



CORPORATE GOVERNANCE STATEMENT 2021

KESKO ANNUAL REPORT 2021



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Introduction

This Corporate Governance Statement has been reviewed at the meeting of the Audit Committee of Kesko Corporation's Board of Directors on 1 February 2022.

This is the Corporate Governance Statement in accordance with the Finnish Corporate Governance Code issued by the Securities Market Association, effective on 1 January 2020. Kesko Corporation issues the statement separately from the Report by the Board of Directors. This statement and the other information to be disclosed in accordance with the Corporate Governance Code, as well as the Company's financial statements, the Report by the Board of Directors, and the Auditor's Report are available on Kesko's website at kesko.fi/en/investor.

Kesko Corporation ("Kesko" or "the Company") is a Finnish limited liability company in which the duties and responsibilities of management bodies are defined according to the regulations observed in Finland. The parent company Kesko and its subsidiaries form Kesko Group. The Company is domiciled in Helsinki.

In addition to the Corporate Governance Code, Kesko's decision-making and corporate governance comply with e.g. the Finnish Limited Liability Companies Act, other laws and regulations concerning publicly quoted companies in Finland, Kesko's Articles of Association, the charters of Kesko's Board of Directors and its Committees, the Company's policies and other internal guidelines, and the rules and guidelines of the European Securities and Markets Authority, the Finnish Financial Supervisory Authority, and Nasdaq Helsinki Ltd.

Corporate Governance Codes Kesko complies with and departures from them

Corporate Governance Code Kesko commits to comply with	The Corporate Governance Code issued by the Finnish Securities Market Association and effective as of 1 January 2020
Website where the Corporate Governance Code is publicly available	cgfinland.fi/en/corporate-governance-code/
Corporate Governance Code recommendations from which the company departs	Recommendation 6 (Term of Office of the Board of Directors)
Explanation of and grounds for the departure <ul style="list-style-type: none">• Grounds for the departure• Decision-making concerning the departure• When the company plans to adopt the recommendation (in case of temporary departure)• Where applicable, a description of the measure taken instead of compliance and an explanation of how that measure achieves the underlying objective of the specific recommendation or of the code as a whole, or a clarification of how it contributes to good corporate governance of the company	<p>The term of office of Kesko's Board of Directors departs from the one-year term pursuant to Recommendation 6 (Term of Office of the Board of Directors) of the Corporate Governance Code. The term of office of the Company's Board of Directors is determined in accordance with the Company's Articles of Association. Amendments to the Articles of Association are decided by the General Meeting. According to the Articles of Association, the term of office of a Board member is three (3) years, starting at the close of the General Meeting electing the member and expiring at the close of the third (3rd) Annual General Meeting after the election.</p> <p>A shareholder who, together with related entities, represents over 10% of votes attached to all Kesko shares, has informed the Company's Board of Directors that it considers the term of office of three (3) years good for the Company's long-term development and has not seen any need to shorten the term stated in the Articles of Association.</p>



Descriptions concerning corporate governance

KESKO GROUP'S CORPORATE GOVERNANCE SYSTEM

Kesko uses a so-called one-tier governance model. The highest decision-making power in Kesko is exercised by the Company's shareholders at the Company's General Meeting. At the Annual General Meeting, the Company's shareholders elect the Company's Board of Directors and Auditor. The Shareholders' Nomination Committee submits proposals to the General Meeting regarding the number, election and remuneration of board members. The Auditor plays an important role as a controlling body elected by the shareholders.

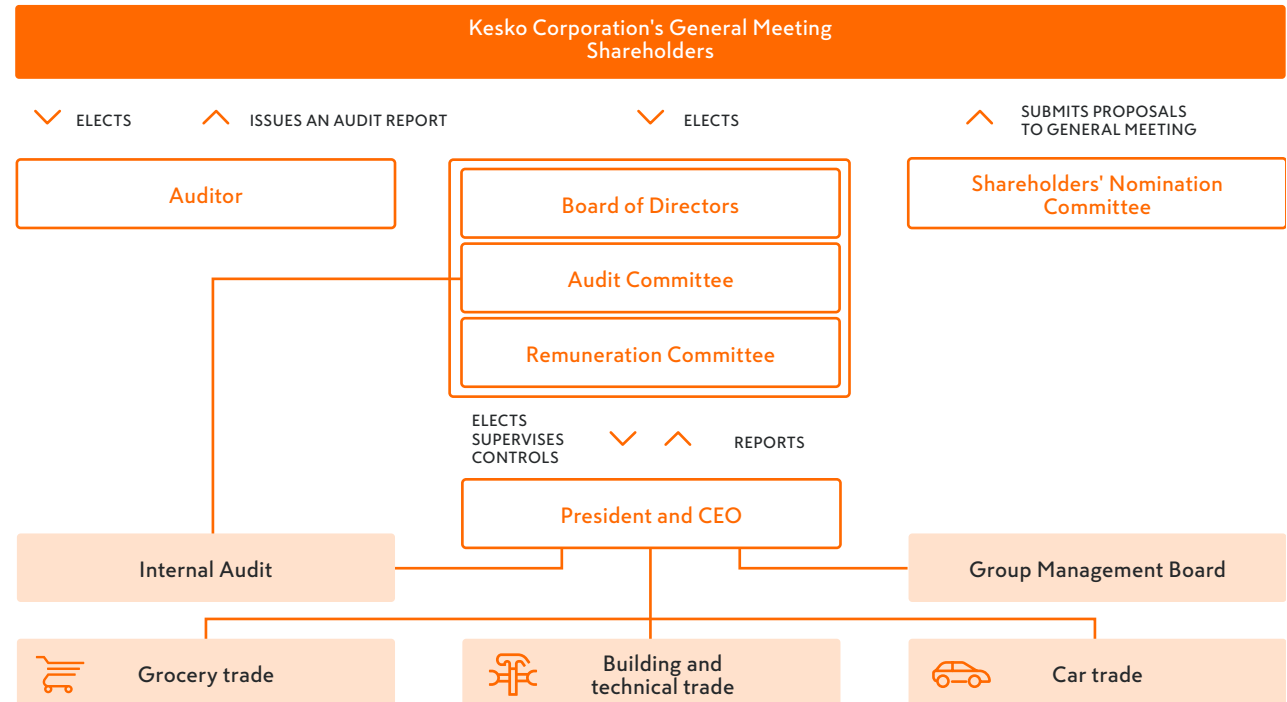
Kesko's Board of Directors is responsible for the Company's administration and its proper organisation. The Board has an Audit Committee and a Remuneration Committee, which prepare matters related to e.g. the Company's financial reporting, control and remuneration.

The Board of Directors appoints the managing director, who at Kesko is referred to as the President and CEO.

Kesko's Group Management Board supports the work of the President and CEO.

Internal audit is responsible for the Company's independent auditing, and reports to both the President and CEO and the Audit Committee.

Kesko Group's governance model



GENERAL MEETING

The Annual General Meeting is held annually by the end of June, on a date designated by the Company's Board of Directors. The most significant matters falling within the decision-making power of the General Meeting include the election of the Board members and the Auditor, the adoption of the financial statements, the resolution on discharging the Board members and the Managing Director from liability, and the resolution on the distribution of the Company's assets, such as distribution of profit.

The Company has share series A and B, which differ with respect to the number of votes attached to the shares. An A share carries ten (10) votes and a B share carries one (1) vote at a General Meeting. When votes are taken, the proposal for which more than half of the votes were given will primarily be the resolution of the General Meeting, as prescribed by the Finnish Limited Liability Companies Act. However, pursuant to the Act, certain resolutions – such as resolutions to amend the Company's Articles of Association and resolutions concerning directed share issues – require



a qualified majority of two-thirds of the votes cast and shares represented at the meeting. The Limited Liability Companies Act provides that specific shareholders or all shareholders must consent to a resolution limiting the rights arising from shares or increasing the obligations of shareholders.

Shareholders are invited to attend a General Meeting by a Notice of the General Meeting published on the Company's website. The Notice of the General Meeting is also published as a stock exchange release. The Notice and other General Meeting documents, including the Board of Directors' proposals to the General Meeting, are made available to shareholders no later than three weeks prior to the General Meeting on the Company's website at kesko.fi.

The Company aims for all members of Kesko's Board of Directors, the President and CEO, and the Auditor to be present at the Annual General Meeting. General Meeting Minutes are made available to shareholders on Kesko's website at kesko.fi within two weeks of the General Meeting. The resolutions of the General Meeting are published after the meeting without delay in a stock exchange release.

The 2021 Annual General Meeting was held with special arrangements in place due to the Covid-19 pandemic. Management was represented in person by Board Chair Esa Kiiskinen and President and CEO Mikko Helander. Shareholders and their proxy representatives could participate in the General Meeting by voting in advance and by submitting counterproposals and questions in advance.

SHAREHOLDERS' NOMINATION COMMITTEE

The selection process and duties of the Shareholders' Nomination Committee

Kesko's Annual General Meeting of 2020 resolved to establish a Shareholders' Nomination Committee for Kesko and confirmed rules of procedure for the Committee. The Nomination Committee is a governing body of Kesko shareholders, and has three members. Two members are appointed by Kesko's biggest shareholders and the third member is the Chair of Kesko's Board of Directors. The right of nomination of members representing the shareholders belongs to those two shareholders whose share of votes conferred by all shares in Kesko is the largest according to the register of shareholders maintained by Euroclear Finland Ltd on 1 September preceding the Annual General Meeting. The term of office of the members of the Shareholders' Nomination Committee ends when new Committee members are appointed. The Nomination Committee members do not receive fees for their membership. Their travel expenses are reimbursed in accordance with the general travel rules of Kesko.

The main duty of the Nomination Committee is to ensure that the Board of Directors and its members have the expertise, knowhow and experience adequate for Kesko's needs, and to prepare reasoned proposals for this purpose to the General Meeting. In accordance with its rules of procedure, the Nomination Committee's duties are to:

- prepare and present a proposal for the remuneration of the members of the Board of Directors to the General Meeting,

- prepare and present a proposal for the number of members of the Board of Directors to the General Meeting,
- prepare and present a proposal for members of the Board of Directors to the General Meeting,
- answer the questions asked by the shareholders at the General Meeting concerning the proposals made by the Nomination Committee, and
- look for candidates to replace members of the Board of Directors.

The Nomination Committee submits proposals to the General Meeting on the matters listed as duties of the Nomination Committee which, on the grounds of the Limited Liability Companies Act and Kesko's Articles of Association, are on the General Meeting agenda.

The Nomination Committee is established for the time being, until decided otherwise by the General Meeting. The Nomination Committee rules of procedure are available on Kesko's website at kesko.fi/en/investor/corporate-governance/shareholders-nomination-committee/

Composition and actions of Shareholders' Nomination Committee in 2021

The members of Kesko's Shareholders' Nomination Committee in the 2021-2022 term of office are

- Toni Pokela, retailer, appointed by K Retailers' Association,
- Jouko Pölönen, President and CEO, appointed by Ilmarinen Mutual Pension Insurance Company, and
- Esa Kiiskinen, Chair of Kesko's Board of Directors.



In its organisational meeting on 13 September 2021, the Committee elected Toni Pokela as its Chair. The Committee members and Chair were the same also in the 2020-2021 term of office.

Details regarding Toni Pokela and Esa Kiiskinen can be found in the section concerning the Board of Directors of this CG Statement. Jouko Pölönen (born 1970, MA (Econ.), eMBA) is the President and CEO of Ilmarinen Mutual Pension Insurance Company.

The Shareholders' Nomination Committee convened two (2) times in 2021, and the members attended all meetings. The Nomination Committee submitted to the 2021 Annual General Meeting proposals regarding the number of Board members and Board composition for the three-year term of office that will end, as determined in the Company's Articles of Association, at the close of the 2024 Annual General meeting. The Nomination Committee proposed that seven members be elected for the Board of Directors, and that those members be Esa Kiiskinen, retailer, business college graduate; Peter Fagernäs, Master of Laws; Jannica Fagerholm, M.Sc. Economics; Piia Karhu, Doctor of Science, Economics and Business Administration; Jussi Perälä, retailer, business college graduate (new member); Toni Pokela, retailer, eMBA; and Timo Ritakallio, Doctor of Science (Technology), Master's degree in law (LL.M.), MBA (new member). In accordance with the rules of procedure for the Committee, in the preparation of the proposal concerning the Board composition, the Committee took into account legislation and the requirements of the Corporate Governance Code concerning Kesko with regard

to e.g. Board independence, and the results of the Board's self-assessment. In preparing the proposal, in accordance with Kesko's diversity policy, there was focus on ensuring that Kesko's future Board composition can support the Company's current and future business. The Shareholders' Nomination Committee paid attention to factors such as the merits of the proposed members, including their educational backgrounds, the diversity of their backgrounds, their experience of the trading sector, the retailer business, and international business operations, and to their other professional competencies so that these combined support Kesko's business objectives and enable effective Board work for Kesko. In preparing the proposition, focus was on ensuring that the proposed Board would collectively possess sufficient skills and competence and that the Board members would have sufficient time to focus on Board work.

The Shareholders' Nomination Committee proposes to Kesko's 2022 Annual General Meeting that the remuneration for Board members remain unchanged. The proposal for the Board and Committee work is as follows:

- Board Chair, an annual fee of €102,000
- Board Deputy Chair, an annual fee of €63,000
- Board member, an annual fee of €47,500
- Board member who is the Audit Committee Chair, an annual fee of €63,000
- A meeting fee of €600/meeting for a Board meeting and its Committee's meeting. The meeting fee for the Board Chair is €1,200/Board meeting. However, a meeting fee of €1,200/Committee meeting is paid to a Committee Chair who is not the Chair or Deputy Chair of the Board. Meeting fees are paid in cash.

- Daily allowances and the reimbursements of travel expenses are paid to the Board members in accordance with the general travel rules of Kesko.

It is proposed that the payment of the aforementioned annual fees be made in Kesko Corporation's B shares and in cash, with approximately 30% of the fees paid in shares. After the transfer of shares, the remaining amount is to be paid in cash. The Company will acquire the shares or transfer shares held by the Company as treasury shares in the name and on behalf of the Board members. The Company will be responsible for the costs arising from the acquisition of the shares. The shares will be acquired or transferred to the Board members on the first working day to follow the publication of the interim report for the first quarter of 2022. A Board member cannot transfer shares obtained in this manner until either three years have passed from the day the member has received the shares or their membership on the Board has ended, whichever comes first.

The Nomination Committee proposal was published as a stock exchange release on 31 January 2022.

BOARD OF DIRECTORS

The number and term of Board members

According to the Articles of Association, Kesko's Board of Directors is composed of a minimum of five (5) and a maximum of eight (8) members. The General Meeting decides the number of Board members, elects all Board members, and decides on the Board members' remuneration.



The Shareholders' Nomination Committee submits proposals concerning the above matters to the General Meeting. The Board elects the Chair and the Deputy Chair from among its members for the whole term of office of the Board.

According to the Articles of Association, the term of office of a Kesko Board member is three (3) years, starting at the close of the General Meeting electing the member and expiring at the close of the third (3rd) Annual General Meeting after the election.

Board composition and shareholdings

Before the 2021 Annual General Meeting (1 Jan.–12 April 2021), Board members were Esa Kiiskinen (Chair), Peter Fagernäs (Deputy Chair), Jannica Fagerholm, Piia Karhu, Matti Kyytsönen, Matti Naumanen and Toni Pokela. The Annual General Meeting of 12 April 2021 elected Esa Kiiskinen (Chair), Peter Fagernäs (Deputy Chair), Jannica Fagerholm, Piia Karhu, Jussi Perälä, Toni Pokela and Timo Ritakallio as members of the Board. In accordance with

Kesko's Articles of Association, the term of office of the current Board members will expire at the close of the 2024 Annual General Meeting.

The Board's 2021 composition and shareholdings on 31 December 2021 are depicted in the table below.

Board composition in 2021 and shareholdings on 31 Dec. 2021

Name	Year of birth	Education	Principal occupation	Board member since	Committee member	Kesko shares held on 31 Dec. 2021
Esa Kiiskinen (Chair)	1963	Business College Graduate	Food retailer	2009	Remuneration Committee (Chair)	459,200 A shares held by the member and entities controlled by the member 8,180 B shares held by the member
Peter Fagernäs (Deputy Chair)	1952	Master of Laws	Chairman of the Board, Hermitage & Co Oy	2018	Remuneration Committee (Deputy Chair)	4,000 A shares held by the member 13,064 B shares held by the member
Jannica Fagerholm	1961	Master of Science (Economics)	Managing Director, Signe and Ane Gyllenberg Foundation	2016	Audit Committee (Chair)	9,064 B shares held by the member
Piia Karhu	1976	Doctor of Science, Economics and Business Administration	Senior Vice President, Business Development, Metso Outotec Oy	2018	Audit Committee	3,805 B shares held by the member
Matti Kyytsönen*	1949	Master of Science (Economics)	Chairman of the Board, Silverback Consulting Oy	2015	Audit Committee (Deputy Chair) Remuneration Committee	
Matti Naumanen*	1957	Trade Technician	Retailer	2016		
Jussi Perälä**	1970	Business College Graduate	Building and home improvement retailer	2021		133,000 A shares held by the member and entities controlled by the member 96,192 B shares held by the member and entities controlled by the member
Toni Pokela	1973	eMBA	Food retailer	2012		757,600 A shares held by entities controlled by the member 4,465 B shares held by the member
Timo Ritakallio**	1962	Doctor of Science (Technology), Master's degree in law (LL.M.), MBA	President and Group CEO, OP Financial Group	2021	Audit Committee (Deputy Chair) Remuneration Committee	2,000 A shares held by the member 548 B shares held by the member

* Kyytsönen and Naumanen were Board members until 12 April 2021.

** Perälä and Ritakallio were elected as Board members as of 12 April 2021.

Independence

The Board evaluates the independence of its members on a regular basis in accordance with Recommendation 10 of the Corporate Governance Code. A Board member is obliged to provide the Board with necessary information for the evaluation of independence. All members of Kesko's Board of Directors are non-executive directors.

The Board carried out an independence evaluation at its organisational meeting held after the Annual General Meeting of 12 April 2021. Based on the independence evaluation, the Board considers the majority of Board members to be independent of the Company. Esa Kiiskinen, Jussi Perälä and Toni Pokela are not considered independent of the Company, as they each control a company that has a chain agreement with Kesko. All the Board members apart from Toni Pokela were evaluated to be independent of Kesko's significant shareholders. Pokela is the Chairman of the Board of Kesko's significant shareholder K-Retailers' Association. The Board and Committee compositions meet the independence requirements of the Corporate Governance Code.

The Board members' independence is presented in the following table.

Board members' independence as of April 2021

	Independent of the company	Independent of a significant shareholder
Esa Kiiskinen (Chair)	No*	Yes
Peter Fagernäs (Deputy Chair)	Yes	Yes
Jannica Fagerholm	Yes	Yes
Piia Karhu	Yes	Yes
Jussi Perälä	No*	Yes
Toni Pokela	No*	No**
Timo Ritakallio	Yes	Yes

* Each of the companies controlled by Kiiskinen, Perälä and Pokela has a chain agreement with Kesko Corporation.

** Pokela is the Chairman of the Board of Kesko's significant shareholder K-Retailers' Association.

Matti Kyytsönen, who acted as a Board member from 1 January to 12 April 2021, was deemed independent of the Company and its significant shareholders.

Matti Naumanen, who acted as a Board member from 1 January to 12 April 2021, was deemed independent of significant shareholders but not independent of the Company, as he controls a company that has a chain agreement with Kesko.

Description of the operations of the Board of Directors and the main contents of its charter

Kesko's Board of Directors is responsible for the Company's corporate governance and for the proper organisation of its operations. The Board is responsible for the appropriate arrangement of the control of Kesko's accounts and finances. The Board of Directors has confirmed a written charter of the Board of Directors' duties, principles of operation, meeting practices and decision-making procedures.

In accordance with the charter, the Board reviews and makes decisions on matters that are financially, operationally or fundamentally significant to the Group. According to the charter, the Board of Directors' duties include:

Strategic and financial matters

- deciding on the Group strategy and confirming the divisions' strategies
- confirming the Group's budget and forecast update, including a capital expenditure plan
- reviewing the Group's most significant risks and uncertainties
- deciding on strategically or financially significant individual investments, acquisitions, divestments or arrangements, and commitments
- confirming Kesko's values
- approving Group policies, such as the treasury and investment policy and risk management policy
- establishing a dividend policy and being responsible for shareholder value performance

Organisation and personnel matters

- appointing and discharging the Company's President and CEO, approving their managing director's service contract and deciding on their remuneration and other financial benefits, and making corresponding decisions for the Deputy President and CEO
- deciding on the appointments of the Group Management Board members responsible for lines of business, their remuneration and financial benefits
- deciding on the essential structure and organisation of the Group



- ensuring the proper operation and supervision of the management system
- deciding on management authorisation rules
- deciding on the principles of Kesko's commitment and incentive schemes, the terms and conditions and distribution of shares or options under the remuneration policy in force, and monitoring the results of the schemes

Reporting matters

- reviewing and adopting the Group's financial statements, half-year financial reports, and interim reports and related stock exchange releases and the Report by the Board of Directors
- reviewing Kesko's Annual Report

Other duties

- submitting Board proposals to the General Meeting on matters such as dividend distribution, Auditor, and authorisations to issue and acquire shares
- approving the Board's principles concerning diversity
- being responsible for the other statutory duties prescribed to the Board of Directors by the Limited Liability Companies Act or other, and for duties prescribed by the Corporate Governance Code.

Kesko's Board of Directors has a duty to promote the best interest of Kesko and all its shareholders. The Board members do not represent the interests of the parties that have proposed their election as Board members. A Board member is disqualified from participating in the handling of any matter between that person (including entities over which the person exercises control) and the Company. When a vote is taken,

the Board's decision will be the opinion of the majority and if a vote results in a tie, the decision will be the opinion supported by the Board Chair. If the votes taken at an election of a person end in a tie, the result will be decided by drawing lots.

Board of Directors' operations in 2021

In 2021, the Board held 13 meetings. The Board also held a seminar day with the Company's acting management. Board meetings regularly discuss the review by the President and CEO on key topical issues, as well as the reports by the Chairs of the Board's Audit Committee and Remuneration Committee on Committee meetings preceding the Board meetings. The Auditor presents their findings to the Board once a year in connection with the review of the financial statements.

As in 2020, in 2021 the Board paid particular attention to the Covid-19 pandemic and assessed its impact on the sales and profit of Kesko and K Group. Positive profit warnings were issued on 15 April 2021, 14 June 2021, and 14 October 2021 to cancel the previous profit guidances and issue new ones.

As in previous years, in 2021, the Board reviewed the financial reports and monitored the Group's financial situation, approved the most significant capital expenditure, monitored the progress of Group-level projects, and approved the interim reports, the half-year financial report and the financial statements before they were published.

In 2021, the Board confirmed an updated version of the Company's strategy as well as new medium-term financial targets for the Company (Stock exchange release 27.5.2021).

The Board monitored the financial performance of previously acquired companies and their integration into Kesko Group, and the implementation of divestments decided. Among other things, the Board reviewed Kesko's 2020 Annual Report and the results of goodwill impairment testing; decided on the acquisition of plots for new logistics centres for the grocery trade and Onninen; decided to amend the managing director's contract and retirement contract of the President and CEO (Stock exchange release 12.4.2021); discussed the appointment of Matti Virtanen as the new President of the car trade (Stock exchange release 9.4.2021); made decisions regarding the initiation of new share plans for remuneration, the performance bonus criteria for 2022, the use of donation funds approved by the General Meeting, updates to the Board's Charter and diversity policy; and approved the Group's updated governance policy, tax policy, and treasury policy.

The Board carried out a self-assessment, conducted via discussions between the Board's Chair and each Board member based on a predetermined discussion agenda. Among other things, Board members assessed the performance of the Board and its Committees and their Chairs and the working and leadership culture, Group and division strategies and related company management, how efficiently the Board received information and reports, risk management and information on key risks, and finally the Group management and related contingency planning. The Board reviewed a summary of the results at its December meeting. In addition to the summary, each Board member received personal feedback.

Attendance at meetings by members of the Board and its Committees in 2021

	Committee membership	Attendance		
		Board of Directors	Audit Committee	Remuneration Committee
Esa Kiiskinen (Chair)	Remuneration Committee (Chair)	13/13		4/4
Peter Fagnäs (Deputy Chair)	Remuneration Committee (Deputy Chair)	13/13		4/4
Jannica Fagerholm	Audit Committee (Chair)	13/13	5/5	
Piia Karhu	Audit Committee	13/13	5/5	
Matti Kyytsönen (until 12 April 2021)	Audit Committee (Deputy Chair)	2/2	1/1	
	Remuneration Committee			2/2
Matti Naumanen (until 12 April 2021)		2/2		
Jussi Perälä (as of 12 April 2021)		11/11		
Toni Pokela		13/13		
Timo Ritakallio (as of 12 April 2021)	Audit Committee (Deputy Chair)	11/11	4/4	
	Remuneration Committee			2/2

Principles concerning diversity

Kesko's Board of Directors has approved the original Diversity Policy on 25 October 2016 and the updated versions on 17 December 2020 and 26 May 2021. The policy can be found on Kesko's website at: kesko.fi/en/investor/corporate-governance/board-and-its-committees/diversity-policy/ in the following form:

” Diversity is an essential component of Kesko's success, the achievement of Kesko's strategic objectives and good governance at Kesko. This diversity policy describes the objectives in the achievement of diversity in the operations and composition of Kesko Corporation's Board of Directors.

BOARD SIZE AND ELECTION OF ITS MEMBERS

According to the Company's Articles of Association, the term of office of a Board member is three (3) years, starting at the close of the General Meeting electing the member and expiring at the close of the third (3rd) Annual General Meeting after the election. According to the Articles of Association, Kesko's Board of Directors is composed of a minimum of five (5) and a maximum of eight (8) members. A sufficient number of Board members promotes the diversity of Board composition, as the areas of expertise and competence of the Board members are mutually complementary and the Board's independence requirements are satisfied.

The Board members are elected by majority votes at the General Meeting. The Board elects the Chairperson and the Deputy Chairperson from among its members for the whole term of office of the Board. In the preparation of a proposal for the Board composition, Kesko applies the practice in which a Shareholders' Nomination Committee prepares proposals to the General Meeting concerning Board members' fees and, as necessary, for the number of Board members and for the Board members.

PLANNING THE BOARD COMPOSITION

The composition of Kesko's Board of Directors shall support Kesko's current and future business operations. The Board members are appointed on their merits. One of the essential features in the Board composition is that the Board members' educational backgrounds, experience, professional competences and age and gender distribution support Kesko's business objectives and enable efficient Board work from Kesko's point of view. The Board members shall also be able to devote a sufficient amount of time to Board work. Board members are recommended to hold Board memberships or high level positions in no more than four other publicly listed companies.

Kesko aims to achieve a balanced gender distribution in the composition of its Board of Directors. The composition of the Board shall reflect experience in both national and international business operations. The educational background of the Board members shall represent multiple disciplines and diversity. In addition, Kesko's Board shall include members with strong experience in the trading sector and in-depth knowledge of the retailer business. The achievement of objectives is monitored annually and reported in the corporate governance statement.”



Monitoring the implementation of diversity policy objectives in 2021

The educational backgrounds and experience and professional competencies of the Board members elected by the 2021 Annual General Meeting represent multiple disciplines and diversity. Several Board members have experience in the trading sector and the principal occupation of two of the seven Board members is acting as a K Group grocery retailer, while one is a K Group building and home improvement retailer. Several Board members also have experience in international business operations. Two of the seven Board members are women, in other words, the proportion of the gender with the smaller representation on the Board is approximately 29%. The age of Board members varies from 45 to 69 (see the table “Board composition and shareholdings” for detailed personal data).

Board Committees

Kesko’s Board of Directors has an Audit Committee and a Remuneration Committee, both of which are composed of three (3) Board members. At the close of the Annual General meeting, the Board elected the Chairs, the Deputy Chairs, and the members of the Committees from among its members.

All members of both Committees are independent of the Company’s significant shareholders. All members of the Audit Committee are also independent of the Company. The majority of the members of the Remuneration Committee are independent of the Company. In the election of committee members, the competence requirements for the Committee in question have been taken into account.

The Committees regularly assess their operations and working methods and carry out a related self-assessment once a year. The Board has confirmed written charters for the Committees, which contain the main duties and operating principles of the Committees.

The Committees have no independent decision-making power. Instead, the Board makes decisions on matters based on the Committees’ preparatory work. Each Committee Chair reports on the Committee’s work at the Board meeting following a Committee meeting. Minutes of the Committee meetings are submitted for information to the Board members.

Kesko’s Board of Directors has not established any other committees besides the Audit and Remuneration Committees.

AUDIT COMMITTEE

The Board’s organisational meeting, held after the Annual General Meeting of 12 April 2021, elected the following Board members as Audit Committee members:

- Jannica Fagerholm (Chair)
- Timo Ritakallio (Deputy Chair)
- Piia Karhu

During the period before the 2021 Annual General Meeting (1 Jan.–12 April 2021), the Audit Committee members were Jannica Fagerholm (Chair), Matti Kyytsönen (Deputy Chair) and Piia Karhu.

In accordance with its charter, the Audit Committee:

- monitors Kesko Group’s (Kesko) financial position and funding

- monitors and assesses Kesko’s financial reporting system, including the process for financial statements reporting
- monitors and assesses the effectiveness of Kesko’s internal control, internal audit, and risk management systems
- approves the operating instructions for the Company’s internal audit and annually assesses the need for changes, approves the annual audit plan, budget and resources and related material changes, and reviews reports submitted to the Committee
- monitors the statutory auditing of the Company and the Group
- discusses matters that emerge in connection with auditing and in relation to the Committee’s duties with the Company’s Auditor when necessary, and otherwise handles contacts with the Auditor
- reviews the Auditor’s Report and possible audit minutes and reports presented by the Auditor to the Committee
- monitors and evaluates the independence of the Company’s Auditor and, in particular, the non-audit services provided to Kesko by the Auditor and its network audit companies
- prepares the election of the Company’s statutory Auditor and recommends an Auditor
- monitors and assesses how agreements and other legal acts between the Company and its related parties meet the requirements of ordinary course of business and arm’s-length terms
- prepares recommendations to the Board regarding the review of interim reports, the half-year financial report, and the financial statements
- reviews the Company’s Corporate Governance Statement and non-financial report
- prepares and reviews other tasks given by the Board to the Committee

In 2021, the Audit Committee held five meetings. The attendance rate of Committee members at the meetings was 100%. At the meetings, the Group's Chief Financial Officer, the Group Controller, the director in charge of internal audit and risk management, and the Group General Counsel regularly reported on their areas of responsibility to the Committee. The Committee also receives reports on Kesko Group's funding situation, taxation, information management, risk management, compliance operations, and insurances. The Auditor is present at the Committee meetings and presents their audit plan and report to the Audit Committee.

During the year, the Committee reviewed reports on the Group's financial situation, including the financial statements release, the half-year financial report and the interim reports and updated forecasts, and made a recommendation to the Board on the review of the reports and the financial statements release. The Committee reviewed the reports of the Group's external and internal audits, risk management and compliance, the report on related party transactions, and the Corporate Governance Statement. In terms of risk management, the Audit Committee concentrated in particular on the Covid-19 pandemic and cyber security and related operational risks by reviewing the risks in each meeting. The Committee approved the 2022 audit plan, personnel resources and budget for the Group's internal audit. The Committee also reviewed the results of goodwill impairment testing, Kesko's Data Balance Sheet, and reviews for financing operations and tax matters. The Committee monitored and assessed the Auditor's independence and the non-auditing consultation services provided by the Auditor and other

auditing firms to Kesko. The Audit Committee assessed its operations as part of the Board's self-assessment.

REMUNERATION COMMITTEE

The Board's organisational meeting, held after the Annual General Meeting of 12 April 2021, elected the following Board members as Remuneration Committee members:

- Esa Kiiskinen (Chair)
- Peter Fagernäs (Deputy Chair)
- Timo Ritakallio

In the period before the 2021 Annual General Meeting (1 Jan.-12 April 2021), the Remuneration Committee composition was Esa Kiiskinen (Chair), Peter Fagernäs (Deputy Chair), and Matti Kyytsönen.

In accordance with its charter, the Remuneration Committee:

- prepares the Company's Remuneration Policy and Remuneration Report for Governing Bodies
- presents the remuneration policy and report at the General Meeting and responds to questions related thereto
- monitors the implementation of the remuneration policy presented to the General Meeting and ensures that the remuneration of the Company's governing bodies is conducted under the remuneration policy presented to the General Meeting
- conducts preparatory work for the remuneration and other financial benefits for the Company's President and CEO and Deputy President and CEO and for their service contracts

- conducts preparatory work for the remuneration and other financial benefits for Group Management Board members responsible for lines of business; decisions on the remuneration and financial benefits for Group Management Board members other than those responsible for lines of business are made by the President and CEO within the limits set by the Remuneration Committee Chair
- conducts preparatory work pertaining to the appointment of a President and CEO, Deputy President and CEO, and Group Management Board members responsible for lines of business, and to identifying their potential successors
- conducts preparatory and development work on matters pertaining to remuneration schemes, including
 - evaluating the remuneration for the President and CEO, Deputy President and CEO, and other management, and ensuring the appropriateness of the Company's remuneration schemes
 - preparing potential share or share-based compensation schemes
 - preparing the distribution and terms and conditions of shares or options under any share or share-based compensation schemes the General Meeting may have decided on
 - preparing the principles for the performance and result criteria of the compensation schemes, and monitoring their implementation and evaluating their impact on Kesko's long-term financial success
- preparing and reviewing other tasks given by the Board to the Committee



In 2021, the Remuneration Committee held four meetings. The attendance rate of Committee members at the meetings was 100%. The Committee prepared, among other things, proposals to the Board for the Remuneration Report for the Governing Bodies of Kesko Corporation, the 2021–2024 share-based compensation plans, the performance criteria and target values and the target group for share awards, the principles of Group performance bonuses for 2022, as well as for the performance bonuses to be paid for 2020 to the President and CEO and Group Management Board members responsible for lines of business. The Committee monitored and evaluated the implementation of total remuneration for management. The Committee also reviewed, among other things, the amendment to the President and CEO's managing director's contract and retirement contract. The Remuneration Committee assessed its operations as part of the Board's self-assessment.

MANAGING DIRECTOR (PRESIDENT AND CEO) AND THEIR DUTIES

Kesko has a managing director who is referred to as the President and CEO. Kesko's President and CEO is Mikko Helander, M.Sc. Technology (b. 1960). He became Kesko's President and CEO on 1 January 2015. Helander was also a member of the Group Management Board and Kesko's Executive Vice President during the period between 1 October 2014 and 31 December 2014, and he has been the Chair of the Group Management Board since 1 January 2015.

The President and CEO's duty is to manage Kesko Group's operations in accordance with the instructions and orders issued by the Company's Board of Directors, and to report to the Board the developments in the Company's business

operations and financial situation. The President and CEO is also responsible for organising the Company's day-to-day governance, and for the Company's accounting complying with legislation, and financial matters being organised in a reliable manner. The President and CEO also chairs the Group Management Board.

The President and CEO is appointed by the Board of Directors. The Board has decided the terms and conditions of the President and CEO's service contract. A written managing director's service contract, approved by the Board, has been made between the Company and the President and CEO.

The Deputy CEO is Jorma Rauhala, M.Sc. (Econ.) (b. 1965).

GROUP MANAGEMENT BOARD

Kesko Group has a Group Management Board, the Chair of which is Kesko's President and CEO. The Group Management Board does not have any powers under law or the Articles of Association. The Group Management Board's duty is to discuss Group-wide development projects and Group-level policies and procedures. In addition, the Group Management Board discusses, among other things, the Group's and the division companies' business plans, profit performance, and matters reviewed by Kesko's Board of Directors, in whose preparation it also participates. The Group Management Board typically meets 14–18 times a year. In 2021, the Group Management Board met 22 times.

Group Management Board 2021

	Group Management Board member since	Area of responsibility	Kesko shares held on 31 Dec. 2021
Mikko Helander, President and CEO	1.10.2014	Kesko's President and CEO	5,000 A shares held by him 324,260 B shares held by him
Jorma Rauhala, President, building and technical trade, Deputy CEO	5.2.2013	Building and technical trade	168,796 B shares held by him
Ari Akseli, President, grocery trade division	15.11.2017	Grocery trade	324 A shares held by him 79,570 B shares held by him
Matti Virtanen, President, K Auto Oy	9.4.2021	Car trade	1,000 B shares held by him
Jukka Erlund, Executive Vice President, Chief Financial Officer	1.11.2011	Finance, IT, risk management and M&A	137,156 B shares held by him
Riikka Joukio, Executive Vice President	12.4.2021	Sustainability and Public Affairs	330 B shares held by her
Matti Mettälä, Executive Vice President	1.10.2012	HR	88,440 B shares held by him
Karoliina Partanen, Executive Vice President	1.10.2020	Communications, Branding and Stakeholder Relations	16,344 B shares held by her
Anni Ronkainen, Executive Vice President	20.4.2015	Chief Digital Officer	68,612 B shares held by her
Johan Friman, President of K Auto Oy*	1.1.2017	Car trade	

* Johan Friman's Group Management Board membership ended on 9 April 2021

Descriptions of internal control procedures and the main features of risk management systems

GROUP FINANCIAL REPORTING

Kesko's management model

Kesko's financial reporting and planning are based on Kesko Group's management model. The Group units' financial results are reported and analysed internally within the Group on a monthly basis and disclosed quarterly in interim reports, the half-year financial report, and the financial statements release. Financial forecasts are updated quarterly, in addition to which significant changes are taken into account in the monthly reported performance forecast. The Group's and its units' strategies and related long-term financial plans are updated annually.

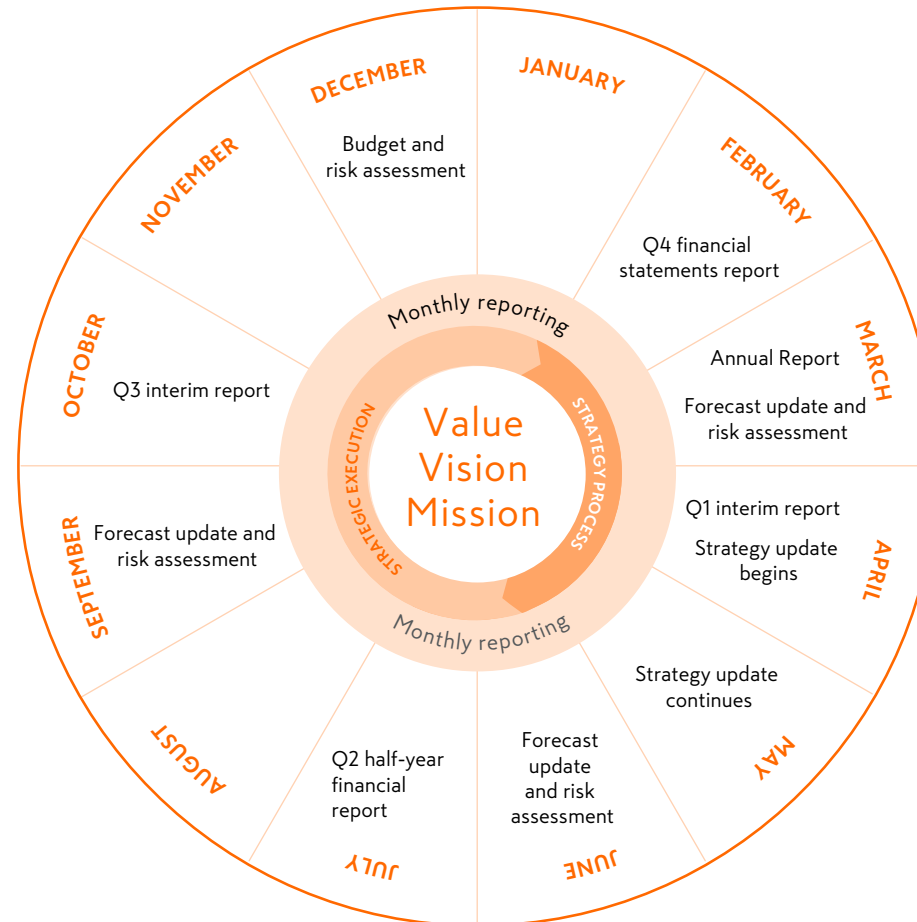
Roles and responsibilities

Kesko Group's financial reporting and its supervision are organised on three levels. Businesses analyse and report their figures to the divisions, which then report the division-specific figures to Group level. Analysis and control points for ensuring the accuracy of reporting are used on each of the three reporting levels. The accuracy of reporting is also ensured with automated and manual controls at every reporting level. The implementation of the analyses and controls is supervised on a monthly basis at company, business, division and Group levels.

Planning and performance reporting

The Group's financial development and achievement of financial objectives are monitored by financial reporting covering the entire Group. Monthly performance reporting includes actual Group, division and business specific results, changes compared to the previous year, comparison with forecasts, and forecasts

Kesko Group's management model





for the ongoing financial year. The Group's short-term financial planning is based on annual budgeting and quarterly updated forecasts extending to the end of the current financial year. The key financial indicators are sales performance for growth, comparable operating profit, comparable operating margin, and comparable return on capital employed for profitability, and free cash flow for cash flow, monitored by monthly internal reporting. Information on the Group's financial situation is provided in interim reports, the half-year financial report, and the financial statements release. The Group's sales figures are published monthly.

Performance reporting to the Group's top management

Performance reporting to the Group's top management comprises monthly reports on the Group's, divisions', businesses' and subsidiaries' sales, profits, capital employed and cash flows, as well as on the Group's financial items, cash flow, and balance sheet position. Each business is primarily responsible for the financial reporting and the accuracy of the figures. The controlling function of each division analyses the whole division's figures for which the division's financial management is responsible. The Group is responsible for the whole Group's figures. The key items in the income statement, capital employed and balance sheet are analysed monthly at business, division and Group level, based on a documented division of duties and predefined reports. This makes real-time information on the financial situation constantly available and enables real-time responses to possible issues.

Public performance reporting

Public performance reporting comprises interim reports, the half-year financial report, the financial statements release, the annual financial statements, and monthly sales reports. The same accounting principles and control methods are applied to public performance reporting as to monthly performance reporting. The Audit Committee reviews the interim report, the half-year financial report, and the financial statements and gives a recommendation on their review to the Board of Directors. The Board approves the interim report, the half-year financial report, and the financial statements before they are published.

Key actions in 2021

The Covid-19 pandemic and poor predictability of the economic operating environment continued to impact the operations of the financial organisation in 2021. This emphasised the importance of up-to-date forecasts to support management decision-making, and the ability to respond to quickly changing situations. In 2021, we continued to harmonisation and automation of financial administration processes under the Digital Finance project. In Norway and Sweden, we continued the integration of the financial administration of acquired businesses. The Group initiated a project to harmonise financial processes and financial reporting related controls, by identifying key controls and related risks, as well as practices related to their implementation, documentation and monitoring.

Key actions in 2022

In 2022, we will continue the harmonisation and automation of financial administration processes through the utilisation of modern technologies. The harmonisation of key controls related to financial processes and financial reporting will be advanced in various businesses. Reporting will be automated and developed based on business needs.

Accounting policies and financial administration IT systems

Kesko Group complies with the International Financial Reporting Standards (IFRS) approved for adoption by the European Union. The accounting policies applied by the Group have been compiled in an accounting manual, which is updated as the standards are amended. The manual contains instructions for Group companies and for preparing the consolidated financial statements. Kesko Group's financial administration information is generated from division and company specific enterprise resource planning systems and basic finance systems into the Group's centralised consolidation system to produce the Group's key financial reports. The key systems used to generate financial information have been certified and secured by back-up systems, and they are controlled and checked regularly to ensure reliability and continuity.

INTERNAL CONTROL

Internal control is an essential part of management, and involves Kesko's Board of Directors, management and personnel. The objective is to ensure Kesko achieves its targets. Efficient internal control ensures that deviations from objectives can be prevented or detected as early as



possible so that corrective measures can be taken. Internal control tools include policies and principles, working instructions, approval authorisations, authorisations for use, device and software controls, manual controls, balancing, monitoring reports and inspections and self-assessments.

The objective of internal control in Kesko Group is to ensure the efficiency, productivity, continuity and freedom from disruptions of operations, compliance with laws, regulations and agreements and Kesko's values and operating principles, the reliability of financial and operational reporting both externally and internally, as well as the safeguarding of assets, information and expertise.

Internal control is efficient when it is continuous, integrated as part of operations, and ensures sufficiently that business targets are met. For internal control to remain efficient, it is important that management identifies the risks related to achieving targets and that control measures are targeted based on risk.

The Board of Directors and the President and CEO are responsible for organising internal control. The management of each division, company and unit is responsible for developing, implementing and maintaining an efficient and functional internal control system in their area of responsibility. The management is responsible for extending control also to outsourced services. Everyone working at Kesko is obliged to comply with the K Code of Conduct and Kesko's policies, principles and work-related instructions, and to report any defects they identify to their manager. People can also use the SpeakUp channel

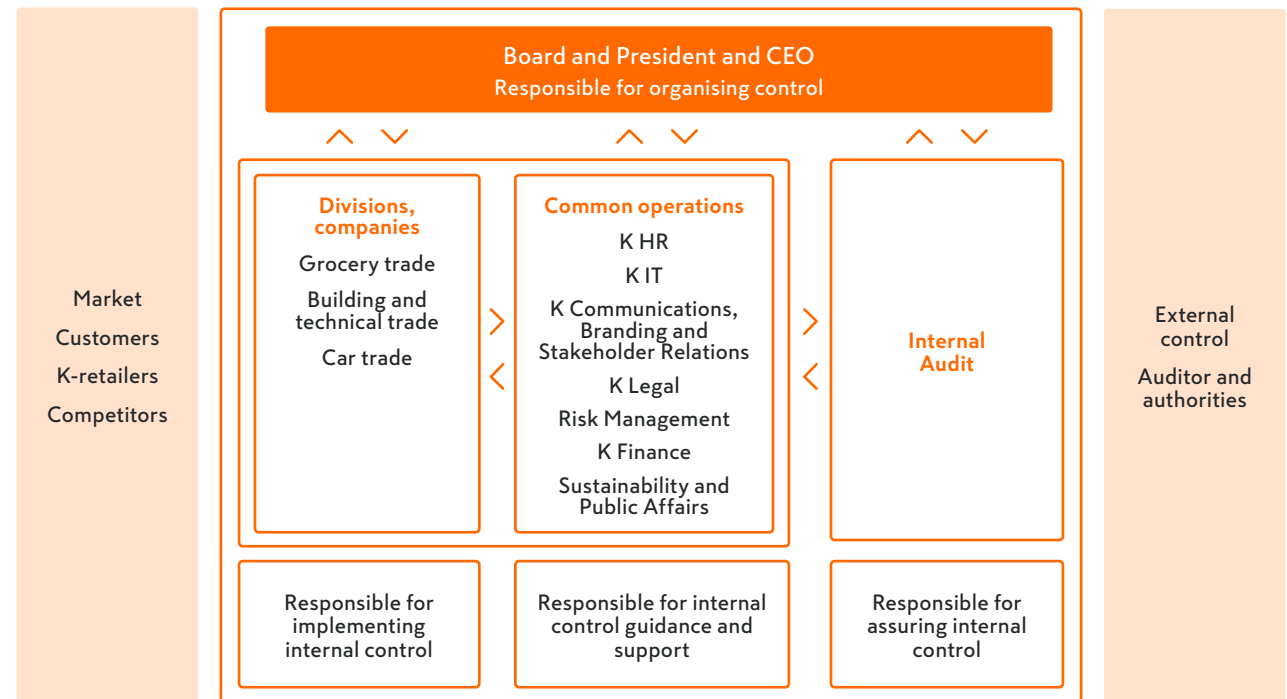
to inform the Company of suspected breaches of law or internal misconduct.

Kesko's common operations guide and support the divisions, companies and units with Group-level policies, principles and instructions pertaining to their respective areas of responsibility. Kesko Group's internal audit function assesses and verifies the effectiveness and efficiency of Kesko's internal control, reports on it to the President and

CEO and the Audit Committee of Kesko Corporations' Board of Directors, and assists management and Kesko's units in the development of the internal control system.

Kesko's Board has approved Kesko's internal control policy, which is based on good control principles widely accepted internationally (COSO) and Kesko's document management model, which comprises policies, principles and instructions that must be complied with throughout Kesko Group.

Roles and responsibilities in Kesko Group's internal control





RISK MANAGEMENT

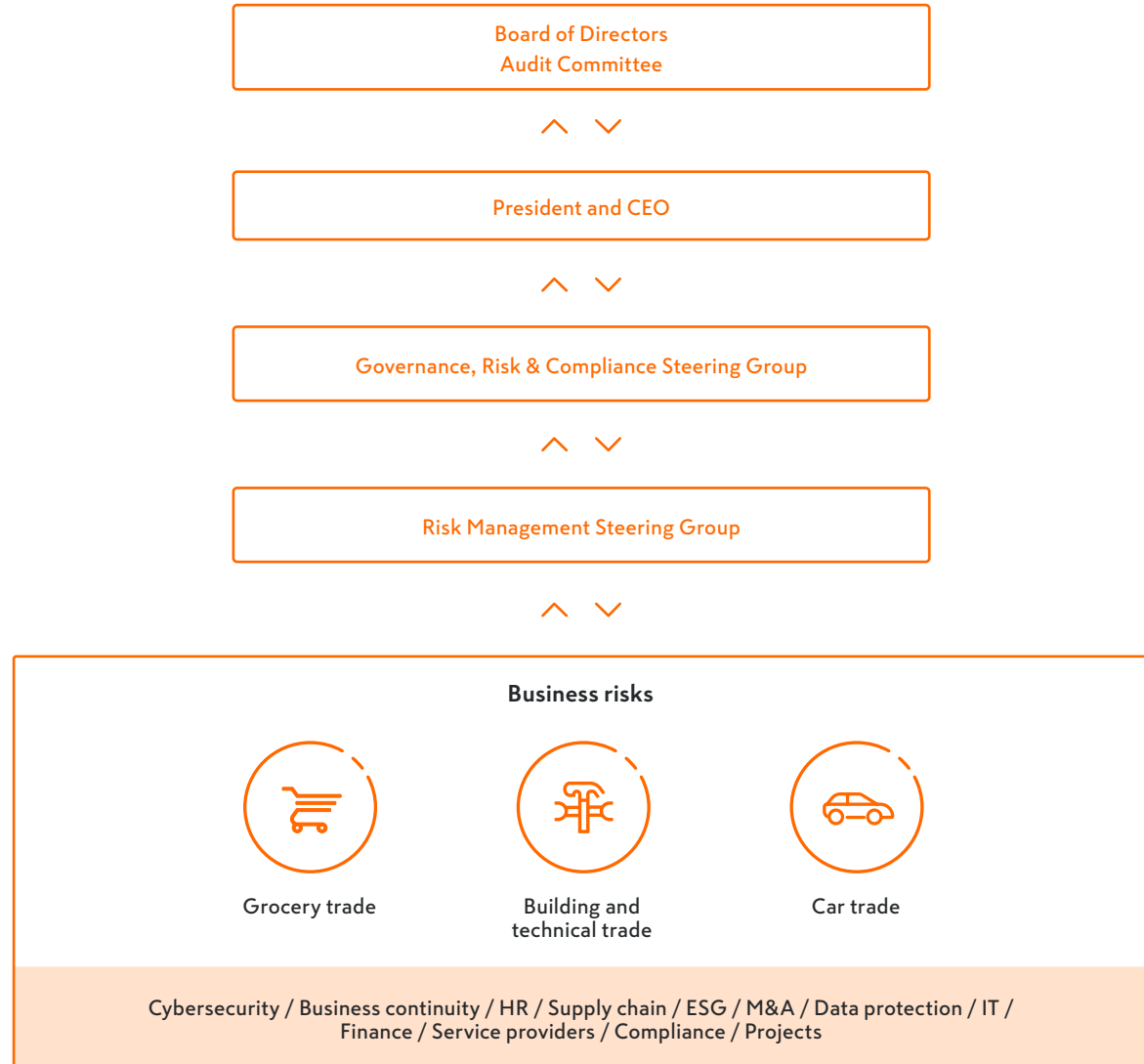
Kesko's risk management is proactive and an integral part of day-to-day management. The objective of risk management is to support the implementation of Kesko's strategy.

Risk management in Kesko Group is guided by the risk management policy approved by Kesko's Board of Directors. The policy defines the goals and principles, organisation, responsibilities and practices of risk management in Kesko Group. In the management of financial risks, the Group's treasury policy, confirmed by Kesko's Board of Directors, is observed.

The management of businesses and common operations are responsible for the implementation of risk management. The finance director is responsible for the execution of risk management in each division. The risk management unit coordinates the risk management process and is responsible for risk reporting and executes risk identification, the determination of risk management responses and their implementation jointly with the businesses and common operations. Every member of Kesko personnel must know and manage the risks in their areas of responsibility.

Kesko Group applies a business-oriented and comprehensive approach to risk assessment and management. This means that key risks are identified, assessed, managed, monitored and reported as part of business operations at Group, division, company and function levels throughout the Group.

Risk management steering model



Kesko has a uniform risk assessment and reporting model. Risk identification is based on business objectives and opportunities and the defined risk appetite. Risks are prioritised on the basis of their significance by evaluating their impact in euro terms and their probability. When assessing the impact of realisation, the impacts on e.g. reputation, the wellbeing of people and the environment are assessed in addition to the impact in euros.

Risk identification and assessment play a key role in Kesko's strategy work and operations planning. In addition, risk assessments are made of significant projects related to capital expenditure, business arrangements, or changes in operations. The risk assessments of the divisions and common operations which include a risk map, risk management responses and indicators, responsible persons and schedules, are reviewed regularly by the management of the respective division or common operation.

Risks and risk management responses are reported in accordance with Kesko's reporting responsibilities. The divisions and common operations report on risks and changes in them to the Group's risk management function. Risks are reviewed by the risk management steering group, which includes representatives of the divisions and common operations. On that basis, the Group's risk management function prepares quarterly a Group risk report, which is reviewed by the Governance, Risk and Compliance (GRC) steering group, after which the risk report is approved by Kesko's President and CEO.

The Group's risk map, the most significant risks and uncertainties, as well as material changes in and responses to them are reported to the Kesko Board's Audit Committee in connection with the review of interim reports, the half-year financial report, and financial statements. The Audit Committee also evaluates the efficiency of Kesko's risk management system. The Audit Committee Chair reports on risk management to the Board of Directors as part of the Audit Committee Report.

Kesko's Board reviews Kesko Group's most significant risks and uncertainties. The most significant risks and uncertainties are reported to the market by the Board in the Report by the Board of Directors, and any material changes in them in the half-year financial report and the interim reports.

Risk management responses in 2021

Due to the Covid-19 pandemic, the Group preparedness management team continued to operate and coordinate the situation, decide on measures and direct their implementation. The health and safety of personnel and customers and business continuity continued to be the focus areas. In risk management, separate risk assessments were initiated in cooperation with the Group Legal Affairs regarding data protection, competition law, consumer protection, and corruption, to support the planning of the compliance programmes decided. A separate extensive study and assessment of occupational safety was conducted in Finland; the results will be used to develop and assess

occupational safety in all operating countries. Instructions and tools for managing business continuity were updated, and an update of continuity plans for logistics initiated in accordance with the new model. An analysis of alternatives for Group insurance coverage was initiated in an effort to reduce challenges related to the cyclical nature of the insurance markets. We continued to improve the efficiency of security technology and security services by concentrating acquisitions and developing the lifecycle management of security and real estate systems.

Focus areas for risk management in 2022

Focus areas for risk management include the further development and expansion of integrated risk management. In continuity management, we will expand the implementation of the new steering model and make changes to management reporting. The structures for insuring Kesko Group will be examined based on the results of the analyses conducted, and if necessary, changes will be made to insurance cover on a risk-basis. In terms of risks related to climate change, risk assessment for grocery trade will be deepened based on TCFD recommendations. We will continue to improve the efficiency of security technology and security services by concentrating acquisitions, developing the lifecycle management of security and real estate systems and preventing related cyber threats. Special measures for the protection of personnel and customers and for securing business continuity in relation to the Covid-19 pandemic will continue.

Other information to be provided in the CG statement

INTERNAL AUDIT

Kesko's internal audit is responsible for the Group's independent evaluation and assurance function required of a listed company, which systematically examines and verifies the efficiency of risk management, management, control and governance. The Audit Committee of Kesko's Board of Directors has confirmed the operating instructions for Kesko's internal audit function.

The internal audit function is organised under Kesko's President and CEO and the Audit Committee, and it reports on its findings and recommendations to the Audit Committee, the President and CEO, the management of the audited operation, and the Auditor. The function covers all Kesko's divisions, companies and functions. Auditing is based on risk analyses, as well as risk management and control discussions conducted with the Group's and divisions' management. Meetings with the Auditor are arranged on a regular basis in order to ensure sufficient audit coverage and to eliminate overlapping operations.

An internal audit plan, subject to approval by the President and CEO and the Audit Committee, is prepared annually. The audit plan is modified on a risk basis, if necessary. As necessary, the internal audit function purchases external services for added resources or for the purpose of

conducting audit operations which require special expertise. Audits can also make use of the expertise and work contribution of Kesko Group's other specialists.

Internal audit operations in 2021

Key focus areas for internal audit in 2021 were data security, business continuity, business and IT related projects, and process efficiency and process controls.

Focus areas for internal audit in 2022

In 2022, focus areas for internal audit will include cyber security, IT and business projects, sustainability, process controls and process efficiency, business continuity, and vendor audits.

RELATED PARTY TRANSACTIONS

In accordance with the Corporate Governance Code, Kesko's Board of Directors has determined the principles for monitoring and evaluating related party transactions complied within the Group. The principles determine Kesko's related parties, and a list of related parties is maintained. Business operations that are part of ordinary course of business and implemented under arms-length terms have been identified. These include chain agreements in the K-chain operations used to join retailers to Kesko's retail chains, such as the K-Citymarket, K-Supermarket,

K-Market and K-Rauta chains, and the terms and conditions of sales for K-chain commerce and services operations. Kesko has made chain agreements also with companies controlled by Board members engaged in retailer operations. Like other chain agreements, these are part of Kesko's ordinary course of business. The agreements are made at the same organisational level following the same principles as other similar chain agreements. The Board makes decisions on agreements and other legal acts that are not part of Kesko's ordinary course of business or are not implemented under arms-length terms. The matter and related decision-making are prepared with care utilising, for example, external evaluations. Decision-making complies with the conflict of interest provisions of the Finnish Limited Liability Companies Act. Related party transactions and information concerning the monitoring of related party transactions are reported to Kesko's Audit Committee, and the supervision of related party transactions is part of Kesko Group's internal control. Kesko regularly reports related party transactions as part of its financial reporting, and publishes related party transactions in a manner determined by regulations. Kesko Group's related party transactions are reported in **note 5.3 to the consolidated financial statements**.

MAIN PROCEDURES RELATING TO INSIDER ADMINISTRATION

Insider regulations

Kesko complies with the EU and Finnish regulations concerning insiders, the insider guidelines of Nasdaq Helsinki Ltd, and the complementary insider instructions confirmed by Kesko.

Managers and management transactions

Kesko has determined that ‘managers’ (persons discharging managerial responsibilities) in Kesko, as referred to in the EU Market Abuse Regulation (MAR), comprise the members of Kesko Corporation’s Board of Directors, and the President and CEO and other members of the Group Management Board. The managers and their related parties are obliged to inform Kesko and the Finnish Financial Supervisory Authority of transactions they make with Kesko’s financial instruments such as shares. Transactions by the managers and their related parties are disclosed in accordance with MAR.

Closed period

A closed period of 30 calendar days before the publication of interim reports, the half-year financial report, and the financial statements release is applied to members of management at Kesko. The Company has imposed a corresponding 30-day closed period also on persons involved in the preparation of Kesko’s interim reports, the

half-year financial report, and the financial statements. During the closed period, the persons are prohibited from trading in Kesko’s shares and other financial instruments.

Insider projects

A project-specific insider list is established for projects involving insider information. Persons on the list cannot trade in financial instruments in Kesko during the project.

Duties

Insider management at Kesko is concentrated in Legal Affairs. Kesko’s Legal Affairs

- provides information, instructions, training and advice on insider matters internally,
- develops insider administration,
- monitors regulatory changes concerning insider matters,
- is responsible for insider lists, the list of management and related parties, and other insider administration-related procedures,
- participates in internal investigation of concerns and suspected breaches related to insider matters, and
- monitors compliance with insider guidelines together with Kesko’s internal audit.

AUDITING

According to Kesko’s Articles of Association, Kesko’s Auditor shall be an Authorised Public Accountants Organisation which shall designate an Authorised Public Accountant as the auditor with principal responsibility.

The Audit Committee conducts preparatory work for the election of the Company’s Auditor, and recommends an Auditor. The Board submits a proposal to the Annual General Meeting for the Company’s Auditor. The Audit Committee monitors and assesses the Auditor’s operations and services annually. The Auditor’s term of office is the financial year during which the Auditor is elected, and the Auditor’s term continues until the close of the next Annual General Meeting to follow. An audit company belonging to the same network of audit companies as the audit firm elected by Kesko’s Annual General Meeting as Auditor is elected as the auditor of each of the Group’s subsidiaries outside Finland.

The Auditor provides Kesko’s shareholders with the statutory Auditor’s Report in connection with the Company’s financial statements and regularly reports on its findings to the Audit Committee of Kesko’s Board of Directors. The Annual General Meeting of 2021 elected the firm of authorised public accountants Deloitte Oy as the Company’s Auditor, with APA Jukka Vattulainen as the auditor with principal responsibility.

The Annual General Meeting resolved that the Auditor’s fee and the reimbursement of the Auditor’s expenses be paid according to an invoice approved by the Company.



Auditors' fees in 2020–2021 (€1,000)

	2021			2020		
	Kesco Corporation	Other Group companies	Total	Kesco Corporation	Other Group companies	Total
Auditing	377	639	1,016	420	566	986
Tax consultation	0	3	3	6	5	11
IFRS consultation	0	0	0	0	0	0
Other services	111	6	117	8	5	13
Total	488	648	1,136	434	576	1,010



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FOR SHOPPING TO BE FUN