 Targets

Financial targets

Target

Grow faster than global GDP.

Development

In 2019, net sales remained stable at EUR 5,170 million.

Growth over cycle

<table>
<thead>
<tr>
<th>MEUR</th>
<th>%</th>
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<tbody>
<tr>
<td>6000</td>
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<tr>
<td>5000</td>
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<td>4000</td>
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<tr>
<td>-10</td>
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<tr>
<td>-20</td>
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- Net sales
- Cumulative new acquisitions
- Growth, % (incl. acquisitions)

World nominal GDP growth 2009–2019 averages 3.7%.
USD-denominated (source: IMF)
* Restated, figures include continuing operations
** Restated due to PRG 15
**Profitability**

**Target**

The operating profit margin (EBIT%) target is 14% at the peak of the cycle. At the trough of the cycle, the target is to keep the operating profit margin above 10%.

**Development**

In 2019, the comparable operating result was EUR 457 million, which represents 8.8% of net sales.

**Result**

![Graph showing profitability over years](image)

- Comparable operating result
- Profit before taxes
- Comparable operating result, %

*Restated due to IFRS 15*

**Capital structure**

**Target**

Maintain gearing below 0.50.

**Development**

In 2019, gearing was 0.30.

**Gearing**

![Graph showing gearing over years](image)
Target

Distribute a dividend of at least 50% of earnings over the cycle.

Development

The Board of Directors proposes that a dividend of EUR 0.48 per share be paid for the financial year 2019, representing 130.8% of operational earnings.

The free share issue approved by the Wärtsilä Corporation's Annual General Meeting on 8 March 2018 increased the total number of Wärtsilä shares to 591,723,380. Figures for the comparison periods 2010–2017 have been adjusted to reflect the increased number of shares.
Target
Contribute to the development of an affordable, reliable, sustainable and modern power system worldwide.

Schedule: 2020

Development
In 2019, Wärtsilä’s new product launches included the Modular Block power plant solution, the 31DF multi-fuel engine for energy industry applications, and the Engine+ Hybrid Energy solution, which pairs engines with energy storage to support renewable energy adoption. Wärtsilä signed partnership agreements with Aalto and LUT Universities to collaborate on research aimed at achieving 100% renewable energy systems. In addition, new partnerships were announced with Soletair Power Oy and Q Power Oy to develop clean fuels. Some 1,540 MW capacity of modern, highly efficient, and flexible gas and liquid fired Smart Power Generation plants were sold during the year.

Small-medium scale LNG solutions

Target
Become a global actor in the LNG value chain by developing opportunities, creating solutions, and building infrastructure for clean-burning LNG to replace liquid fuel.

Schedule: 2020

Development
Wärtsilä successfully handed over the Tornio Manga liquefied natural gas (LNG) receiving terminal in September 2019. Wärtsilä supplied the terminal with an engineering, procurement and construction (EPC) solution that included complete unloading, storage, pipeline distribution, regasification, truck loading, and ship bunkering facilities. In the Hamina LNG terminal, the tank top module was lifted into position, civil works continued, and the mechanical contractor work started.

Energy savings

Target
Reduce energy consumption by at least 7% in terms of absolute consumption (GWh) from 2015 levels by 2025.

Schedule: 2025

Development
By the end of 2019, energy savings of 3.4 GWh were achieved, representing 11.4% of the final target.
Ethical behaviour

Target
Ensure commitment to the Code of Conduct throughout the organisation (with a Code of Conduct training coverage of 100%).

Schedule: 2020

Development
Training records are continuously monitored. At the end of 2019, the Code of Conduct training coverage was 94.3% of all employees.

Occupational safety

Target
Reach the long-term goal of zero injuries.

Schedule: 2020

Development
In 2019, the corporate lost-time injury frequency rate (LTIF) was 2.25. It was slightly above the annual target of 2.14, but it nevertheless represents a 10% improvement compared to 2018 (2.50). Proactive measures continued throughout the year. As a highlight, management safety walks increased by 56%, and near miss / hazard reporting by 14% compared to 2018. Wärtsilä also initiated a new training programme “Champions in Safety” for front line employees. Altogether, 3,900 persons completed the training in 2019.

Well-being at work – career

Target
Establish a balance between external and internal recruitments, with more than 50% of the open vacancies filled from the internal applicant pool, including promotions and lateral moves.

Schedule: 2020

Development
In 2019, 64% of open vacancies were filled through internal selections for job levels 3 and up, and 36% through external selections.
<table>
<thead>
<tr>
<th>Category</th>
<th>Target</th>
<th>Development</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel development</td>
<td>Reach 100% coverage for development discussions.</td>
<td>By the end of 2019, altogether 91% of the company's employees had completed development discussions.</td>
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<td></td>
<td>Schedule: 2020</td>
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<tr>
<td>Diversity</td>
<td>Increase the share of female employees to 20%.</td>
<td>In 2019, the share of female employees was 17%.</td>
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<td>Schedule: 2020</td>
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<td>Climate change</td>
<td>Reduce greenhouse gas (GHG) emissions from gas engines by 15% from 2015 levels by 2020.</td>
<td>In 2019, Wärtsilä launched the 31SG pure gas engine for marine market applications. Greenhouse gas emissions from gas engines were reduced by 8.6% from the baseline year.</td>
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</tbody>
</table>
Decarbonisation of transport

Target
Contribute to the development of more sustainable transportation through gas-based and other technologies.

Schedule: 2020

Development
In 2019, Wärtsilä’s product launches included the Navi-Planner voyage planning and optimisation solution, the Wärtsilä 31SG pure gas engine for marine market applications, and the Wärtsilä HY hybrid power module for dredging operations. In the Intellitug project, Wärtsilä, together with PSA Marine, made feasible an autonomously operated harbour tug concept with trials being carried out under real-world conditions. Wärtsilä joined the Zero Emission Energy Distribution at Sea (ZEEDS) initiative and the Getting to Zero 2030 Coalition to advance zero emissions shipping and commercially viable deep-sea zero emission vessels.

Climate change

Target
Reduce CO\textsubscript{2} emissions from vessels by more than 300,000 tons annually with the help of Eniram solutions.

Schedule: 2020

Development
The estimated reduction in CO\textsubscript{2} emissions during 2019 was approximately 234,000 tons. This was an 18\% improvement compared to the previous year.

Supplier monitoring

Target
Reach the following rating coverage for suppliers:
- 96\% of direct global supplier spend rated
- 70\% of indirect supplier spend rated
- 80\% of local supplier spend rated

Schedule: 2020

Development
In 2019, the rating coverages were:
- 96\% of direct global supplier spend rated
- 76\% of indirect supplier spend rated
- 69\% of local supplier spend rated