

Anti-slavery and Human Trafficking statement 2016 of Wartsila in the UK

This statement has been made in accordance with the reporting requirements of the UK Modern Slavery Act the year ending 31 December 2016.

Our organization and supply chain:

Wartsila UK Ltd ["WUK"], Wartsila Water System Ltd ["WWS"] and Wartsila Valves Ltd ["WV"] are wholly-owned subsidiaries of Wärtsilä Corporation. Wärtsilä Corporation ["Wärtsilä"] is a global leader in advanced technologies and complete lifecycle solutions for the marine and energy markets. In 2016, Wärtsilä's net sales totalled EUR 4.8 billion with approximately 18,000 employees. The company has operations in over 200 locations in more than 70 countries around the world. Wärtsilä is listed on Nasdaq Helsinki. Wärtsilä has an extensive supply base with more than 25,000 active suppliers, out of which 1,060 are considered key suppliers.

As wholly-owned subsidiaries, Wärtsilä UK Ltd, Wärtsilä Water System Ltd and Wartsila Valves Ltd follow the Wärtsilä group level policies and procedures in respect with managing the supply chain. The three UK based companies employed totally 641 persons at the end of 2016.

Our policies and actions related to slavery and human trafficking:

WUK, WWS and WV support and respect basic human rights as outlined in the UN's Universal Declaration of Human Rights. Wärtsilä also supports the Ten Principles of the UN Global Compact, of which six principles are related to Human and Labour rights.

Wärtsilä [Code of Conduct](#) defines common rules for all our employees, and provides guidance on Wärtsilä's approach to responsible business practices, including respect for human and labour rights. Therefore, WUK, WWS and WV do not accept the use of forced labour or child labour in any form. Human and Labour rights are a part of the mandatory Wärtsilä Code of Conduct training material.

WUK, WWS and WV expect every employee to comply with the Code of Conduct, and takes an active approach to the application of the Code of Conduct by promoting its implementation through effective communication and the global training program. Wärtsilä monitors the application of the Code internally.

Suppliers and business partners are expected to conduct their businesses in compliance with the same high legal and ethical standards and business practices as Wärtsilä. Wärtsilä standard supply contracts prohibit the suppliers from using any forced or compulsory labour.

Due diligence:

Wärtsilä assesses and manages its key suppliers through its Vendor Management System. Wärtsilä regularly conducts supplier evaluations, which are divided into three categories: pre-assessment, auditing, and performance review. As part of the supplier evaluation, Wärtsilä

conducts a rating based upon Wärtsilä's supplier requirements, which include respect for human and labour rights issues. This rating is a result of an assessment of various information sources, such as pre-qualification questionnaires, dialogue with suppliers, and/or conducted audits.

This statement applies to Wartsila UK Ltd, Wartsila Water System Ltd and Wartsila Valves Ltd, and has been approved by Andy Dickinson, Joe Thomas and Chris Harding, Board of Directors.

Signed on behalf of Wartsila UK Ltd



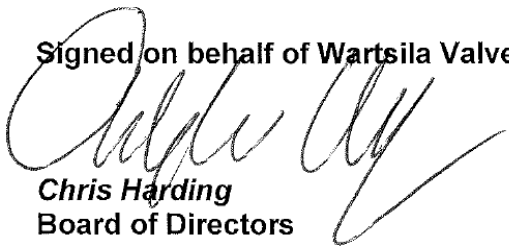
Andy Dickinson
Board of Directors

Signed on behalf of Wartsila Water Systems Ltd



Joe Thomas
Board of Directors

Signed on behalf of Wartsila Valves Ltd



Chris Harding
Board of Directors