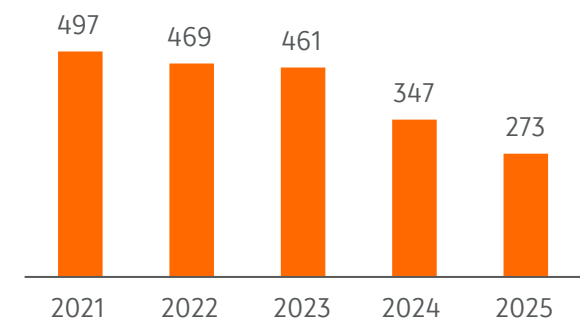
## Distribution of requests



- Reviewing data 706 (641\*)
- Erasing data 128 (143\*)
- Rectifying data 61 (47\*)
- Transmitting data 26 (15\*)
- Objecting data processing 10 (21\*)
- Restricting data processing 5 (8\*)

\*Figures for 2024 in parentheses.

## Personal data information security breaches 2021–2025



# CYBERSECURITY

Kesko ensures the functioning and security of its digital infrastructure. Rapid technological advances, the development of the international security situation, and AI-based threats have further increased the importance of digital resilience. In 2025, Kesko was successful in protecting its systems and data.

Kesko's digital infrastructure comprises significant databanks, cash register systems, ERP systems, money and transaction data traffic, and building technology systems. As a multinational trading sector company, Kesko is regularly exposed to different types of disruptions and attacks in the digital environment.

## New partner for cybersecurity services

As part of a major renewal of its digital services, Kesko announced in August 2025 that it would strategically concentrate the procurement of IT services to selected partners. The transfer of cybersecurity services was carried out first, enabling digital security requirements and structures to be integrated very efficiently into all subsequent services, which will be transferred during 2026.

The renewal provided Kesko with new cyber security functionalities that will further enhance visibility, the automation of threat detection and response and the ability to influence Kesko's systems and IT services. The new services will allow Kesko to respond faster when an account or session is hijacked, for example. Device and identity monitoring, as well as vulnerability management, have also been enhanced to respond to emerging challenges, including vulnerabilities in

network edge devices and increasing demands on response times.

## General information security operating model

Information security integrated into processes and systems ensures the high availability of IT solutions as well as the integrity and confidentiality of data in all circumstances and across all operating countries.

Kesko's data and systems are protected on the basis of a multi-layered defence model. The systems are classified according to their criticality, and their recovery plans are regularly tested and rehearsed. Cybersecurity technologies that utilise automation and machine learning enable rapid detection and response to threats. Operations are managed from a centralised information security control room.

Information security is also integrated into software development through a shared digital development platform. The security team has defined minimum security requirements for each development team, covering tools, processes and practices. In line with the security by design principle, security is taken into account already at the design stage – not only when testing the finished product.

As technology evolves, the pace of attacks has also accelerated: where previously disclosed vulnerabilities were exploited within days, AI-driven robotics and automated agents can now launch attacks much more quickly. The continuous



increase in use of automation and full visibility across devices in the IT environment enables vulnerabilities to be patched and compromised devices to be isolated immediately.

## Information security management and steering model

Kesko's information security policy – approved by its Board of Directors – defines basic requirements for information security and ensures that conditions exist for implementing the policy in practice. The information security steering model is part of Kesko's risk management steering model. Responsibilities for the management of information security are defined throughout the chain of management up to the level of Board of Directors.

The Group's information security team serves as the in-house competence and service centre. The team is responsible for information security architecture and operating models, and it provides training and services to the Group's units. In line with its role, the team's tasks also include supporting internal audit and Due Diligence investigations in business acquisitions.

Kesko's information security policy is available on Kesko's website at <https://www.kesko.fi/en/company/policies-and-principles/information-security-policy/>

## Continuous ensuring of information security

Kesko conducts information security audits using both internal and external experts. Specific themes in 2025 included preparing for the NIS2 Directive and, as a new theme, the AI risk assessment, which was integrated into the overall risk management model and will be updated every six months.

Internal audit audited NIS2 capabilities and identified development paths to be advanced in 2026.

Strong risk management is based on common, carefully trained operating models that ensure the readiness needed to respond to different situations. Information security risks are regularly assessed as part of the development and roll-out of systems and services, and especially in the event of significant changes. All contractual partners commit to complying with Kesko's information security requirements, and audits are conducted to monitor compliance.

Kesko cooperates with the Finnish Transport and Communications Agency Traficom in several areas. Traficom's high-quality and up-to-date data on cybersecurity is valuable for sustained preparedness and readiness. Kesko has also adopted the Traficom Kybermittari (cyber meter) as an internal assessment tool and it is updated annually for each division and at the Group level.

The status of information security is reported in connection with normal internal control, as well as internal and external audits. Technical information security is continuously assessed, and applications are tested and documented in accordance with their criticality classification. In 2026, the focus will be on ensuring that all critical systems are tested annually and testing is documented in line with the new digital service model.

## Active security communication and training

Kesko maintains a high level of security awareness among its personnel through online training, phishing message

simulations and internal communication on current information security topics.

## Kesko actively works with Traficom, the Finnish National Emergency Supply Agency, and various information exchange groups

Phishing simulations are conducted extensively. Multiple test messages in different languages are sent each month to all employees with an email address. This has delivered significant results, as Kesko employees actively also report genuine suspicious messages to the security team. This cultural shift demonstrates that these measures are having a real impact on overall security.

Training activity remained high. Mandatory basic information security training for all employees was provided online, as was training tailored for cashiers and customer service personnel. The information security team also provided role-based training to personnel. In 2025, information security exercises were conducted with the Group Management Board and the Board of the K-Retailers' Association as part of continuous preparedness development.

Kesko actively participates in national cyber security cooperation and takes part in national security exercises organised by Traficom. Kesko participates in information exchange groups, where confidential information on cyber threats and related reports is shared with other companies and authorities.

# GROCERY TRADE AIMS FOR THE BEST CUSTOMER EXPERIENCE

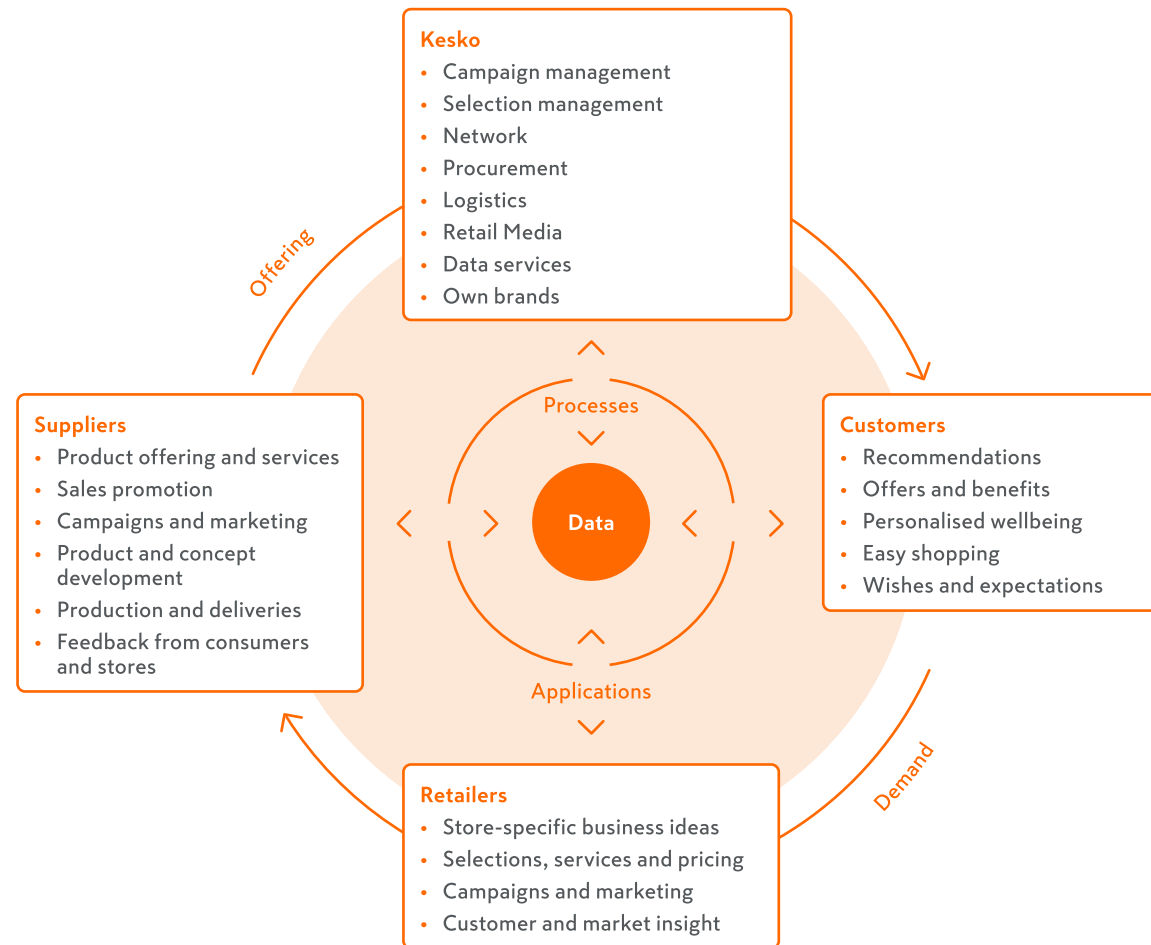
In Kesko's grocery trade division, the use of data supports the provision of services to both consumers and foodservice customers in a changing market. In K Group grocery stores, data-driven multichannel services enable local business ideas and personalised customer experiences. Kesko supports the business of its foodservice customers with a wide range of digital services and profound industry expertise. Digital services and automation are used to create value for customers and improve operational efficiency.

## Value to customers by managing stores as a whole ecosystem

Kesko's data-driven grocery trade is a digital platform and a strategic ecosystem that scales local retailer entrepreneurship through Kesko's industrial data capabilities. K Group's unique model combines the economies of scale of chain operations with strong local customer insight. This enables each retailer, together with Kesko, to build and maintain a data-optimised, distinctive store that evolves in near real time in response to changing trends and market conditions.

In 2025, digital tools have transitioned from separate applications to the core of strategic management. There is even more comprehensive support for store management, from business ideas to selection choices and campaigns. For example, individual product recommendations now take the store's total selection and concept better into consideration.

Digital business platform for Kesko's grocery trade



Data now helps retailers, together with Kesko, to build the optimal selection for their specific customer base, combining centralised efficiency with local specialities, including concepts such as food prepared at the store. The objective is the seamless integration of the store-specific business idea and a multichannel customer experience.

In store network development, planning shifted in 2025 towards a more long-term approach based on demographic data. Store network planning utilises advanced location-based analytics, which takes into account the development of regional purchasing power and transport connections over the coming decades.



## Case

### Data and foresight drive the renewal of Kesko's store network

Kesko has taken the development of its store network to a new level by combining long-term population forecasts, purchasing power data and real-time construction data. **Nuutti Rantatupa**, Vice President, Store sites and Retailer operations at Kesko, emphasises that the ability to anticipate regional changes lies at the heart of the strategy.

“We do not optimise the network solely for the present day, but identify growth potential for decades ahead. We utilise statistical grid-level data and municipality-specific development outlooks, which has enabled us to make timely investment decisions even when the construction sector is experiencing a challenging economic cycle,” Rantatupa explains.

This approach was realised in 2025 through the strategic expansion of the K-Citymarket network. Based on precise location-based analysis, new K-Citymarkets have been located in densely developing urban centres and transport hubs rather than the more traditional field-edge sites. For example, the Espoon keskus project demonstrates how data guides a store's integration into the evolving urban landscape.

According to Rantatupa, the pace of store network renewal has been rapid. During 2025, 44 major store-

specific renovations were completed and 15 new stores were opened. At the same time, determined progress was made in the Store Site Network 2030 programme, which prepares for future legislation by modernising store refrigeration technology to be more environmentally friendly.

Life cycle thinking is central to the planning of new store sites. “When we build a store site, we plan for 50 years. Therefore, we do not optimise construction costs alone, but also the maintenance and energy costs over the entire life cycle of the property,” says Rantatupa.

In addition to opening new stores, Kesko is investing in the lifecycle management of its existing properties. In 2025, significant results in energy efficiency were achieved through the use of data and building automation: anomaly detection identified dozens of sites with unusually high energy consumption, and corrective measures reduced consumption at these sites by up to 20–30%. This directly supports Kesko's tightened emission reduction targets while delivering cost savings across the chain.

A modern store network serves as a platform for realising store-specific business ideas. According to Rantatupa, data-optimised facilities and locations give retailers the opportunity to build the store's content – the selection and services – to best serve the customer flows in each area.

## K-Ruoka app at the forefront of customer experience – strong growth in mobile service use

The K-Ruoka app provides customers with all the essentials. Customers can easily find the products, recipes and offers that best suit their needs and they also can monitor the health and environmental impact of their purchases. AI-based personalisation brings each customer recommendations that are relevant to them. Products and content are organised to suit each customer wherever they are displayed. Targeting is also constantly being extended to the content of offers.

The service works seamlessly in the online and local store: ingredients for recipes can be delivered to the customer's home or collected ready for pick-up, and the mobile app's personalised benefits can also be used at the store checkout. A single sign-on with a K-Tunnus ensures an effortless user experience across K Group's digital services.

## K-Ruoka app has over 1 million weekly users

During 2025, a natural language shopping assistant "Ossi" was introduced to K-Ruoka. Ossi enables customers to describe their needs or situations in their own words and generates relevant purchase suggestions accordingly. The solution is based on RAG technology, where information is retrieved from reliable sources and responses are generated on that basis. Ossi is a concrete example of the benefits of generative AI in customers' daily lives.

K-Ruoka app has over 1 million weekly users. Personalised benefits and offers based on each customer's loyalty level have become a key driver for sales. Campaigns increased sales in a directly measurable way, and the role of Kesko's own media channels grew significantly. The strategy has delivered cost-effective results in reaching customers and providing them with relevant content.

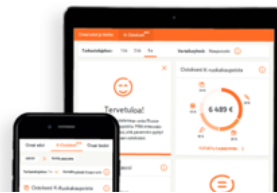
Going forward, development of the K-Ruoka app will focus on an even more seamless customer experience and smarter personalisation. The aim is to offer the most

personalised solutions on the market and make everyday grocery shopping more effortless. K-Ruoka's objective is to be the most personalised and attractive app for grocery trade.

## 8 million visits on the K-Ruoka website each month



## K-Ruoka offers a wide range of features



### Your store, your benefits and your content

- The main digital channel for purchases and content for consumers
- Online grocery service, including home delivery or click & collect according to customer preference, the intelligent shopping assistant Ossi, and the most comprehensive and continuously enriched product information in the market
- Product, recipe and store searches
- Customer-specific content and product recommendations and offers
- Interaction with local K-retailer(s)
- Description of customer rewards

### Monitoring the sustainability of your purchases

- Helps customers track and adjust their purchase behaviour in terms of spend, health aspects, carbon footprint and share of Finnish products bought.
- Customers can track how many products of Finnish origin they are buying and set goals to increase the share. Customers will then be provided with recommendations on Finnish products.
- Customers can monitor the climate impacts of their grocery shopping with relevant indicators. Customers can set goals to reduce the carbon footprint of their grocery purchases, after which they will be provided with practical advice on how to reduce the climate load of their purchases.

### Ossi shopping assistant

- A beta-stage shopping assistant introduced to K-Ruoka in 2025 that uses generative AI to help customers on their shopping journey
- Customers can search for products and recipe ideas by describing their needs or situation freely in their own words
- Serves as a concrete first step in integrating language models and agent technologies directly into the everyday customer experience.

### K-Plussa services and paperless service

- Real-time and archived receipts
- Online order history
- Warranty certificates
- Electronic K-Plussa loyalty card (always with you in the K-Ruoka mobile app)

## Case

### K Retail Media brings brands to the point of purchase for millions of customers

Kesko's own K Retail Media has become the heart of Kesko's digital strategy. With millions of weekly visitors to the K-Ruoka channels and the digital environment of physical stores, it is no longer just about advertising space, but an ecosystem where data serves customers, brands and Kesko alike. K Retail Media brings together data, customer benefits and the store context in a sustainable manner.

"The traditional model, in which store and brand communications are done without targeting, is outdated for the digital customer experience. K Retail Media allows Kesko to use data sustainably and target the right benefits and partner content to the customers for whom it is genuinely relevant. This improves the customer experience, increases marketing effectiveness, and supports financially sustainable growth for all parties," says **Armi Slotte**, Director, Sales and Development, K Retail Media and Data Insights.

#### Kesko's own digital channels on a large scale

The reach of Kesko's own digital channels has grown significantly. The K-Ruoka app now records millions of sessions each month, making it one of the best digital services in Finland in terms of reach.

"Extensive use and reach allow us to develop K Retail Media based on Kesko's own data, thus reducing our dependence on external media channels. This also forms a foundation for scalable and measurable, customer-oriented media operations. Consequently, Kesko is in a strong position in a world where digitalisation enables an increasingly multichannel customer experience," says **Minna Vakkilainen**, Senior Vice President, Marketing, Data & Digital services.

#### Retail media creates value for all parties

The objective of K Retail Media is to create value for the whole retail ecosystem. For brand partners, it offers visibility at the point of purchase and the possibility to target communications to a genuinely relevant audience. For the customers, retail media means personalised, data-based benefits and content to support better choices – such as a higher-fibre version of the customer's favourite product.

"When data is used responsibly and transparently, it creates a model in which both marketing effectiveness and customer experience improve. K Retail Media brings together brand goals, customer benefits, and retail business efficiency in a way that supports sustainable growth for all parties," says Slotte.

#### Scaling means revolutionising background processes

Delivering personalised K Retail Media to millions requires end-to-end process automation.

"This cannot be achieved with old working methods or without functional integrations. If we advertise a specific bread to the customer, we must make sure that bread can be found on the store shelves that evening. K Retail Media does not operate in isolation – it must be seamlessly linked to the selections, logistics, and everyday operations of the stores. That is the only way to ensure we can meet our customer promise every time," says Vakkilainen.

#### Retail Media is based on trust

Amid the technological possibilities, Vakkilainen emphasises the most important factor: trust. For Kesko to collect and use data, the customer must understand the benefits they can obtain.

"When using cookies and obtaining permission to use customer data, we strive to be open and clear. It is not the customer's responsibility to find out why data is collected. Our duty is to show that the data returns to them in the form of better service, more relevant recipes and monetary benefits. When the customers experience the benefits, they engage – and that is the sustainable foundation for retail media," says Vakkilainen.

## Case

### Express deliveries respond quickly to new expectations

In grocery trade, speed is increasingly a decisive factor. Kesko has built an extensive network of express deliveries, which was further expanded in 2025. Express deliveries have also been integrated into the K-Ruoka online store as one of the alternative delivery options.

The different delivery methods and speeds meet customer needs efficiently. Express grocery deliveries, arriving within a few hours, are growing fast.

“The growing popularity of express deliveries shows that more and more people are leading active, mobile lifestyles. We want to operate in sync with our customers’ pace,” says **Hanna Heinänen**, eCommerce Director at Kesko.

Kesko’s objective is to offer the best multichannel customer experience, and this now extends to express deliveries since their integration into K-Ruoka. Centralising delivery options ensures customers receive the best service and personalised benefits, regardless of where they shop or which online delivery option they choose.

By the end of 2025, some 480 K Group grocery stores offered express delivery via the Wolt app. Meanwhile, 13 stores offered express delivery via K-Ruoka, and the model is set to expand.

### How to reconcile fast deliveries with vast selections?

Automation is the answer. The K-Citymarket Ruoholahti store introduced the first automation-assisted collection system for grocery in Finland, and now it serves also express deliveries.

“Ruoholahti is an important pilot for us. Automation is able to collect products many times faster than an in-store picker, and the system can handle large order volumes efficiently. This makes the concept scalable,” says Heinänen.

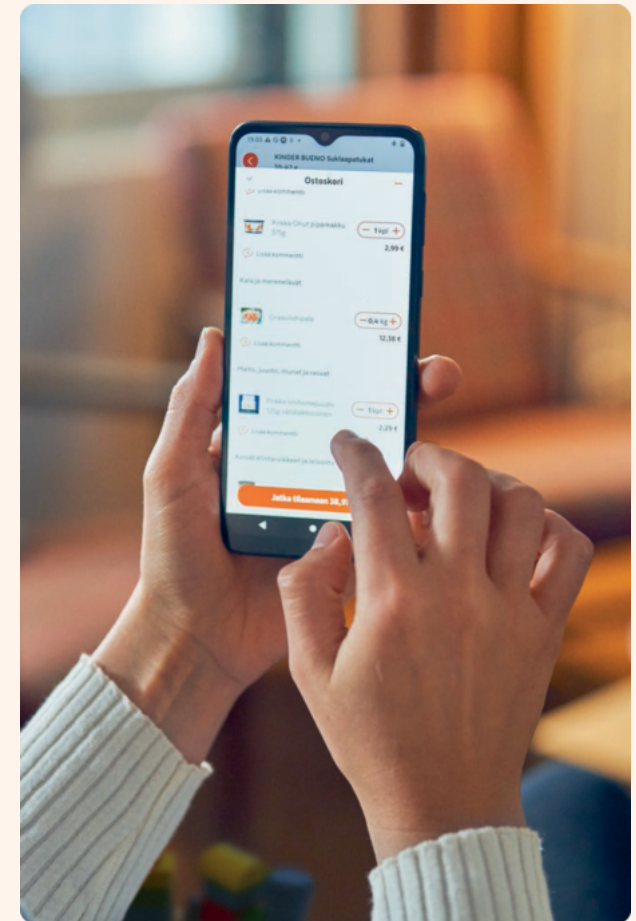
The Ruoholahti model combines the wide selections of a hypermarket with the speed of express deliveries, which has traditionally been considered a difficult balance.

### The evolving role of express deliveries

The strategic and financial significance of express deliveries is growing. Kesko is actively developing its own express delivery capabilities for the future.

“However, it is equally important to ensure that all delivery-speed options work seamlessly together,” Heinänen emphasises. “Customers must be able to choose the service that suits them best, and we must be able to deliver all options profitably and reliably. This is a strategic priority for us.”

The direction is clear: Kesko will strengthen its own capability to manage the full spectrum of online grocery sales, with the aim of offering options for those who prioritise speed, those who value planning, and everyone in between.



## Online grocery services evolve with customer needs – convenience and speed are key

Online grocery sales are adapting to changing consumer needs in an agile way. Convenience and speed have become key factors in improving customer experience. A tangible example is the express delivery service, which the K-Market and K-Supermarket chains significantly expanded during

2025. Overall, K-Ruoka online grocery sales grew to €317 million in 2025 (2024: €294 million).

Alongside the strong growth in express deliveries, the popularity of the click & collect service has also increased significantly. This dual trend reflects the diverse and varying needs of customers: some value the flexibility of being able to pick up their grocery shopping when it suits them, while fast home delivery is a top priority for others.



## The NPS for K-Ruoka online grocery sales is over 80

The development of online grocery sales has focused particularly on four areas: service reliability, collection efficiency, improving the user experience, and the visibility of store-specific selections. The development of these areas will help ensure an effortless online shopping experience for customers.

Extensive store-specific selections lend us a notable competitive advantage in online grocery, as local and speciality products are also available online. In addition, particular attention has been paid to the quality of product information, which serves especially customers who expect detailed information on allergens and nutritional content.

Online sales development emphasises continuous improvement at a smaller scale rather than major one-off updates, allowing Kesko to respond quickly to customer feedback and continuously improve the user experience. Development actively utilises customer data and feedback and closely monitors the use of online sales services.

Online grocery sales were up by 8% year-on-year

## K-Plussa forms the foundation for a multichannel customer experience and rewards

K-Plussa is a comprehensive customer loyalty scheme that serves all K-Plussa customers in the best possible way through multiple channels, whether they are students, shareholders or 'Best Customer' who concentrate their shopping in K Group stores.

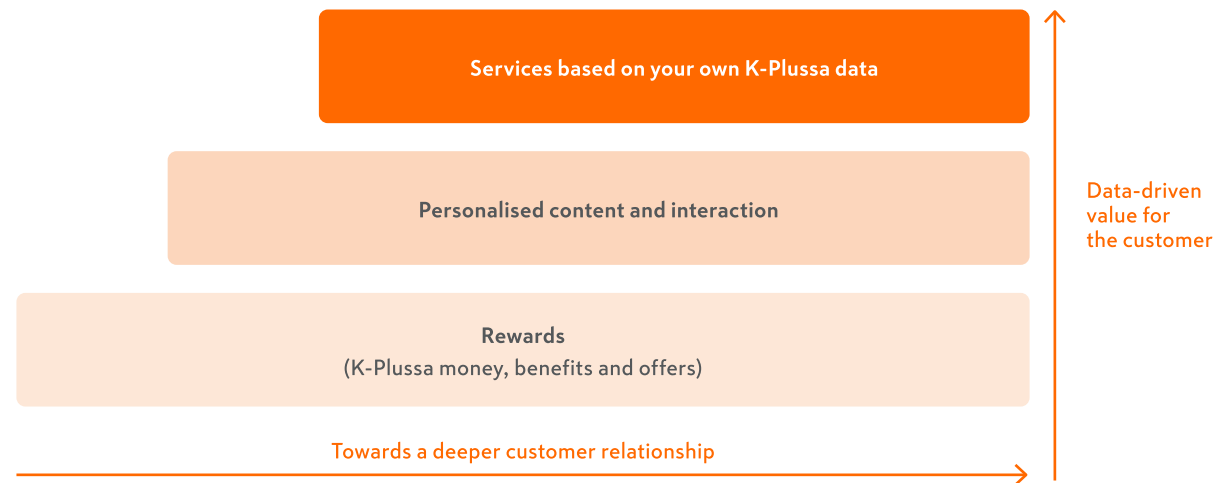
### The K-Plussa customer loyalty programme has 3.5 million members

The K-Plussa customer loyalty programme uses customer data and advanced data analytics as the basis for apps that strive to deliver the best customer experience. It combines personalised loyal customer benefits with smart digital services that support personal preferences and value choices throughout the shopping journey. In 2025, K Group returned over €826 million in benefits and discounts to its Plussa customers, and the number of fully personalised benefits doubled compared to the previous year.

Kesko's data-driven approach is based on trust and genuine value creation from customer data. Advanced data analytics and AI enable deep understanding and anticipation of customer needs, resulting in increasingly relevant services and recommendations. Kesko sees customers as individuals, families and communities, which is reflected in the

development of personalised benefits, content and the selection. Modern digital tools enable customers to monitor their own consumption habits, while sustainability and wellbeing data are increasingly being integrated holistically into a seamless shopping experience – thereby effortlessly supporting informed values-based everyday consumption.

### Data enables an even more personalised K-Plussa customer relationship



# KESPRO CREATES A NEW KIND OF FOODSERVICE MARKET

In recent years, Kespro has steadily developed its operations in a more data-driven direction. The traditional wholesale model has evolved into a customer and partner-centric foodservice platform.

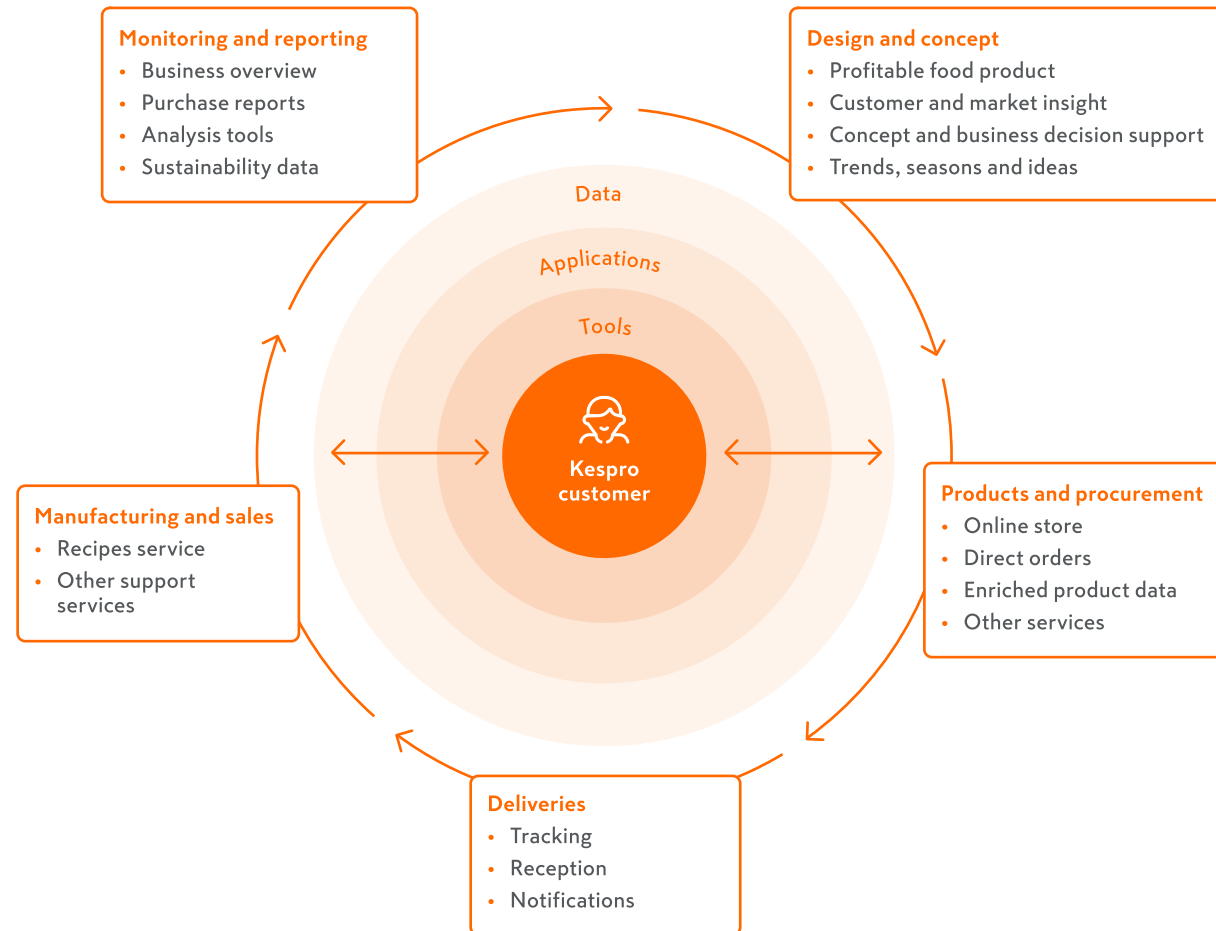
Kespro's digital services give customers the tools to succeed in a rapidly changing market. Kespro is building the market for the common good: active, evidence-based engagement is creating a new and shared culture of eating out in Finland. In 2025, Kespro was the driving force behind the unique "Eating out" food strategy, which brought together restaurateurs, chefs and industry influencers from all over Finland.

Kespro's digital services bring together the daily tools that professionals need: Kespro.com now features a personalised frontpage for logged-in users, which provides quick access to key functions, such as reporting and delivery overviews, in a single view.

## Data-based services bring new value to customers

Kespro offers restaurant professionals a unique combination: a comprehensive digital service package and the ability to turn market and operational data into practical benefits. Kespro's competitive advantage lies in linking its extensive and detailed data assets with everyday business insight – the same analytics tools and customer segments guide daily sales, procurement and

Kespro's digital business platform creates customer value across the value chain





marketing. This makes Kespro a genuinely advisory partner to its customers, rather than merely a supplier.

The development of Kespro's digital services emphasises practical benefits and the creation of customer value. For example, the recipe service on Kespro.com combines the customer's own recipes with margin calculations, orders and even margin alerts when price changes affect profitability. Comprehensive product information (including allergens and dietary information) is linked to the recipes, simplifying menu planning and supporting customer service.

## Kespro.com is the leading foodservice platform

More than 75 % of Kespro's sales take place digitally, either through the online store or through order interfaces directly through the customer's own ordering system. In 2025, the number of active users in Kespro.com grew by nearly 20%. This growth has been supported in part by including cash-and-carry customers in the digital services ecosystem.

## Some 75% of Kespro's sales take place digitally

Sales through digital channels exceed €900 million at Kespro, which is the highest figure within the entire K Group. With its selection of over 55,000 products and smart features it meets all the needs of professionals.

The most significant technical development in 2025 was the remodelling of Kespro's customer-specific pricing logic for its data platform. Customer-specific prices will be available dynamically during the product browsing and comparison stage on Kespro.com.

The personalised homepage for logged-in Kespro.com users was completely renewed in 2025. A single page, also optimised for mobile devices, now consolidates the customer's key information, such as delivery status, reporting of purchases and recipe information.

## Kespro's digital services deliver value to customers

### Recipes

- Maintain and access your own recipes and inspiration all in one place
- Video-enriched cooking instructions with pictures
- Allergens, nutritional content and special diets automatically updated from Kespro's product data
- Precise portion margins and sales simulation
- Smart margin alerts for recipes when ingredient prices change
- Simplifies shopping by allowing ingredients to be ordered directly from the recipe

### Offering

- Helping customers find the right products from a selection of over 55,000 products
- Customer-specific prices and selections can be produced as a service and delivered directly to the customer's purchasing system
- API integration with the customer's own system significantly boosts the efficiency of their processes
- Customer-specific prices are shown in the online store browsing experience, speeding up purchasing and product comparisons

### Monitoring and reporting

- Provides a single view of customer purchase data and delivery status
- Enables purchases of ingredients to be viewed and analysed in terms of euros, kilos, suppliers, Finnish origin and sustainability
- Offers ready-made reports and the ability to create your own
- Supports business management and development from financial, efficiency and sustainability perspectives

### Deliveries

- Shows what is included in the next delivery, and when it will arrive
- Provides advance warning of any missing products
- Smart notifications that can be tailored to customer needs, automating daily routines and freeing up time
- Displays all orders placed by customer, including delivery dates and delivery history
- Digital delivery list and a linked complaints process streamline receipt of the delivery and save significant working hours

User research played a central role in the development work and guided the direction of the redesign. A digital solution was created in collaboration with customers that operates as effectively as possible in the fast-paced working environment of restaurants.

## New business value through analytics

Kespro's customer journey is based on data-driven management, which aims to produce better decisions throughout the entire journey. Customer insight is

supported by dynamic purchasing behaviour segmentation which, instead of static classifications, allows the structure, behaviour and purchasing decisions of different customer groups to be analysed and utilised more quickly and productively. This ensures that services and recommendations can be precisely targeted to the right needs, helping customers find the products and services that best suit their business.

Kespro's data science team develops intelligent models that identify 'white spaces' in customer purchasing behaviour. These are product groups that customers could potentially

purchase from Kespro in the future. These models enable personalised product recommendations in the online store while supporting sales assistants in their customer interactions.

Data analytics also plays a practical role in managing customer risk: by helping customers monitor their profitability and respond proactively to cost changes, Kespro supports the continuity of their businesses in a challenging market. Kespro succeeds when its customers succeed.

Kespro utilises Kesko's extensive expertise and operating model in the development of data-driven management. The virtual data-driven management team brings together experts from Kespro and Kesko, which enables the sharing of best practices and the scaling of competence. A key area for joint development is the growing use of AI and data analytics, with in-house data scientist and analyst resources supporting the development work.

The data-driven management capabilities of Kespro personnel are systematically developed through three strategic competences: data analysis and conclusions, understanding the customer's business, and collaboration. These competences are rolled out throughout the Kespro organisation as part of personnel development and change management.



## Case

### Cross-disciplinary virtual team brings data out of silos

At Kespro, data-driven management is not the sole domain of data architects and analysts; it is a shared responsibility across the organisation.

The Data-driven management virtual team, established in 2023, has grown to include over 20 top specialists, bringing together Kesko data scientists, AI developers, and Kespro business developers to transform data into action.

The team's uniqueness lies in its low threshold and collaboration in daily work. Any Kespro employee – from sales to procurement – can contact the team for support with business data needs.

“We have established a culture in which data-driven management knows no business boundaries. Our role is to accelerate the sharing of competencies across the entire organisation,” says **Paula Wilson**, Senior Development Manager for analytics and data.

#### Embedding data into daily operations and management

The virtual team's work has a tangible impact on day-to-day operations. Results and insights from data-driven management are shared at every Kespro internal monthly briefing. This fosters a strong, shared data culture and enhances the capability to make data-driven business

decisions. It also demonstrates in practice the entire organisation's particular commitment to Kesko's shared data-driven management objectives.

Kespro has also invested heavily in capabilities in generative AI, automation and robotics, which reduce manual work and scale solutions into everyday sales operations.

#### Systematic competence building

Alongside data collection and processing, Kespro is focusing on data literacy across its entire personnel. The 'Let's Learn' training sessions, launched in autumn 2025 and open to all employees, provide low-

threshold learning opportunities in areas such as analytics tools and report utilisation. The aim is to create a systematic competence path in which each employee can develop their data-driven management skills as part of Kespro's strong culture of action.

“The core of success is a cross-disciplinary approach. When we combine advanced data science with deep business insight towards shared objectives, synergies emerge that no single function or team could achieve alone,” says Wilson.



# BUILDING AND TECHNICAL TRADE – DELIVERING VALUE TO THE CUSTOMER WITH EVERY INTERACTION

In the building and technical trade division, data creates value, especially through customer experience, efficiency and scalability. The focus is on offering convenience, tangible benefits and time savings through the use of the customer's own data. Extensively enriched product information supports the selection, installation and use of products throughout their entire lifecycle.

We know our customers and their needs well. Operations across multiple Nordic markets provide deep industry insight and enable solutions to be scaled across borders. Selection management, digital services, marketing and sales all make extensive use of customer and product data. Automation and AI are applied efficiently, and data is fully integrated throughout the business processes.

The digital channels of Onninen, K-Rauta, K-Bygg, Byggmakker and Davidsen strive to be the leading local services for B2B customers and consumers. A distinctive multichannel customer experience is created through the synergy of digital services and in-store customer and sales applications. Data serves customers across all channels. Purchase history, user management and customer reports simplify daily operations and business management.

The division's order-delivery process, procurement and inventory management are comprehensively digitised,

creating a strong basis for operational control, fact-based development and optimisation. Large flows of goods, a wide range of products, ensuring good availability and timely delivery of materials and supplies to customers, construction sites and maintenance sites place heavy demands on the systems.

The digital order-to-delivery process enables continuous efficiency improvement and intelligent optimisation of logistics. Onninen's Onnela logistics centre represents one of Finland's most highly automated and most robotics-based warehousing solutions, which enables the processing of over 12 million sales rows every year as well as next-day delivery to customers. The services have been developed to best serve local customers and their needs in each operating country.

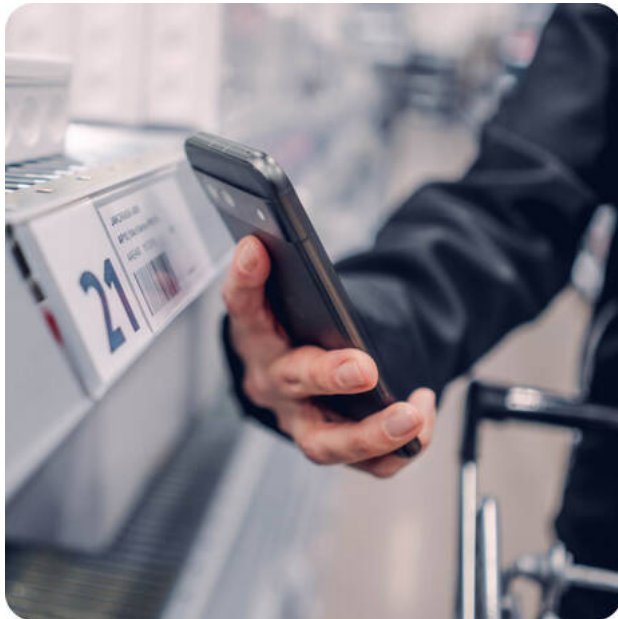
## Technical trade close to customers

Technical trade serves HVAC and electrical contractors, industry, infrastructure operators, and retailers. With the large sales volumes, data and digital solutions are used to boost the efficiency of procurement, logistics, purchasing and product use. Personal service provided by experts is also extremely important.



## Around 80% of Onninen's order rows are processed digitally via self-service channels

The main channels for Onninen's digital sales are its online store, the OnniApp mobile app and direct orders from customers' own systems. The digital operating model enhances data quality and enables systematic management and optimisation of the customer journey. Onninen offers customer-specific tailored digital solutions and integrations that meet the customer's needs and procurement process. OnnSale, an electronic desktop for sales personnel, makes customer service and sales work more efficient.



The OnniApp mobile app makes it easier for customers to shop at Onninen Express stores and service warehouses by speeding up product discovery and picking. Comprehensive product information helps customers compare and choose the right products.

Onninen's electronic desktop OnnSale for sales personnel brings together essential information that supports customer service and sales in one easy-to-use interface. Customer order history, quotes, deliveries and rich product information and documentation are easily accessible to sales personnel, allowing them to focus on understanding and responding to customer needs.

Onninen has expanded its online store service to all its operating countries. A shared technical solution across the Nordic and Baltic countries enables continuous improvement of the customer experience and growth in sales through digital channels. Despite common technical solutions, the online stores' selections and processes remain local, which ensures the best possible customer experience in each country.

Onninen's digital customer process has been modelled end-to-end, which enables us to forecast which steps along the customer journey bring value to the customer and to manage these steps with data. Browsing and purchasing has been made as easy as possible and the customer can select a range of additional services related, among other things, to reporting, logistics and deliveries.

## Onninen.fi online store NPS 72 (2024: 69)

### Selections for Onninen Finland continued to grow

A selection that meets customer needs is one of the most important factors contributing to customer experience and satisfaction. Onninen's aim particularly in Finland is to offer the widest selection in the business, constantly updated and drawing on both customer insight and the expertise of suppliers. Over the past two years, the selection available in Onninen's online store has grown by 34%. Onninen's in-depth understanding of the sector is used in modelling demand for new products and a supply chain that is as efficient as possible.

Onninen is systematically expanding the selection in its Finnish online store. Customers benefit when availability across a broad range of products improves and shopping is made easier. Expanding the range of products available online involves both adding new products and bringing products previously available in the terminal store to the online store.

## Case

### Onnela – a new growth platform for logistics

Onnela is an investment that will transform the scale of Kesko's technical trade: a logistics centre of some €250 million that simultaneously builds the foundation for growth, enhances automation capabilities, and improves digital control across the supply chain.

The Onnela investment responds to the demands created by growth in technical trade. It improves supply chain control while improving delivery reliability and speed. At Onnela, efficient physical infrastructure, automation, and digital control form an cohesive whole.

“Onninen and technical trade have grown significantly in recent years. With the Onnela investment, we are preparing for further growth while continuing to improve our existing logistical services,” says **Petteri Niemi**, Senior Vice President, Commerce, building and technical trade.

At Onnela, the difference compared to previous operations is clearly visible in the scale: building volume has nearly doubled and the number of automated product locations has almost tripled. The higher level of automation enables faster picking and fewer errors, while a new warehouse management system (WMS) brings data-driven management throughout the entire supply chain. Moving away from separate warehouses further

simplifies operations: the same data and operating models are applied consistently across all stages.

Strategic benefits also arise from Onnela serving multiple divisions. In addition to Onninen, the centre supports K-Auto's spare parts logistics, where the move enables improved efficiency and faster services – even same-day express deliveries. A shared logistics platform creates synergies and improves delivery reliability, as selections, storage and deliveries can be optimised as a whole.

Technological and digital thinking also extends to the customer interface. In Onnela, value-added services such as pre-assembly, project packaging and cable measuring services are integrated into the same goods flow. As a result, logistics is not just about moving goods, but also about improving the efficiency and smooth execution of customers' projects.

The project has been financed through a Green Bond, and energy efficiency has been embedded in the technical solutions. The target is a BREEAM Very Good certification, with energy solutions such as geothermal heating and energy-saving automation in building services. Offsetting environmental impacts was part of environmental impact management during construction. Kesko offsets the environmental impacts of construction by improving the ecological state of the Härkävehmaansuo area in Hyvinkää.

The Onnela project has also had local significance. “In recent years, the construction sector has been in a recession. The Onnela project has enabled us to make a positive contribution also to regional vitality,” says Niemi. Kesko illustrates the scale of Onnela in concrete terms: the approximately 85,000-square-metre logistics centre is equivalent in size to 12 football pitches.



## Case

### Creating value from sustainability data in construction and reporting

A new emissions and environmental reporting solution helps construction professionals and contractors meet their statutory obligations. For customers, added value is created through comprehensive sustainability data on products.

“The service is built on our long-term development of capabilities in utilising and reporting sustainability data. We wanted to be ready for a world in which product-related sustainability data guides purchasing decisions,” says **Antti Auvinen**, Sourcing and Sustainability Director for Kesko’s building and technical trade division.

#### Construction legislation requires carbon footprint reporting

The Finnish Construction Act introduced new requirements from the beginning of 2026. The law requires the submission of a climate declaration for all new buildings as part of the final inspection process. The requirement applies to, among other things, apartment buildings, terraced houses, offices, commercial premises and public buildings. Small detached houses are excluded from the requirement.

The climate declaration must report the building’s carbon footprint over its entire life cycle. This includes the

manufacturing of construction products, transport, construction site operations, energy use during the building’s life cycle, and the demolition phase. The calculation is based on the European EN 15804 standard and Environmental Product Declarations (EPDs).

#### Automated and comprehensive calculation

The new reporting tool links product-level environmental data directly to the customer’s purchase history. It includes climate impact (GWP, Global Warming Potential), material data and product weights. The solution responds to regulatory requirements and eliminates the need for manual data collection.

The system is based on a hybrid model and primarily provides product-specific Environmental Product Declarations (EPDs). Where these are not available, the system will supplement the data with the available national generic values.

This solution builds on long-term development work. Kesko has created an extensive database of sustainability attributes and related documentation. This information now flows seamlessly with the product throughout the entire supply chain, all the way to the online store and the B2B customers’ purchasing reports.

“This is a highly complex whole. In addition to construction materials, we have active products, such as heating equipment, which consume energy throughout their lifecycle. Their manufacturing generates a certain amount of carbon emissions, but emissions during use are the most significant factor,” Auvinen explains.

#### Better environmental data creates customer value

The solution is available for Onninen’s and K-Rauta’s services. It supports customers in meeting both regulatory requirements and their own increasingly ambitious targets.

Environmental criteria have already been used in public procurement, and with the updated Construction Act, low-carbon requirements have now become more widespread. Auvinen provides an example from Norway: “When we were able to provide precise carbon footprint data for a product, it gave us a competitive advantage in the tendering process. Thus sustainability work translates into tangible impact for customers, for us, and for the environment.”

“This is not only about complying with regulations, but about delivering genuine added value to the customers. We have moved to a situation where high-quality product data is an essential part of a product’s value,” says Auvinen.

## Enriched product information brings value to customers

Offering more enriched product information serves customers and helps Kesko's sales staff in their work. High-quality product information is a prerequisite for value-added services offered to customers, such as emissions and environmental reporting. The information is expanded by adding relevant instructions on use, installation and maintenance, for example, alongside basic product information. Information is enriched using the expertise of Kesko employees combined with data from Kesko, suppliers and national product databases.

The comprehensive information includes, among other things, the product's intended use, technical specifications, product codes, colours, dimensions, weights and

certifications. Product images, technical documentation, installation instructions, videos and information on spare parts and related products needed in the installation complement the information provided about the product.

## K-Rauta attracts customers both online and in physical stores

The digital operating model and high-quality product data of Kesko's Finnish building and home improvement trade chain K-Rauta allow it to serve customers by combining the strengths of its online and physical stores. Almost 80% of the traffic on K-Rauta.fi comes from search engines, so product information, ideas and inspiration are essential. At K-Rauta's 125 stores customers can test, view and compare products. The skilled sales staff helps customers select the right products and use them successfully.

The online store with its comprehensive product information allows visitors to explore an extensive selection, and find and buy the right products. Purchase history is especially valuable for customers undertaking large projects, such as renovations, as it provides a clear overview of what has been purchased, what is still missing and the total project cost. K-Rauta offers comprehensive delivery options: in-store, pick-up point, home delivery, or delivery to a worksite.

K-Rauta stores are developed and managed utilising various data sources. Each K-Rauta store analyses the demographic, purchase and customer data of its operating area and customers and uses the results to guide its business operations. This is particularly significant for customer experience, as the retailers use the data to implement their store-specific business ideas and marketing.

Data-driven management helps K-Rauta selections and services meet customer expectations and needs as well as possible. A modular microservice architecture enables the rapid development and scaling of new services. For example, the microservice aimed at B2B customers developed for purchase history in K-Rauta PRO was extended for consumer customers to provide a comprehensive view of purchases from all K-Rauta stores and the online store. Group-level synergies are achieved by utilising the common KPlus customer data, and the K-Data platform opens up entirely new possibilities for utilising the shared data foundation and analytics.



K-Rauta.fi online store's  
NPS 65 (2024: 65)

## Case

### K-Rauta purchase history deepens the customer relationship

In autumn 2025, K-Rauta launched a long-awaited purchase history service for its B2C customers, which brings together all purchases made in K-Rauta stores and the online store into a single view. The service responds to a wide range of information needs, particularly for project customers needing manage all purchases.

“Purchase history has been a highly requested service. Purchases in building and home improvement stores can be significant, and the service helps customers keep track of the products they have bought and, when needed, review them or their product information later,” says **Hanna-Mari Ikonen**, Service Director for K-Rauta eCommerce and Digital Services.

The service allows customers to view their purchases and product information in detail. It also enables repeat purchases and access to receipt copies. K-Plusa plays an essential role: when the customer uses their K-Plusa card, their purchases are automatically recorded in the purchase history, regardless of which K-Rauta store or online channel they use.

#### Benefits for different customer groups

The development of the service took into account different customer groups and the benefits offered to each. For all customers, purchases are now available in one place,

making it significantly easier to store receipts and access the comprehensive product information.

For account customers, purchases made via the customer account and individual K-Plusa purchases are displayed in the same view. When purchases are made through different channels, it is now easier to see all purchases in one place. For project customers, such as builders, managing and monitoring larger projects is made simpler.

“Customer projects are often extensive, and over time, many small purchases form a larger whole that is easier to manage through the service. Our service clearly saves time and helps customers focus on the budget,” Ikonen says.

#### More than just an archive for receipts

The purchase history is more than a digital archive for receipts. When customers locate a product in their purchase history, they can access all related information via the product page – including user manuals, installation instructions and other documentation. Product information remains available in the online store for a long time, even after the product is no longer stocked. The service also makes it easy to move from purchased products to related items and recommendations. For example, if a customer has purchased a barbecue, related products, spare parts and installation accessories are also displayed.

The purchase history service for B2C customers is built on a microservice architecture that was previously developed for

B2B customers in the K-Rauta PRO online service, as well as for the emissions and environmental reporting solution launched in December. “When we extended this to consumer customers, we were able to utilise the same microservice. This ensures rapid performance, with purchase data updating within minutes,” Ikonen explains. “We operate on the same platform as Sweden and Norway, which enables smooth utilisation of components. We were also able to make use of previous work on mobile optimisation and clarification of purchase header and row data conducted in other operating countries in the Finnish solution.”

#### Further development driven by customer needs

The service was launched in September 2025, and several customer-focused extensions and enhancements are already under consideration. These include improved project management features, which will enable customers to better track purchases related to their projects.

“In the short to medium term, our goal is for project customers to be able to easily review their project-related purchases and set, for example, a target budget that can be monitored throughout the project,” says Ikonen. “We will continue to develop the service in stages based on customer needs and real-life use cases.”

# CAR TRADE GROWING AGAINST THE STREAM

K-Auto increased its market share in both new and used cars and achieved a strong result in services in 2025. The success was underpinned by systematic investments in data-driven operations, multichannel customer experience and efficiency – factors that differentiate car trade operators in a demanding market.

In 2025, the focus was on continuously increasing customer relationship value through proactive, data-driven customer management models, as well as advancing data and architecture work aimed at utilising Kesko's shared data platform.

K-Auto has launched a pilot of a centralised data platform, which will improve data availability and shared use across systems. The first use cases focus, among other things, on customer data, but the aim is to enable advanced AI solutions, reporting, and greater data transparency.

## Strengthening data-driven operations

The electrification of the vehicle fleet and the transformation of motoring are changing customer expectations. Purchasing decisions are no longer based solely on the car itself, but on a range of related factors, such as ease of purchase, maintenance and servicing, and, in the case of electric vehicles, the ease of charging.

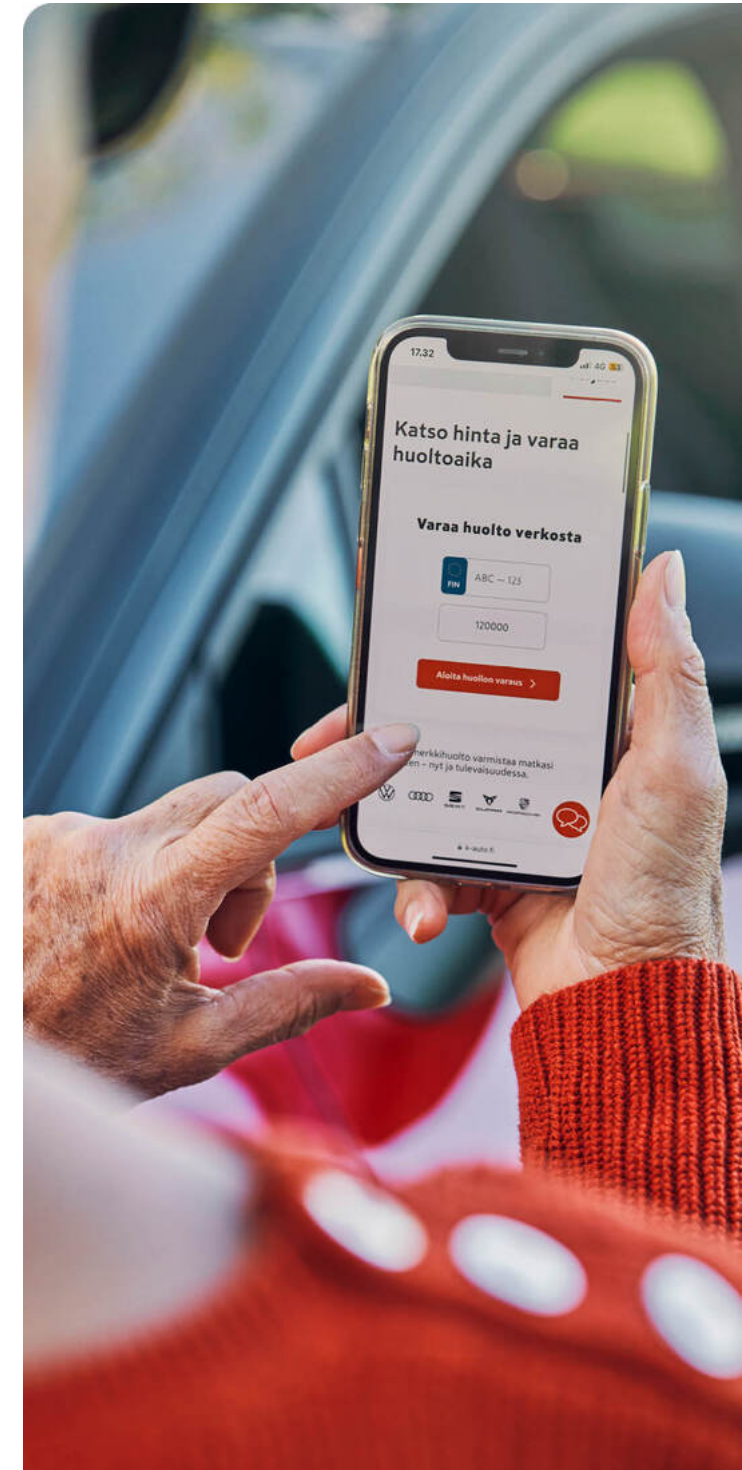
K-Auto is developing its digital channels and data-driven customer relationships to respond to the constant changes. The objective is to create a comprehensive offering in which customers can manage key aspects of vehicle ownership through a single service provider.

## Business-driven development of the technologies

During 2025, K-Auto moved towards a more advanced, centralised data platform and architecture, which enables more sophisticated use cases and real-time data flows, from sales lead management to anticipating the customer's motoring life cycle.

K-Auto continues to invest strongly in digital sales, which have grown significantly despite challenging market conditions. The digital purchasing journey has become an established channel, with sales generated through it increasing by 27% during the year. Digital sales are generated from three sources: chat-based sales, the online store and sales originating through leads.

The importance of online booking for servicing continued to grow at K-Auto, with around half of scheduled services now booked through this channel. The chat service for new and used cars has become the single largest 'store' in terms of volume, with sales increasing by 50% year-on-year to approximately €60 million. Sales have also been supported



by new online store features, such as easy down payment options and private leasing for used cars .

## Proactive customer relationship management

The use of customer data is becoming increasingly predictive. During 2025, development work was completed that introduced 90 new or updated automated customer management models. These respond to changes in customer or vehicle data, such as vehicle purchasing, ownership lifecycle, or servicing or financing agreement information.



More than 380,000 customers are already covered by automated personalised communications and other customer marketing activities, and more than 5 million messages are sent each year. The notably high open rate for these messages reflects their relevance and perceived value to recipients. Accurate measurement and continuous development of the activities ensure that these data-driven service models boost both customer satisfaction and sales.

K-Auto makes extensive use of a variety of data sources to understand regional trends at different times, as well as the market and the customers. Advanced analytics are used especially in processes that support marketing and sales, such as dynamic pricing of used cars, the identification of customer needs, and the production of marketing content.

## Best multichannel customer experience

The customer purchasing journey has changed permanently: the vast majority of customers in car trade now begin their journey in digital channels.

Over 90% of customers start their car purchase journey digitally

Customers are served holistically and as seamlessly as possible, regardless of whether they move between digital channels, physical stores, or a combination of both. Digital sales do not replace physical stores, but complement them: customers often move from online browsing to a test drive and final decision at a K-Auto dealership.

Like owning a car, customer relationship management in car trade is a long-term effort. K-Auto applies several customer care models, which include services and interactions related to purchasing a new car, vehicle replacement, and servicing.

## Online booking for servicing a significant sales channel

The electrification of the vehicle fleet has also permanently changed the servicing market, reducing volumes in traditional servicing. K-Auto has responded by fully digitalising the servicing customer journey and strategically expanding into tyre services.

Online booking for servicing has become a significant sales channel. Customers can manage servicing entirely digitally or choose personal service – both options offer the same high quality.

## Case

### K-Auto offers the easiest car servicing

Changes in the automotive sector are also reshaping the car servicing business. K-Auto is responding to the changes by building a service model for servicing where customers can, if they wish, manage everything online.

K-Auto has been adapting to changes in the servicing market for awhile. Over the past five years, the company has been systematically developing a data-driven, multichannel service model. The results in 2025 demonstrate that these strategic choices have been the right ones.

#### The customer's calendar sets the pace

Previously, a customer would book a servicing appointment when their car indicated a need for servicing or when a service was due according to the servicing schedule. Servicing centres' booking calendars were often fully booked, spare parts were ordered at short notice and mechanics' workloads fluctuated.

K-Auto reversed this logic. The system sends an automatic servicing reminder even before the service light comes on.

"When customers receive a reminder well in advance, their schedules are more flexible, and for us this means a more even workload across our workshops," says **Juha Pulliainen**, Development Manager responsible for servicing development projects at K-Auto.

In the online booking service, customers can view available appointment times at different locations in real time. The system automatically compiles vehicle data and suggests measures in line with the manufacturer's servicing programme. It goes further still: based on data, it recommends additional services tailored to the vehicle's age and servicing history.

The result is surprising: the average purchase value in the online channel is higher than at the service desk. Customers take their time to choose and trust the system's recommendations.

#### Keys in a locker, service video on your phone

Convenience continues throughout the entire process. Customers can leave their keys in a secure, code-operated locker at any time of day. While their vehicle is being serviced, the mechanic records a short video explaining the vehicle's condition and any observations.

"We produce over 750 videos each week, and the feedback has been excellent. Customers feel they are getting real added value," says Pulliainen. Transparency builds trust in a way that a text message alone cannot. When a mechanic clearly demonstrates why the brake pads should be replaced, the purchasing decision becomes easier.

Customers can track the progress of their service in real time. Once the work is completed, they receive the

documentation electronically, pay online, and collect their car keys from the locker.

#### Data guides, customer decides

The system utilises customer and vehicle history data at every stage and continuously learns to anticipate needs. Around 45,000 servicing forecast-based messages are sent each year and the message open rates are notably high.

"We have built a model in which the customer decides. They can manage everything online or speak with a servicing expert. Both options offer the same high quality," says Pulliainen.

#### Strong sales and record-high customer satisfaction

Online bookings alone generate approximately €22 million in annual net sales for servicing. Customer satisfaction has reached a record high. As the servicing market changes, K-Auto has also identified new revenue streams, such as tyre services, where the online store and K Group synergies open up new customer groups.

"It is not about one major solution, but about numerous small improvements, all based on understanding the customer," Pulliainen concludes.

The vehicle fleet is evolving and the market is contracting, but K-Auto has achieved growth by making its existing operations smarter, more seamless, and more transparent.

# RESPONSIBLE AND SUSTAINABLE DATA USE

Data responsibility at Kesko is based on protecting the individual's data and using it sustainably in business operations, while creating shared positive impacts on customers, stakeholders and the society. Trust in the execution of these factors is a key requirement for individuals sharing their data with Kesko.

## Data enables a positive impact

Kesko helps its customers to act in a more responsible and sustainable manner, providing them with advice, recommendations and useful information based on their data. In grocery trade, data can help customers understand how their shopping impacts the climate and their health and how they can support local production. Data supports customer wellbeing by providing information on the nutritional properties of food products, helping customers make more sustainable everyday choices.

In building and technical trade, Kesko supports its B2B customers by providing product-level carbon footprint and lifecycle data (EPD). With the help of data and automation, customers can seamlessly compile the necessary climate declarations for their construction projects in compliance with the requirements of the new Construction Act.

K-retailers can significantly reduce the amount of food waste using data-driven forecasting and the continuous optimisation of product selections. Kesko's store properties and store equipment enable continuous improvement in energy efficiency without compromising on conditions, and advanced analytics enable real-time intervention in the

event of anomalies in heating and energy consumption. In logistics, AI-based route planning and load optimisation effectively reduce emissions and kilometres driven.

## Refining and sharing data across the value chain

Kesko's data responsibility also extends to sharing new data and insights generated by data with customers, retailers and partners. One example are the illustrative reporting, analysis and recommendation services that are based on the customers' purchase histories in K Group grocery stores, which provide statistical insights into Finnish food trends and eating habits for various stakeholders.

As the importance of sustainability data and related regulations (such as the CSRD and the EU Deforestation Regulation) increases, Kesko serves as a key integrator of information from the upstream supply chain to the end customer. For example, Kesko has built data modelling for globally calculating Scope 3 emissions from transport and developed capabilities to verify the origin of products. Factors related to data protection and business secrets are carefully considered whenever compiled data is shared.

## Responsible and human-centred data use

The utilisation of data and AI is based on responsibility, ethical principles and a strict management model. Kesko's centralised Data & AI Governance model, along with conducted AI audits, ensure that new technologies are

used safely, in compliance with regulations, and in accordance with the EU AI Act. In addition to technology, Kesko invests in people: mandatory AI literacy training for all personnel ensures an understanding of the responsible use of AI in everyday work.

Customer data is used for the customer's benefit, with the objective of tailoring offers, product recommendations and targeted communications to be as useful as possible each customer. The customer has the right to choose their preferred forms of communication and to restrict or prevent the use of their data if they so choose.

Kesko protects customer data. Kesko processes personal data carefully, securely and in compliance with the applicable rules and regulations and responds to data protection requests quickly. Comprehensive information about data use and life-cycle management is provided in the relevant register descriptions.

Kesko's ethical principles for utilising artificial intelligence can be found [here](#)

## Key data responsibility perspectives at Kesko

PERSPECTIVE	EXPLANATION
<b>Compliance</b>	<ul style="list-style-type: none"> <li>• Kesko manages data use compliance throughout the data life cycle</li> <li>• Individuals' rights to their own data are comprehensively secured and access to data is made easy</li> <li>• Reporting and preparedness capabilities required by regulations (e.g., CSRD, NIS2) are fully integrated into business and IT processes</li> </ul>
<b>Fair data economy and data citizenship</b>	<ul style="list-style-type: none"> <li>• Kesko returns the benefits generated with data to its customers, suppliers and partners</li> <li>• Kesko creates sustainable value with data not only for its own business but also stakeholders, society and the environment</li> </ul>
<b>Climate and environment</b>	<ul style="list-style-type: none"> <li>• Understanding and managing the carbon intensity of purchases</li> <li>• Minimising product waste</li> <li>• Minimising carbon footprint in logistics and comprehensive modelling of Scope 3 emissions</li> <li>• Other product-level indicators and certificates of environmental responsibility</li> </ul>
<b>Supply chain</b>	<ul style="list-style-type: none"> <li>• Understanding and managing the level of Finnish purchases</li> <li>• Ensuring supply chain responsibility through data-driven traceability (e.g. product information required by the EU Deforestation Regulation)</li> <li>• Finnish origin rate of individual products</li> <li>• Other social responsibility certifications (e.g. Fair Trade) for individual products</li> </ul>
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>• Data offered by Kesko helps suppliers improve their operations and security of supply and develop product offering and new products</li> <li>• Data connects local demand to local producers and their supply</li> </ul>
<b>Wellbeing, health and safety</b>	<ul style="list-style-type: none"> <li>• Enriched product information that supports wellbeing</li> <li>• Comprehensive health labelling, such as the Heart label</li> <li>• Understanding the health and wellbeing profile of personal purchases with the K-Hyvinvointi service</li> <li>• Opportunities to obtain recommendations that increase personal wellbeing (e.g. smart shopping lists, recipes, product recommendations based on personal goals, inspiration)</li> </ul>
<b>Energy, resource and material efficiency</b>	<ul style="list-style-type: none"> <li>• Enriched product data in building and technical trade supports the selection of products that promote sustainability and facilitates lifecycle carbon reporting (EPD) for construction projects</li> <li>• Continuous optimisation of energy efficiency in properties and store fixtures and furniture, based on conditions and equipment data, including automatic detection of heating anomalies</li> <li>• Optimisation of goods flows, logistics and distribution routes using automation and AI</li> <li>• Minimising waste by means of predictive analytics and selection planning</li> </ul>
<b>Ethical AI</b>	<ul style="list-style-type: none"> <li>• Solid ethical principles and practices for using AI, customer data and analytics (profiling, automated decision-making, transparency)</li> <li>• Centralised Data &amp; AI Governance model ensures the safe, business-oriented use of AI in compliance with the EU AI Act</li> <li>• Systematic development of employees' AI literacy</li> </ul>



# KESKO'S LIMITED DATA BALANCE SHEET FOR 2025

	DATA ASSETS	DATA CAPITAL	
<b>Definition</b>	Value-creating digital services, products and processes produced using data capital	Available internal and external data	
<b>Purpose</b>	Managing the business value of data and the benefits for customers and stakeholders	Managing data quality, quantity, usability and risk management	
<b>Operating models</b>	Customer and business processes Analysis, decision-making and risk management processes Data protection and information security operating models	Data quality management and correction process Data governance	
<b>Examples of services</b>	<b>For B2C customers</b> <ul style="list-style-type: none"> <li>• K-Ruoka (mobile, website and online store)</li> <li>• K-Rauta online store</li> <li>• K-Hyvinvointi and K-Ostokset</li> <li>• K-Kuitit</li> <li>• K-Plussa</li> <li>• K-Tunnus</li> <li>• Data protection services</li> </ul>	<b>Internal data capital (examples)</b> <ul style="list-style-type: none"> <li>• B2C customer data (including Plussa data, customer feedback, K-kylä survey data)</li> <li>• Receipt data (retail sales from physical stores, online stores, express deliveries and wholesalers)</li> <li>• B2B customer data</li> <li>• Wholesale</li> <li>• Selection and pricing data</li> <li>• Enriched product data</li> <li>• Procurement data</li> </ul>	<ul style="list-style-type: none"> <li>• Logistics data (warehousing operations, transport operations, product replenishment and store logistics, traceability)</li> <li>• Web browsing data (sites, apps, online store)</li> <li>• Store site and retailer data</li> <li>• Campaign and media data</li> <li>• Operational ERP data</li> <li>• HR data</li> <li>• ESG data</li> </ul>
	<b>For B2B customers</b> <ul style="list-style-type: none"> <li>• Online stores (Kespro, K-Rauta, Onninen)</li> <li>• Interface and EDI services</li> <li>• Reporting services</li> <li>• Product information services</li> <li>• Delivery service</li> <li>• Procurement</li> </ul>	<b>External data capital (examples)</b> <ul style="list-style-type: none"> <li>• Information from the Finnish Digital and Population Data Services Agency (including address information)</li> <li>• Carbon footprint and other sustainability data</li> <li>• Product information, groceries (Synkka)</li> <li>• Product information, building and technical trade</li> <li>• Statistics from Statistics Finland</li> <li>• Market statistics, other statistics</li> <li>• External (surveys and) studies</li> <li>• Data on the use and conditions of store and logistics properties</li> </ul>	
	<b>For K-retailers</b> <ul style="list-style-type: none"> <li>• K Valikoima</li> <li>• K Kampanja</li> <li>• K Markkinointi</li> <li>• K Ruokakauppa platform</li> <li>• K Työvuorot</li> </ul>	<ul style="list-style-type: none"> <li>• Hymy, NPS</li> <li>• K Raportointi</li> <li>• Digital Signage display services</li> <li>• Electric price displays</li> </ul>	
	<b>For partners and suppliers</b> <ul style="list-style-type: none"> <li>• K-Toimittaja (including information-sharing services)</li> <li>• K-Mediaratkaisut</li> <li>• Data services to support production and product development</li> </ul>		
	<b>Kesko's internal services</b> <ul style="list-style-type: none"> <li>• Selection and campaign management</li> <li>• Forecasting and reporting</li> <li>• Network planning</li> <li>• Risk management</li> </ul>	<ul style="list-style-type: none"> <li>• Property management</li> <li>• Business Insight</li> <li>• K Consent</li> </ul>	

The report and its data balance sheet model are based on the Balanced Data Insight concept of the Finnish Functos Oy.



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