

Wärtsilä UK Ltd UK Gender Pay Gap Report 2022

Wärtsilä is committed to embracing an inclusive and diverse corporate culture where everyone is appreciated regardless of gender, age, sexual orientation, ethnicity, social background or disability. We recognise that diversity is important for many different reasons in today's world. Globalisation leads to stakeholders representing different nationalities, age, and gender we want to be able to meet different needs. Also, in an international company we want to encourage and celebrate the diversity among our employees and utilize the advantages this can give. There are already a number of both global and local initiatives underway and many more are planned to support our ethos.

What is gender pay gap?

UK legislation requires all legal entities with over 250 employees to share data on the gender pay gap, which is the difference in average earnings between men and woman. The gender pay gap is different from 'equal pay'. Equal pay is paying men and women the same amount to do the same job and has been a legal requirement since 1970.

Gender pay gap figures in the UK

Following the introduction of gender pay gap reporting in the UK, the disparity in pay between male and female employees has been decreasing. The [Office for National Statistics \(ONS\)](#) reported that in 2019 the UK gender pay gap was 17.4% reducing to 14.9% in 2020 before increasing to 15.1% in 2021. The ONS estimate that there will be a reduction in the UK gender pay gap to 14.9% in 2022.

Following the global outbreak of COVID-19 in 2020, the UK Government introduced the Coronavirus Job Retention Scheme to support organisations and employees during periods of furlough. It is important to recognise that furlough and the Coronavirus Job Retention Scheme may have artificially impacted gender pay gap reporting where significant differences occurred in the number of male and female employees furloughed. Overall in the UK, more male employees were furloughed compared with female employees in 2020 whereas the following year the reverse was true as more female employees were furloughed. This may partly explain why the UK gender pay gap decreased in 2020 and subsequently increased in 2021. As the impact of COVID-19 on the workplace begins to stabilise, this may provide an explanation for the decrease in the 2022 figures.

There are a number of complexities in interpreting earnings data in the current climate, specifically the impact of COVID-19 on the 2020 reporting requirements, overall earnings and aforementioned furlough and Job Retention scheme. Comparisons with results from 2020 need to be interpreted with caution and the focus for Wärtsilä UK will be on longer-term trends rather than year on year changes whilst recognising the current economic climate in the UK.

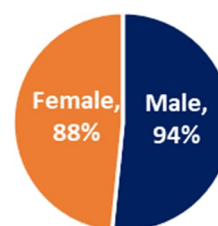
How was this data collected in Wärtsilä UK?

- The data applies to UK entities with over 250 people and includes 300 employees' salary data.
- The figures are snapshots of salary data from April 5, 2022 and the preceding 12 months (overall pay + bonus).
- The pay gap is calculated by taking the percentage difference between both the mean and median pay for men and women across salaries and bonus.

Gender pay gap in Wärtsilä

	Mean/Average	Median
Hourly Pay	21%	31%
Bonus Pay	38%	26%

Proportion of employees receiving a bonus (in 12 months preceding 5 April 2022)



Wärtsilä UK Ltd Gender distribution across 4 equally sized hourly pay quartiles

	Lower Quartile	Lower Middle Quartile	Upper Middle Quartile	Top Quartile
Male	46%	76%	80%	81%
Female	54%	24%	20%	19%

What explains the salary gender gap figures in UK?

In general, across all employers in the UK, men are paid 14.9% more than women and 8.3% more for full-time staff, based on median gross hourly earnings in April 2022, [according to the Office for National Statistics \(ONS\)](#).

In Wärtsilä specifically, an analysis of our figures indicates that there are two key factors explaining the difference in average pay. First of all, we have a distinct lack of women in senior management and leadership roles. Secondly, we recognise that there is also a lack of women in engineering positions as the majority of women are working in non-technical and/or more junior roles. This inevitably effects the mean salaries between men and women in the business. Despite this, in Wärtsilä, if men and women are in the same position they are paid comparatively.

How will the management continue to address the gender pay gap issue?

Wärtsilä promotes freedom from discrimination based on race, ethnic or national origin, colour, gender, family status, sexual orientation, creed, disability, age or political beliefs, or other characteristics protected by law. Wärtsilä fosters equal opportunity and employees are selected and treated on the basis of their abilities and merits.

Wartsila continues to employ fair employment practices, and these are in the essence of Wärtsilä's code of conduct. Our Talent Acquisition policies and practices support the actions that encourage the hiring of women in senior & technical roles.

Wärtsilä's global rewarding principles:

We are committed to ensuring that there is a transparency in the compensation differentials. In addition to location/country specific differences, acceptable pay differences are based on position responsibility, demands, employee performance and his/her skillset and competences.

Wärtsilä uses a job grading structure to describe position requirements, scope of responsibilities and impact of the position. A common global framework provides the basis for transparent, fair and equal treatment of employees across the company. This also provides us means to analyse salaries and their competitiveness, internally and externally, in all Wärtsilä countries and entities.

There should be no pay differences based on gender in comparative roles nor recruiting people with too low starting salaries. Salary increases depend on performance and robust salary benchmarking data and are not based on gender.

In addition, benefits, such as Corporate and Profit-Sharing Bonuses, are applied dependant on the Wärtsilä job grading structure.

Wärtsilä UK Ltd Statistics:

A key focus in Wärtsilä's future strategy for the UK is the retention of female employees overall with additional focus on the retention of high potential female employees, those in technical roles and those in managerial and leadership positions.

Wärtsilä is committed to actively working to ensure the gender balance is continuously reviewed and a key focus in our future people strategy. Diversity and inclusion is at the core of our values and we look forward to continuing to create and support initiative to ensure this happens.

What is Wärtsilä's gender pay gap strategy for the UK?

Developing and implementing an agile and innovative strategy is a key focus for the future and will require a long-term investment to continue to improve Wärtsilä's gender pay in the UK.

We recognise that there is significantly smaller female talent pool within this industry so the future UK gender pay gap strategy will be targeting STEM (science, technology, engineering and maths) as well as the growth and development of future talent including early education.



I Pledge

To embrace **diversity**

To challenge **conscious** and **unconscious** bias within my everyday life

To make decisions that promote a culture of **inclusion** within Wärtsilä



#pressforprogress #IWD2019