

## Wärtsilä UK Ltd UK Gender Pay Gap Report 2024

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?

The gender pay gap refers to the difference in average earnings between men and women across an organization or sector. It is distinct from 'equal pay,' which mandates that men and women must be paid the same amount for performing the same job, a legal requirement in the UK since 1970. UK legislation requires all legal entities with over 250 employees to report their gender pay gap data annually. This legislation, part of the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

### 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 decreased by a quarter over the last decade. The Office for National Statistics reported that in 2023 the gender pay gap was 14.2% and this reduced to 13.1% in April 2024.

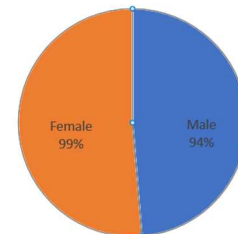
### How was this data collected in Wärtsilä UK?

- The data applies to UK entities with over 250 people and includes 318 employees' salary data.
- The figures are snapshots of salary data from April 5, 2024 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	24%	30%
Bonus Pay	24%	32%

#### Proportion of employees receiving a bonus (in 12 months preceding 5 April 2024)



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

	Lower Quartile	Lower Middle Quartile	Upper Middle Quartile	Top Quartile
Male	49%	71%	80%	84%
Female	51%	29%	20%	16%

## **What explains the salary gender gap figures in UK?**

At Wärtsilä, our analysis has identified two primary factors contributing to the observed differences in average pay between men and women. Firstly, there is a significant underrepresentation of women in senior management and leadership roles. This lack of female presence in higher-level positions means that the average salaries for women are generally lower, as these roles typically command higher pay.

Secondly, we recognise that women are also underrepresented in engineering positions. Instead, the majority of women at Wärtsilä are employed in non-technical roles or more junior positions. This distribution further skews the average pay, as technical and senior roles often offer higher salaries compared to non-technical and junior roles.

Despite these disparities, it is important to note that at Wärtsilä, men and women who hold the same positions receive comparable pay. This means that when men and women are in equivalent roles, their salaries are aligned, reflecting our commitment to pay equity within the same job categories.

To address these issues, we are committed to implementing strategies that promote gender diversity and inclusion, particularly in senior management and engineering roles. By doing so, we aim to create a more balanced workforce and reduce the overall pay gap between men and women.

## **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.

In 2024 Wärtsilä updated the internal global job grading structure. This job architecture is used 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 including 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 are 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. However, due to the set up of a global company and global teams there is only a certain amount of control that the UK can have in relation to this strategy. The European Union has introduced the Pay Transparency Directive, which requires member states to implement gender pay gap reporting by June 2026. This directive mandates that companies with over 250 employees must report their gender pay gap annually, while those with 150-250 employees must report every three years. Additionally, employers must disclose pay ranges in job postings and provide detailed information on pay criteria for raises, promotions, and career progression. These requirements aim to promote equal pay, boost transparency, and ensure fairness in the workplace across Europe. This will help to develop the global rewarding and transparency strategy which we anticipate will have a positive impact on UK strategy.

Our current UK strategy includes the regular use of flexible working arrangements to aid with work life balance and childcare responsibilities, the introduction of a menopause stirring group to support females across all levels within the business and undertaking regular pay audits to ensure transparency and fairness.

A report published in March 2022 by EngineeringUK showed that 16.5% of those working in engineering are women, compared to 10.5% in 2010. Whilst this talent pool is growing females are still significantly lower in this industry. Therefore, the 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



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