

Remuneration Report 2024

2024 REMUNERATION AT A GLANCE

The Board fees approved for 2024 saw minor adjustments to Committee and meeting fees but otherwise remained unchanged.

Incentive plan pay-outs

In the short-term incentive plan (STI), the CEO and Board of Management's focus was on group and business financial targets for 2024.

The STI for 2023 resulted in a pay-out (paid in 2024).

The STI for 2024 resulted in a pay-out (will be paid in 2025).

In our Performance Share Plan (PSP), in addition to Economic Value Added (EVA), we have also included sustainability performance metrics, which are linked to our strategic target of providing a product portfolio that will be ready for zero carbon fuels by 2030.

The 2021-2023 PSP resulted in a pay-out (paid in 2024).

The 2022-2024 PSP resulted in a pay-out (will be paid in 2025).

Remuneration Report 2024

From proxy advisors' feedback and the shareholder engagement in 2024, we noted the request for an increased level of transparency for the short-term and long-term incentive plans. We have acted on this feedback and in this Remuneration Report 2024 we have disclosed numerical achievement rates per STI and PSP performance measures.

The Remuneration Report outlines the remuneration for Wärtsilä's Governing Bodies as required by the Finnish Securities Market Act, the Finnish Limited Liability Companies Act, the Decree of the Ministry of Finance on the remuneration policy and remuneration report of a share issuer (608/2019), and the Finnish Corporate Governance Code 2025 (the "Code") issued by the Securities Markets Association. The report presents information on the remuneration of the Chief Executive Officer and the Board of Directors during the financial year 2024. It also presents the development of average employee remuneration and company performance over the past five financial years, in comparison to the CEO and Board members' remuneration.

REMUNERATION POLICY AT A GLANCE

According to the **Remuneration Policy for Governing Bodies of Wärtsilä** (the "Remuneration Policy" or "Policy"), remuneration at Wärtsilä shall follow the **'Pay for Performance' principles** of being responsive, transparent, and competitive, while aligning relevant interests. These principles are used for structuring the reward approach throughout the organisation, and are designed to align employee rewards with the interests of the company and its shareholders.

Remuneration for the Board of Directors (the "Board") consists of annual fees for Board membership, attendance fees, and committee fees. Fees vary based on position, workload, and responsibility. Annual fees are paid in shares and cash, attendance and committee fees in cash. The Annual General Meeting ("AGM") decides on the fees for each term of office.

Remuneration of the Chief Executive Officer (the "CEO") consists of a base salary, pension, and benefits, as well as short- and long-term incentives. The objective is to have a good balance of rewarding elements, and to guarantee a market competitive level of fixed remuneration. This is supplemented with short- and long-term incentive schemes aimed at providing an appropriate reward for driving company performance.

The Board may deviate from the Policy in extraordinary circumstances. To read the full Policy, please visit Wärtsilä's website at www.wartsila.com/investors/governance.

1. INTRODUCTION

1.1. Letter from the Chair of the People Committee

Dear Shareholders,

I am pleased to share with you Wärtsilä's 2024 Remuneration Report, which has been approved by our Board of Directors.

In 2024, the People Committee has effectively implemented our Remuneration Policy and actively supported the roll-out of our People strategy and priorities. Our aim is to create an engaging work environment, with a strong emphasis on wellbeing and inclusion for our 18,300 employees.

Our 'Pay for Performance' approach is built on responsiveness, transparency, and competitiveness, aligning employee remuneration with the interests of the company and its shareholders. By rewarding employees for achieving business results, we attract, engage, and retain top talent. We also focus on building and rewarding high-performing teams to drive success.

The Short-Term Incentive (STI) plan 2024 was based on group and business financial goals for the CEO and Board of Management. We saw a very positive development in all 3 of our financial targets – net sales, EBIT and the operating cash flow. This resulted in a pay-out under the 2024 STI plan, which recognised and rewarded the very good performance of our employees.

Our Performance Share Plan (PSP), integrates financial and sustainability objectives, focusing on CO2 reduction. Wärtsilä's decarbonisation strategy is to become carbon neutral in its own operations, and to have a product portfolio ready for zero carbon fuels. We saw good progress with the financial and sustainability targets and the 2022-2024 PSP resulted in a pay-out.

Throughout the year, we advanced The Wärtsilä Way, our company strategy. We achieved strong results in the MyVoice employee engagement survey, surpassing global benchmarks, which reflects our shared dedication to fostering positive change. It also indicates

that our team is eager to make a meaningful impact. The new wellbeing approach supports sustainable performance and the wellbeing of all Wärtsiläns, tying together what is important for our people and the company.

We also made strides in implementing the Continuous Improvement framework, emphasising creating customer value and success. This includes persistently eliminating waste, while enhancing teamwork, predictability, and performance.

Our mission to enable sustainable societies through technological innovation and services drives us to lead the decarbonisation of the marine and energy sectors. We have set clear paths for success with our Leadership Model, Continuous Improvement approach, and the new Wellbeing framework guided by the core values of Customer Success, Passion, and Performance. These elements define how we'll achieve our goals and implement the actions crucial for success.



Tom Johnstone
Chair of the People Committee

People Committee annual clock 2024



People Committee members' meeting participation in 2024

	Number of meetings
Tom Johnstone, Chair	5/5
Karin Falk	4/5
Johan Forssell	1/1
Mika Vehviläinen	4/4

1.2 Remuneration and Company performance

In 2024 Wärtsilä took firm steps towards our targets, and we continued to develop positively in many ways. We achieved all-time highs in order intake, net sales, absolute operating result, and cash flow from operating activities. During 2024, we also significantly enhanced the profitability of all businesses. Furthermore, our order book is at an all-time high, positioning us well for future success as we move into 2025. Our strategy, the Wärtsilä Way, is yielding results.

Wärtsilä's Remuneration Principles set by the Policy are applicable to all employees, in all countries and in all businesses. These principles guide the development of remuneration and related practices, including for the CEO. The short-term incentive scheme (STI) is designed to provide incentives for the achievement of, and to reward the delivery of, the short-term business plan. Over the past years, the STI has been consistently based on profitability (comparable operating result) and cash flow targets. Long-term incentive (LTI) schemes are approved by the Board of Directors. They annually introduce individual performance share plans (PSP), each with a three-year performance period, designed to align the interests of participants with those of Wärtsilä's shareholders. The current long-term incentive scheme, which is launched yearly, measures Economic Value Added (EVA) and sustainability targets connected to our decarbonisation strategy, namely, to become carbon neutral in our own operations, and to have a product portfolio ready for zero carbon fuels. By aligning the incentive schemes with the goals of the Company, we can ensure that remuneration drives the best interests of the Company.

As Wärtsilä is a global company, the remuneration markets in which Wärtsilä operates vary significantly. Nevertheless, the People Committee considers that the most transparent means for comparing the development of remuneration over time, is to compare the CEO and Board's remuneration with that of employees globally. Therefore, the figures shown for average employee remuneration are based on data for all Wärtsilä employees.



In line with the Pay for Performance principle, a substantial part of the CEO's remuneration is based on variable pay, i.e., short- and long-term incentives. As our performance targets for short- and long-term incentives are linked to the business results, this development is reflected in the CEO's remuneration. Employee remuneration is less volatile than that of the CEO, since a smaller portion of their total remuneration is based on variable pay elements. However, as all

short-term incentive schemes are connected to the same performance indicators to a varying degree, employee remuneration is also impacted by Company performance.

Five-year development of remuneration and Company performance

	2020	2021	2022	2023	2024
Total Board remuneration, TEUR	816	794	946	910	1,006
Change compared to previous year, %		-3.0	19.1	-3.8	10.5
CEO base + benefits, TEUR*	843	915	980	1,021	1,056
Change compared to previous year, %		8.5	7.1	4.2	3,4
CEO total remuneration, TEUR*	1,021	1,812	1,712	1,322	2,230
Change compared to previous year, %		77.5	-5.5	-22.8	68.7
Average employee remuneration, TEUR**	58.1	62.9	68.2	73.1	76,3
Change compared to previous year, %		8.3	8.4	7.2	4,4
Comparable operating result, MEUR	275	357	325	497	694
Cash flow, MEUR	681	731	-62	822	1,208

*The Company had a new CEO as of 1 February 2021, the 2021 total remuneration combines the previous CEO's earnings including STI earned 2020 and paid 2021, as well as the new CEO's total remuneration.

**Average employee remuneration comprises personnel expenses without other compulsory personnel costs divided by the average number of personnel during the year.

The comparison figures show the remuneration paid out during each financial year. Pay-outs for the STI and LTI are always made during the year following the performance period. This means that, for example, remuneration figures presented for 2024 are based on the STI performance period 2023 and the LTI performance period of 2021–2023.

1.3. Any deviations or clawbacks made

No deviations from the Remuneration Policy were made during 2024 and the Company has not exercised any rights to reclaim or cancel any paid or unpaid incentives.

2. REMUNERATION OF THE BOARD OF DIRECTORS FOR 2024

The 2024 Annual General Meeting approved the payment to the members of the Board of Directors for 2024 as presented in the table below:

Fees paid to the Board in 2024

(TEUR)	2024
Annual fixed compensation	
Chair of the Board	200
Deputy Chair	105
Ordinary members	80
Fixed compensation for committee members (per term)	
Chair of the Audit Committee	28
Members of Audit Committee	15
Chair of the People Committee	22
Members of People Committee	11
Meeting fees (per meeting)	
Chair of the Board / Committee	1.5
Member (Nordic)	1.0
Member (Europe)	2.0
Member (Global)	3.0

The members of Wärtsilä's Board of Directors were paid altogether EUR 1,005,750. Approximately 40% of the annual Board remuneration is paid in Wärtsilä Corporation shares, and the remainder in cash. In addition, the meeting fees for the Board meetings will be paid as follows: The Chair will be paid EUR 1,500 per Board meeting attended and the other Board members will be paid EUR 1,000 per Board meeting attended. These meeting fees are applied to the Board

meetings in Finland for the members resident in the Nordic countries, to all Board meetings held outside of Finland, and to all board meetings held by teleconference or per capsulam. In the case of a board member being domiciled in a European country other than the Nordic countries, a meeting fee of EUR 2,000 per Board meeting attended in Finland will be paid. In the case of a board member is domiciled in a country outside Europe, a meeting fee of EUR 3,000 per Board meeting attended in Finland will be paid. In addition, Board members are reimbursed for their travel costs in accordance with Wärtsilä's travel policy. Members of the Board are not covered by incentive schemes and do not receive performance-based remuneration, nor do they have a pension scheme arranged by Wärtsilä. All payments to members of the Board during the financial year 2024 were in compliance with the Remuneration Policy.

Fees paid to the members of the Board in 2024

	Attendance fees, TEUR*	Annual fees, TEUR	Total remuneration, TEUR**
Tom Johnstone, Chair	43	200	243 (4,474 shares)
Mika Vehviläinen, Deputy Chair	24	105	129 (2,348 shares)
Karen Bomba	34	80	114 (1,789 shares)
Morten H. Engelstoft	29	80	109 (1,789 shares)
Karin Falk	24	80	104 (1,789 shares)
Johan Forssell	13	80	93 (1,789 shares)
Mats Rahmström	11	80	91 (1,789 shares)
Tiina Tuomela	41	80	121 (1,789 shares)

* Attendance fees also include committee fees.

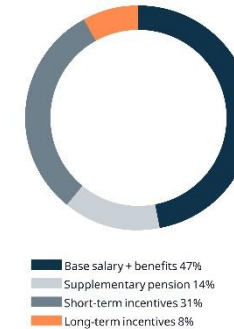
** Total remuneration includes the number of shares. The value of the share portion is approximately 40% of the annual fees.

3. REMUNERATION OF THE CEO FOR 2024

In 2024, CEO Håkan Agnevall was paid a total remuneration of EUR 2,230,416. The relative proportion of fixed pay was 61% and variable pay 39%. The fixed pay includes a base salary, benefits, and supplementary pension contributions, while variable pay includes short- and long-term incentives and other temporary payments. The composition of the CEO's remuneration for 2024 is further illustrated in the graph and the CEO's remuneration details are in the table below.

The CEO's numerical achievement rates per short- and long-term incentive plan specific performance measures are shown in the tables on the following page.

Actualised CEO remuneration 2024



Remuneration element	Paid	Description	Compliance with the Policy
Salary and short-term benefits	Paid EUR 1,055,760	The CEO has the following short-term benefits: phone, car, medical insurance.	Complies with the Policy.
Short-term incentives	Paid EUR 686,965 Accrued EUR 821,727 Policy maximum An amount equalling the annual fixed pay	For the financial year 2023, paid in 2024: EUR 686,965. For the financial year 2024, paid in 2025 ('accrued'): EUR 821,727.	Complies with the Policy.
Long-term incentives	Paid EUR 172,212/ 12,140 shares Accrued 75,455 shares (gross) Policy maximum Three times the annual fixed pay at grant	For PSP 2021–2023, the CEO was granted 104,651 shares, with value at target EUR 900,000 and with a maximum earning opportunity of 175% of the base pay at grant. The performance measure in the PSP is Economic Value Added. The plan resulted in a gross award equivalent to 12,140 shares. The gross value of the transfer was EUR 172,212. For PSP 2022-2024, the CEO was granted 86,136 shares, with value at target EUR 963,000 and with a maximum earning opportunity of 175% of the base pay at grant. The performance measure in the PSP is Economic Value Added (weighted 85%) and sustainability targets (weighted 15%). The plan resulted in a gross award equivalent to 75,455 shares. The final taxable value of the award is dependent on the share price at the time of transfer. Ongoing schemes: For PSP 2023-2025, the CEO was granted 122,735 shares, with a value at target EUR 1,001,520 and with a maximum earning opportunity of 175% of the base pay at grant. The performance measure in the PSP is Economic Value Added (weighted 85%) and sustainability targets (weighted 15%). For PSP 2024-2026, the CEO was granted 76,863 shares, with a value at target EUR 1,001,520 and with a maximum earning opportunity of 175% of the base pay at grant. The performance measure in the PSP is Economic Value Added (weighted 85%) and sustainability targets (weighted 15%).	Complies with the Policy.
Pension	Paid EUR 315,479	The CEO is eligible to take retirement upon reaching the age of sixty-three (63). His pension scheme is determined according to a defined contribution-based system. The retirement pension contribution is equivalent to 30% of the annual salary.	Complies with the Policy.
Severance benefits	N/A	Remuneration paid to the CEO if dismissed by the company corresponds to 18 months' salary plus a six months' period of notice salary.	Complies with the Policy.

The CEO's numerical achievement rates per short-term incentive plan

STI PLAN		STI 2023 – paid in 2024		STI 2024 – accrued (to be paid in 2025)	
Metric	Weighting	Performance outcome % ¹	Weighting	Performance outcome % ¹	
Group EBIT before IAC	50%	104%	50%	163%	
Group Operating Cash Flow	25%	200%	25%	200%	
Group Net Sales	25%	141%	25%	91%	
Total weighted outcome	100%	137%	100%	154%	
Pay-out to CEO based on STI, EUR	686,965		821,727		

¹ Threshold 0%, target 100% and maximum 200%.

The CEO's numerical achievement rates per long-term incentive

LTI PLAN: PSP 2021-2023			LTI pay-out to CEO in 2024	
Metric	Weighting	Performance outcome % ¹	Gross number of shares	Gross value in euros
Group Economic Value Added (EVA) 2021	33.33%	11.6%	12,140	172,212
Group Economic Value Added (EVA) 2022-2023	66.66%	0%		
Total weighted outcome	100%	11.6%		

¹ Threshold 25%, target 100% and maximum 175%. Performance period is in total three years (including years 2021, 2022 and 2023).

LTI PLAN: PSP 2022-2024			LTI pay-out to CEO in 2025	
Metric	Weighting	Performance outcome % ¹	Gross number of shares	Gross value in euros
Group Economic Value Added (EVA) 2022-2024	85%	65.1%	75,455	To be defined at the time of transfer in 2025.
Group sustainability targets 2022-2024 ²	15%	22.5%		
Total weighted outcome	100%	87.6%		

¹ Threshold 25%, target 100% and maximum 175%. Performance period is three years (including years 2022, 2023 and 2024).

² Includes own emission reduction and R&D roadmap (ammonia and hydrogen engine readiness).