“When you lack machines, you can buy them; if you do not have money, you can borrow it, but you cannot buy or borrow people and people who are motivated by an idea are the basis for success.”

Eggon João da Silva
To ensure our continuous and sustainable growth, while maintaining the simplicity, we base our management practices on the following values:

- **Human Company**
  We appreciate each individual's contribution to our success, and we motivate our people through integrity, ethics and constant support in their personal development.

- **Team Work**
  By working in teams, we bring together the best of knowledge, intelligence and skills to constantly improve our work and benefit our customers.

- **Efficiency**
  Every day we work on making things better. All products, processes and developments are driven by improving efficiency.

- **Flexibility**
  We will always develop new efficient ways to respond to changing situations and fulfill customer needs.

- **Innovation**
  New ideas and technologies guarantee the company’s existence. That’s why we encourage and support a climate of thinking beyond today.

- **Leadership**
  To be the benchmark for customer relationships.
Dear supplier,

This Code of Ethics sets the rules that guide the conduct of suppliers in the relationships with all WEG Group, henceforth referred to as WEG. The aspects presented complement and are directly aligned with the WEG Code of Ethics and the company’s Sustainability Policies, both available at the company’s website. This document addresses the main topics we believe are part of a responsible and transparent performance.

We understand that the sustainability and continuity of our entire value chain are linked to the co-responsibility of our organization in making all of our suppliers consciously adopt a management style based on specific economic, social, environmental and technical criteria as well as on standards of legal compliance.

Through this Code of Ethics, we provide our suppliers with one more important communication channel for ethical aspects relevant to the evolution of our businesses.

We encourage the dissemination of these guidelines to all decision and operational levels of your company and within your supply chain, aiming to make possible adaptations in your management systems.

WEG is absolutely sure that it can count on your essential support and effective participation in the strict compliance with these guidelines.

Sincerely,

[Signature]

Harry Schmelzer Jr.
President and CEO
1. Introduction.......................................................................................................................... 4
2. Objective.................................................................................................................................. 5
3. Scope....................................................................................................................................... 5
4. Suppliers.................................................................................................................................... 5
5. Conflict of Interests................................................................................................................. 6
6. Gifts, trips and other benefits................................................................................................. 6
7. Information, confidentiality and use of equipment............................................................... 7
8. Access and Permanence to WEG premises........................................................................ 7
9. Corruption.............................................................................................................................. 8
10. Competition.......................................................................................................................... 8
11. Social Responsibility.......................................................................................................... 8
    11.1. Environment.................................................................................................................. 8
    11.2. Working Conditions.................................................................................................... 9
    11.3. Exploitation of adult and child labor.......................................................................... 9
    11.4. Diversity..................................................................................................................... 9
12. Violation of the Code of Ethics......................................................................................... 10
1. Introduction

Through the Code of Ethics for Suppliers, WEG reinforces its commitment to a responsible management, sustainable growth, adoption of best practices and ethical behavior to be followed by the entire supply chain. Our suppliers are selected and hired through a rigorous analyses based on technical, financial, socio-environmental, ethical, competitiveness and quality criteria and on the compliance with the legislation in force.

There will be daily situations not covered by the conducts expected from the employee described in this Code. This may cause uncertainty about what must be done. In this case, you might often have heard or read, or you may even think the following way:

- Only this time...
- No one will know...
- Everyone does that...
- It can be concealed...
- This conversation has never happened...
- This does not seem to be a meeting

In such situations, in order to obtain guidance, read again the relevant item of the code and check if there are any conflicts. If necessary, answer the following questions:

- Is it legal to do what you are thinking about doing?
- Is this action impartial and honest?
- Will this action be questioned after some time?
- How will I feel later?
- What would that look like on the first page of the papers?
- What would I advise my children to do?
- How would I feel if my family, friends and neighbors knew about it?

We must not remain passive when we face those situations of uncertainty. Answering those questions will help choose the best conduct in those cases or recognize that there is a violation of the code, which must be reported.
2. Objective

“This Code of Ethics sets the rules that must guide the conduct of suppliers in the relationship with WEG.”

3. Scope

“It is intended the for supply chain, employees and managers of WEG, henceforth referred to as WEG employees who, in the exercise of their activities, have relationship with suppliers.”

4. Suppliers

“We consider our suppliers as business partners that seek sustainable development, treating them fairly, without any favoring and observing the principles of free market competition.

Expected conduct:

- Offer products and services based exclusively on technical and commercial criteria that optimize cost effectiveness, ethical posture, social and environmental responsibility.
- Do not accept or ask any undue advantages, such as gifts, benefits or financial bonuses.
- Do not take part in technical and commercial negotiations with WEG employees who are blood related in first and second degree or the like.
- When it is necessary that our suppliers keep a direct relationship with our customers to deal with subjects relevant for WEG – duly authorized by the company – WEG expects an ethical relationship, aiming at an efficient, transparent and courteous service committed to the customer’s satisfaction.
5. Conflict of Interests

*The commercial contracts must comply with specific standards and an appropriate ethical conduct, avoiding situations of conflict of interests and/or any relationships that may interfere in the full exercise of the businesses:*

Expected conduct:

- WEG employees are prohibited to hold stock in companies that supply products and services in which they may have influence on the purchase process.
- The suppliers cannot use WEG’s properties, services and/or employees for their own benefit or of third parties.

6. Gifts, trips and other benefits

*In order to eliminate possible interferences on the purchase process, it is established that:*

Expected conduct:

- It is prohibited to offer trips, gifts or any kind of favoring to WEG’s employees and their relatives, except for corporate gifts without significant value commonly used in commercial practices, such as pens, appointment books, notepads, etc.
- WEG employees can only accept plane tickets, trips and other complimentary items offered by suppliers for visits and/or participation in technical events if approved by the Director;
- WEG does not allow sponsorships for celebration parties organized by the company;
- WEG’s employees are prohibited to take part in celebration parties with suppliers at moments of bidding or negotiation processes, except with authorization of the Director.
- If WEG takes part in events with suppliers, it is recommended the presence of at least two employees.
7. Information, confidentiality and use of equipment

Regarding information, confidentiality and use of equipment, it is established that:

- WEG suppliers and employees must ensure the understanding, transparency and honesty of the information required for the bidding, hiring, purchase and administration of products and services;
- The suppliers must keep confidential the information they may have access to or be entrusted with, whether they are property of WEG or of other stakeholders, including personal data of their employees;
- It is prohibited to obtain, use, produce and/or disclose facts, data and/or WEG’s information for personal or third parties benefit;
- Information related to supply contracts and purchase terms must be handled on a confidential basis;
- WEG does not allow the use and/or trading of its equipment, tools, drawings, standards and information access resources without the authorization of the Director;
- It is prohibited the use of software not homologated and not licensed on WEG equipment. Original software can only be used if they comply with WEG’s policy;
- It is prohibited to carry out lectures, seminars or academic works about WEG processes and businesses without the authorization of the Director;
- It is prohibited to use WEG’s brand and/or related brands (word and symbol), except under specific contract.

8. Access and Permanence on WEG Premises

Regarding the access and permanence on WEG’s premises, it is established that:

- The supplier’s employees, agents or contractors must observe the policies regarding access, identification, safety and permanence on WEG premises;
- Suppliers and contractors are prohibited to use, sell or carry alcoholic beverages or illegal drugs. No one must remain on WEG premises if they are under the influence of such substances;
It is prohibited to carry any kind of weapons, especially in the premises of WEG, except if expressly authorized by WEG;

- WEG does not allow political campaigns on its premises;
- It is prohibited the trade of products or services outside the scope of the business relationship between the parties.

9. Corruption

We condemn corruption at all levels, as well as the offer of undue advantages of any kind.

 Suppliers must prevent illegal behaviors, fighting corruption and fraud, as well as avoid conflict of interests in the relationships with the government, private sector and/or organized civil society.

10. Competition

WEG condemns the following practices, among others:

- Noncompliance with the tax, labor, and environmental legislation or any other legal regulation as a form to practice more competitive supply and price conditions;
- Formation of trusts and/or cartels;
- Denigrate the image of competitors;
- Practice frauds and/or industrial espionage.

11. Social Responsibility

Complying with human rights and environmental standards are essential issues for WEG.

11.1 Environment

Suppliers must operate and act so as not to jeopardize health, safety or environment, ensuring the compliance with the legislation and regulations in force in the country where the products or services are manufactured or traded.
11.2 Working Conditions

*Suppliers must ensure decent working conditions to their employees and partners, observing the legislation in force in each country.*

11.3 Exploitation of Adult and Child Labor

*We condemn the practice of forced or child labor under any circumstances along the entire value chain.*

11.4 Diversity

*The suppliers must respect the diversity and do not accept discrimination or prejudice of any nature, whether because of ethnic group, religion, culture, age, gender, political conviction, nationality, region, marital status, sexual orientation, or physical/intellectual condition.*
Violation of the Code of Ethics

The conducts described in this document must be practiced by all suppliers, as well as by the employees and/or WEG managers, during the performance of their jobs or business relationships. WEG commits itself to provide the necessary conditions for that to happen.

WEG reserves the right to verify, at any moment, if the suppliers are complying with the provisions of this code.

Any supplier, WEG employee and/or manager who fails to comply with the code are subject to commercial restrictions and disciplinary measures.

Whoever observes or becomes aware of violations of this code or is not sure about its meaning, intention or application must report such situations or clarify the questions promptly.

If you become aware of any violation of the code, you must report it immediately through the available channels. Do not be conniving!

Use the following channels to communicate:

- **WEG website**: www.weg.net – Contact us
- **E-mail**: weg-4747@weg.net
- **Telephone Lines**:
  - Call from Brazil – Employee ---------------------------------- 4747
  - Call from Brazil – Third parties --------------------------(0xx47) 3276-4747
  - Call from abroad – Employee and third parties -----------(+55 47) 3276-4747

  **Note**: Actions will only be taken if the contact is in Portuguese, Spanish or English.

- **Letter**: WEG – Audit Department
  Rua Prefeito Waldemar Grubba, 3.300 - Vila Lalau - Jaragua do Sul - SC - Brasil
  CEP 89.256-900.

  **Note**: Any language can be used in the case of communication through the website (Contact us), email or letter.
The provided information will be kept confidential, except for situations in which WEG has the legal obligation to inform the authorities.

WEG will not tolerate any retaliation or sanction against any person who, in good faith, reports violations or suspected violations of this code.

The Managing Director of each WEG Business Unit is responsible for the management of this Code of Ethics and the cases not included in the code will be discussed by the Management Commission of the Code of Ethics.

Employees can still communicate to their superior - supervisor, manager or director.