



## **POLICY FOR PREVENTING AND COMBATING CORRUPTION AND OTHER HARMFUL ACTS**

### **1. INTRODUCTION**

This Policy, applicable to WEG S.A. and all its subsidiaries, summarizes the Company's guidelines in a set of internal mechanisms for integrity, auditing, prevention, and combating corruption.

Corruption is understood to be an unlawful act or effect with the objective of obtaining an advantage for one's own benefit or for others, including bribery and money laundering.

In addition to the standards expressed herein, this Policy also includes compliance with applicable legislation on integrity, prevention, and fighting corruption.

### **2. OBJECTIVE**

This Policy aims to reinforce WEG's commitment to the existing good practices, through the expected conduct already defined in WEG's Code of Ethics, to prevent and fight corruption and other harmful acts, detect and remedy deviations, fraud, irregularities, and unlawful acts against, but not limited to, the public administration, suppliers and clients, among other stakeholders, hereinafter referred to as "Third Party" or "Third Parties", as well as encouraging the denouncement of non-compliance.

### **3. SCOPE**

This Policy covers all Board members of the WEG Group Companies, directors (statutory or not), the members of the Audit Committee, the members of the independent Board support bodies, officers, managers, employees, suppliers, customers, sales representatives, distributors, agents and other authorized third parties acting on behalf of WEG.

### **4. RELATED INSTRUMENTS**

This Policy should be read and applied together with:

- a) WEG Code of Ethics and its whistleblowing channels;
- b) WEG Code of Ethics for Suppliers;
- c) Integrity Program; and
- d) WEG Corporate Procedure for Compliance in Supplies Subject to Commercial Embargoes.

### **5. HARMFUL ACTS TO THE PUBLIC ADMINISTRATION**

Public administration is understood as any public bodies, public entities and mixed economy companies.

WEG prohibit the practice of any act harmful to the public administration of any country.

For example, the following are classified as harmful acts:

- a) Promising, offering, giving or receiving, directly or indirectly, an undue advantage to a public or private agent, or a third person related to him;

- b) Financing, funding, sponsoring or in any way subsidizing the practice of illegal acts;
- c) Frustrating, defrauding, preventing, or trying to impede the competitive nature of a bid, or to unlawfully remove a bidder from the bidding process;
- d) Manipulating or defrauding the economic and financial balance of contracts entered into with the government; and
- e) Harming or hindering any inspection or investigation by public agencies, entities, or agents at any level.

## **6. ACKNOWLEDGEMENT OF THIS POLICY**

All Board members of the WEG Group companies, directors (statutory or not), members of the Audit Committee, the members of the independent Board support bodies, officers, managers, and at least the other employees who have a relationship with government or public administration must sign acknowledging this Policy.

## **7. CONTRACTS' INTEGRITY CLAUSES**

WEG will include in its contracts for the supply of goods and services with its customers and suppliers, as well as with financial institutions, sales representatives, technical assistants, consultants and any other business partners, including consortium instruments for the supply of goods or services, an express clause stating that the business negotiations must be carried out within normal market conditions and practices, and the principles of good faith, not having any kind of personal advantage, bribery, extortion, donation or payment, among others, and obliging the parties to comply with applicable anti-corruption standards.

Furthermore, there must be provision that if the practice of any act contrary to the integrity clauses is proven by the party with whom the contract is made, its administrators, employees or agents, the latter will be liable, civilly and criminally, for compensation for losses and damages, direct and indirect, loss of profits, damage to image, among others.

The exclusion of such clause in a contract which does not allow for such provision, will not release WEG and the contracted party from their obligations for complying with this Policy.

## **8. BIDDING PROCESSES AND INTERACTION WITH THE PUBLIC ADMINISTRATION**

Bidding processes and other contracts with the public administration or any government agency, or interaction with it, must occur in a transparent manner and comply with applicable laws.

## **9. CONTRACTING WITH THIRD PARTIES**

When hiring third parties, whether suppliers of goods or services, the appropriate steps must be taken according to the complexity of each case to identify corruption risks, the practice of any act or omission that may cause damage to the Third Parties, as well as to identify the existence of any investigations or legal proceedings related to such practices or omissions.

## **10. MERGERS, ACQUISITIONS, JOINT VENTURES, CORPORATE RESTRUCTURING, AND SHAREHOLDERS' AGREEMENT**

In the processes of mergers, acquisitions of companies, joint ventures, corporate restructurings, or shareholders' agreements, the appropriate steps must be taken according to the complexity of each case to identify corruption risks, the practice of any act or omission that may cause damage to the Third Parties, as well as to identify the existence of inquiries or legal proceedings related to such practices or omissions.

## **11. CORPORATE GIFTS**

- a) It is allowed to give or receive corporate gifts to promote the brand represented by one who is offering them, without the connotation of exercise of influence in the judgment or decisions of the one who received them, provided the gifts can be publicly revealed without causing discomfort and embarrassment to WEG or to the one who received them.
- b) Any gift cannot affect the impartiality of the relationship between the parties, and must be linked to institutional marketing actions, in accordance with WEG Code of Ethics, the WEG Code of Ethics for Suppliers, other internal rules and the applicable legislation.
- c) Any gift that, due to its habitualness, characteristics, or circumstances, can be interpreted by an objective observer as being made with the intention of affecting the impartial criteria of the receiver, must be refused and brought to the attention of WEG's Internal Audit Department in Brazil.

## **12. SPONSORSHIPS, CONTRIBUTIONS, AND DONATIONS**

Sponsorships, contributions and donations are allowed, provided that the below conditions are met:

- a) Compliance with the WEG Code of Ethics, the WEG Code of Ethics for Suppliers, internal policies and the applicable legislation of the countries involved at the transaction.
- b) Formal and prior approval by the Social Investment Group, the Marketing Commission and/or Board to which the interested party reports.
- c) Do not influence decision-making processes, give room for such interpretation, or be practiced in exchange or in anticipation of any favor.
- d) Sponsorships, contributions and donations must not be accepted, received or requested personally nor on behalf of WEG, without the prior knowledge and approval of the applicable Business Unit Directors or the Executive Committee in Brazil.

## **13. RECEIVING AND GRANTING BENEFITS**

If there is a commercial and institutional interest of the Company, benefits (transportation, lodging, meals, entertainment, among others) may be given or received as long as expressly approved by the director of the area involved, in compliance with WEG's Code of Ethics, the WEG Code of Ethics for Suppliers, the applicable legislation, and that it can be publicly disclosed without causing embarrassment to WEG or to those who received the benefit.

Any benefit, whether received or given, that for its habitualness, its characteristics (e.g., gratuities, favors, discounts in transactions of personal character, business or leisure trips,

and others), or under circumstances that can be interpreted by an objective observer as being made with the intention of affecting the impartiality of the recipient, must be refused and brought to the attention of WEG's Internal Audit Department in Brazil.

#### **14. DONATIONS TO CANDIDATES OR POLITICAL PARTIES**

Donations made by any WEG Group company to candidates or political parties must strictly comply with the conditions and limits prescribed by law, in addition to being jointly authorized by the Chief Executive Officer and the Chairman of the Board of Directors of WEG S/A, and registered in a specific accounting account.

#### **15. CONFLICT OF INTERESTS AND IMPEDIMENTS**

Administrators, managers, and employees must abstain from participating in negotiations that involve a conflict of interest capable of influencing the impartiality of the decision to be made.

Administrators, managers, and employees are prohibited from participation in negotiations with representatives of the public administration with whom they are related up to the 3rd degree of kinship and the like: parents, children, spouses, grandchildren, great-grandchildren, brothers, brothers-in-law, uncles, nephews, in-laws, stepchildren, sons-in-law and daughters-in-law.

If the administrator, manager or employee notices such an impediment, or any other impediment of any nature, in the business in which they are working, they must refrain and remove themselves, including physically, from discussions and deliberations on the subject, in addition to immediately informing the Corporate Legal & Compliance Department so that the needs for carrying out communications and other additional measures can be assessed, depending on each case.

#### **16. INSPECTIONS AND CONTACT WITH PUBLIC AUTHORITIES**

Any contact with public authorities must be conducted transparently, impersonally, legitimately and in compliance with internal procedures for responding to requests from public bodies and the applicable legislation.

#### **17. TRANSACTIONS AND ACCOUNTING AND FINANCIAL RECORDS**

Cash settlement of any commercial transactions, as well as other structures susceptible to money laundering, must be avoided. If there is a real need for settlement in cash, the Business Unit must define a procedure and internal controls for this purpose, and said procedure must be approved by the Board of the Business Unit and the Executive Committee of WEG in Brazil.

All accounting, financial, or any asset transaction must be registered in a timely, accurate, and transparent manner.

#### **18. DISCLOSURE AND TRAINING**

WEG will disclose and keep this Policy available to everyone and will periodically train the persons covered by it.

## **19. CONTROLS AND MONITORING**

WEG will maintain constant controls and monitoring to prevent and avoid illegal acts in its business activities.

## **20. AUDIT AND COMPLIANCE**

The verification of the application and observance of this policy will be periodically performed by the Corporate Legal & Compliance Department of WEG in Brazil and by the WEG's Internal Audit Department in Brazil.

## **21. TREATMENT OF NON-CONFORMITIES**

WEG's Internal Audit Department, which is fully independent to carry out its work, is responsible for investigating complaints and/or suspected violations of this Policy and will present its conclusions to the responsible departments or directors so that they can take appropriate actions for the immediate cessation of any act or omission which is contrary to this Policy.

Once the violation is confirmed, those responsible will suffer the appropriate disciplinary and legal measures.

The Company's Board of Directors will receive a report every six months containing confirmed violations and the respective remediation measures and sanctions applied.

## **22. COMPLAINTS**

Anyone who observes or becomes aware of violations of this Policy may report such situations to the Company through safe and independent reporting channels, which ensure the anonymity of the whistleblower and the protection against retaliation of any kind.

The channel is available in different languages and can be accessed from WEG's institutional website, or directly via the link [www.contatoseguro.com.br/weg](http://www.contatoseguro.com.br/weg), which also contains available telephone numbers.

Any and all information provided and received will be kept confidential, except in situations where WEG has a legal obligation to inform government agencies and authorities.

## **23. QUESTIONS AND OTHER SITUATIONS**

Questions regarding this Policy may be made through the channels made available by WEG. The occurrence of any situation not foreseen in this Policy will be handled by a collegiate to be named by the Chief Executive Officer of WEG S/A.

## **24. PERIODIC REVIEW**

This document will be reviewed every two years or at any time when there are reasons that justify its revision sooner, by the WEG's Code of Ethics Management Committee in Brazil, with approval by WEG's Executive Directors, *ad referendum* the Board of Directors of WEG S/A.