'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”

Egon João da Silva
Our Values

In order to guarantee our continuous and sustainable growth, while keeping the simplicity, we base our management practices on the following values:

- **Human Company**
  We value each individual contribution to our success, and we motivate people by means of integrity, ethics and constant support to personal development.

- **Team work**
  Working as a team, we gather the best knowledge, intelligence, and skills to constantly improve our work and benefit our customers.

- **Efficiency**
  Every day we work to make things better. All products, processes and developments are driven by the desire to increase efficiency.

- **Flexibility**
  We will always develop new efficient ways to respond to the changing needs of the customer.

- **Innovation**
  New ideas and technologies ensure the future of the company. That is why we encourage and support an atmosphere of innovation and future development.

- **Leadership**
  Set the benchmark in our relationship with customers.
The sustainability of our growth depends on the ethical behavior in the relationship between stakeholders. Besides following the Code of Ethics, WEG respects the local laws and cultures of each country in which it is present.

- **To Whom the Code of Ethics Apply**

WEG Code of Ethics describes the conduct expected from employees, management and executives in the exercise of their activities in all the units of the WEG Group in the world. In this document, all units directly or indirectly controlled by the WEG Group will be referred to as WEG.

- **Additionally, WEG encourages the other stakeholders to apply the WEG Code of Ethics:**
  - Affiliated companies
  - Suppliers
  - Independent contractors
  - Representatives / distributors
  - Dealers and repair shops
  - Customers
  - Investors
  - Community
  - Government

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Décio da Silva  
Chairman of the Board of Directors

Harry Schmelzer Jr.  
CEO
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1. Compliance with Legislations and Regulations

We observe the legislation applicable to our activity, including treaties, rules, commercial agreements and others, in the places where we operate, as well as in the relationships we keep with stakeholders.

Expected conduct:

a) Know the legislation applicable to our activities and comply with it so as not to jeopardize WEG’s business.

2. Information

We respect confidentiality and ensure the integrity and availability of the information under our responsibility. Confidential and proprietary information may include: product development, projects, new businesses, price lists, profit margins, etc.

Expected conduct:

a) Keep confidential classified or restrict information to which we may have access, or which may be entrusted to us due to our responsibilities and functions, whether it is owned by WEG or other stakeholders, including personal data of employees.

b) Do not copy or disclose such information totally or in part to any communication channel, except if authorized by the owner of the information or required by law or adjudication.

c) Do not use such information to obtain personal advantages or for third parties.

d) Only provide information requested by the stakeholders when possessing authority or authorized by the supervisor to do so.

e) Provide authorized information in a complete, precise, clear and timely manner.

f) Avoid exposing confidential matters in public places.

g) Do not create, disclose, pass on false information and news regarding WEG and stakeholders.
3. Communication

We conduct communication in a transparent and reliable manner, complying with the disclosure procedures specified by WEG’s Management.

Expected conduct:

a) Respect, in any relationship with the media, the disclosure procedures established by WEG, submitting the requests from any media vehicle to WEG’s press office.

4. Social Media

We respect freedom of expression, provided that with respect, balance, common sense, without negatively exposing the image of WEG, its employees and interested parties.

Expected conduct:

a) Do not expose or disclose information, facts, events and images related to WEG that can jeopardize it.

b) Do not use any WEG identifications, for example clothing, caps, etc., in situations that jeopardize the company’s image.

c) Do not expose images, information or opinions of employees or stakeholders without their authorization in WEG’s environments or activities related to WEG.

5. Property

We use our property in a responsible and efficient manner in order to reach WEG’s objectives to guarantee its preservation.

Expected conduct:

a) Ensure the good use and conservation of the property so that losses, damages or waste will not occur.

b) Respect intellectual property whether they are protected or not by copyright, patents or trademarks, such as drawings, designs, spreadsheets, production methods, etc.

c) Do not use WEG’s property for personal purposes or to benefit third parties.
d) Report any cases of theft, robbery, fraud or non-authorized taking of WEG’s property.

## 6. Corruption

*We condemn any corruption practice, as well as the offer and receipt of undue advantages of any kind when conducting business.*

Expected conduct:

a) Do not accept or request any undue advantages, such as gifts, benefits or bribes, for your own benefit or for WEG. Corporate gifts of compatible value can be accepted.

b) Do not promise, offer or give, direct or indirectly, undue advantages to any public or private agents or any third parties related to these agents.

c) Do not tolerate money laundering and do not fund, pay, sponsor or in any other way help the practice of wrongful acts.

d) Do not impede or hinder, at any performance level, any inspection or investigation of public agents, offices or legal entities.

## 7. Employees and Work Environment

*We value the employees by means of participative management, by creating opportunities for personal and professional development, qualification, recognition of good performance, remuneration and benefits. We permanently invest in safe and healthy environments with respectful internal relationships.*

### 7.1 Performance and Qualification

*We encourage the employees’ self-development and ensure that the investments in qualification are made in a fair and strategically effective manner by evaluating the core and management competences of our employees.*

Expected conduct:

a) The employees must employ the knowledge and skills necessary for the good performance of their function.

b) The employees must take advantage of the opportunities provided by WEG for his/her development.
c) The executives and managers must evaluate and guide their employees individually and provide information that promotes their personal and professional development.

7.2 Discrimination in the Work Environment

We respect the diversity and do not accept discrimination, prejudice or favoritism of any kind, based on ethnic group, religion, culture, age, gender, political conviction, nationality, marital status, sexual orientation or physical/intellectual condition.

Expected conduct:

a) Keep relationships within the highest standard of human and professional respect, regardless of the position one holds, the function one performs and one’s length of service at the company.

b) In the processes of recruitment, selection, performance evaluation, promotion, remuneration and dismissal, people must be evaluated impartially, free from favoritism and based on technical criteria, considering the requirements of the position.

7.3 Violence

We do not accept any kind of expression of violence, whether in the work environment, or in any other activities related to WEG.

Expected conduct:

a) Neither attack physically or morally, nor cause any situation that may lead to a confrontation with anyone.

b) Regarding the carrying of weapons:
   
   1. Do not carry any kind of weapon, especially in the premises of the WEG Group, except if expressly authorized by WEG’s Administration.

   2. Comply with the conditions defined by the third party when representing WEG.

7.4 Kinship

Any direct consanguineous subordination among relatives up to 3rd degrees, such as parents, children, spouses, grandchildren, great-grandchildren, brothers, brothers-in-law, uncles, nephews, in-laws, step-sons, sons-in-law, and daughters-in-law, is not desirable. If any, the subordination must be acknowledged and approved by the Board of Directors (DG).

Expected conduct:

a) Report to your supervisor if you are in a situation of direct subordination.
7.5 Moral or Sexual Harassment

We do not accept any form of moral or sexual harassment, such as insinuations, jokes, proposals or offensive physical acts. Subtle or explicit pressure to obtain favors, threats, intimidations, provocations and humiliation of individuals or unjustified exclusion.

Expected conduct:

a) Do not use the job, function, position or influence to harass, obtain personal benefits or any kind of advantage for oneself or other people.

b) Refrain from any disrespectful conduct that may offend, denigrate, intimidate or embarrass co-workers.

c) Executives, managers and supervisors must be attentive to restrain any situation of moral or sexual embarrassment involving their employees.

7.6 Use of Drugs and Alcoholic Beverages

We do not accept the carrying and use of illegal drugs and alcoholic beverages that may jeopardize the capacity to perform the work, putting at risk the health and safety in the work environment and compromising WEG’s result.

Expected conduct:

a) Do not distribute, carry or consume either alcoholic beverages or illegal drugs on WEG’s premises during the working hours, or so that it may compromise one’s conduct or professional performance.

b) We prohibit from accessing or remaining on WEG’s premises, people whose behavior or performance shows alterations caused by the use of illegal drugs or alcoholic beverage.

7.7 Conflict of Interests

We do not accept that employees, managers and executives take part in any off site activity or perform activities that conflict with WEG’s interests or jeopardize their performance.

Expected conduct:

a) Do not perform external activities, whether remunerated or not, which may have any conflict with WEG’s interests or than can cause physical wear or emotional distress that may jeopardize your conduct or professional performance. For further clarifications, the employee must refer to the immediate manager.
b) Refrain from influencing or interfering in operational, technical or commercial decisions with suppliers, customers or any other stakeholders in which the employee, manager and executive, their spouse, first and second-degree relatives or anyone in their social life can influence the impartiality of the decision-making.

c) Do not trade products or services on WEG’s premises, whether during your working hours or not.

d) If any employee, manager, executive or shareholder identifies any situation of conflict of interest, they must immediately report their professional or private conflict of interest. Nevertheless, anyone else who is aware of the fact can do it instead. As soon as such conflict of interest is characterized, the person involved must stay away, even physically, from discussions and deliberations regarding the specific topic.

7.8 Exploitation of Adult or Child Labor

We state our commitment to the eradication of all forms of slave, forced and child labor, under any circumstances, and we do not keep relationships with companies and people who disrespect this conduct.

Expected conduct:

a) Denounce the existence of practices of slave, forced or child labor.

7.9 Party-Political Activities

We respect the freedom of participation in the political-party process in the exercise of one’s citizenship, according to the legislation in force.

Expected conduct:

a) Any party-political initiative must take place outside the working hours and without using WEG’s resources, premises or name.

7.10 Occupational Safety and Health

We value a safe and healthy work environment.

a) Provide the employees with a safe environment to perform their activities.

b) Perform your activities and processes safely.

c) Identify, correct or report activities out of the health and safety standards.

d) Comply with the occupational health and safety policies, standards and procedures.
7.11 Compliance with the Corporate Policies, Standards and Procedures

We consider important to know and apply the corporate policies, standards and procedures that govern WEG’s activities and processes.

Expected conduct:

a) Know and apply the corporate policies, standards and procedures that govern our activities and processes.

b) Executives and managers are responsible for guiding employees and stakeholders on corporate policies, standards and procedures that involve their area.

8. Child and Adolescent Sexual Abuse and Exploitation

We repudiate any form of child and adolescent sexual abuse or exploitation, and we do not tolerate the omission of these practices by anyone.

Expected conduct:

a) Denounce the existence of child and adolescent sexual abuse or exploitation.

9. Customers

We add value to our customers by supplying quality and internationally competitive products and services.

Expected conduct:

a) Treat all customers equally, with respect, attention, pro-activity and diligence when supporting them to fulfill their needs.

10. Suppliers and Independent Contractors

We consider our suppliers and independent contractors as our business partners to achieve sustainable development, treating them equally, without any favoritism and observing the principles of free competition.
11. Competitors

_We believe in the free, honest and fair competition as the base for a competitive environment which favors the fulfillment of the customers’ needs._

Expected conduct:

a) Respect the competition and do not defame it by using false, deceitful or illegal information.

b) Do not obtain, in an illicit way, any information from competitors, by means of ideological falsehood, industrial espionage, blackmail, computer and smartphone invasion.

c) Do not thwart, fraud, prevent or try to prevent the competitive nature of tenders, or try to exclude a bidder from a public tender in an illicit way.

d) Do not manipulate or fraud the economic-financial balance of the contracts executed with the public and private administrations or with any other similar contract.

12. Shareholders and Stock Market

_We constantly improve our corporate governance practices, preserving confidential information, operating in a transparent, reliable and equal manner in the relationship with the stakeholders and observing the legal provisions._

Expected conduct:

a) Comply with the structure of internal controls and record all transactions in order to reflect the reality of the operations.

b) Keep confidentiality, even in the relationship with friends and relatives, of information about finances, sales, profits, new products or other subjects which have or may come to have influence on the decision to trade securities issued by WEG. Do not trade these securities until this information is publicly disclosed.
c) Cooperate with auditors, providing the requested information in a transparent and reliable way.

13. Public Authorities

_We keep relationship with the public authorities observing the good practices of corporate governance._

Expected conduct:

a) Maintain ethical, transparent and cooperative relations with public authorities, in accordance with the applicable legislation.

14. Trade Associations

_We keep relationship with trade associations with the purpose of debating legitimate issues of collective interest that may direct or indirectly affect WEG operations._

Expected conduct:

a) Obtain previous authorization from WEG executives when representing the company in trade associations, such as chambers of commerce, trade unions, professional associations and segment entities.

b) The information exchanged must be limited to collective interest issues and must not expose WEG’s sensitive data, whether in formal meetings or interactions, events or informal conversations.

15. Community

_We take into account in our decisions the analysis of the potential impacts on the life of the community, strengthening the economic, environmental and social development._

Expected conduct:

a) Participate in the community life by means of voluntary work, including the management of non-profit organizations with the objective of contribute to its development.
b) Be aware of the potential impact resulting from these activities and act in accordance with the procedures established by WEG.

16. Environment

*We act to avoid or minimize the environmental impact of our products and production process, exercising a sustainable economic activity.*

Expected conduct:

a) At minimum, comply with the applicable environmental legislation.

b) Employ materials whose proper use will not harm the health or the environment.
Violation of the Code of Ethics

The conduct described in this Code must be practiced by all employees during the performance of their jobs, and WEG undertakes to provide the necessary conditions to enable that.

The employee, manager or executive who does not comply with the Code or who withholds information in the course of an investigation is subject to disciplinary actions.

Anyone who is not sure about the meaning, intention or application of the Code of Ethics must clarify the questions immediately.

If you are aware of any violations of the Code, we expect that you report them immediately. Do not be conniving!

See on our website www.weg.net the channels available to make your denouncement:

Or call 0800 900 4747
Anonymous and free call

WEG employees can also report to their supervisor, manager or director.

The information provided will be kept confidential, except for situations in which WEG has the legal obligation to inform the authorities.
No retaliations or sanctions against any person who, in good faith, reports violations or suspicions of violation of this Code will be tolerated.
Anyone who believes to be suffering from any form of retaliation can report it. The Board of Directors is responsible for managing the Code of Ethics.
The Executive team of each company in the WEG Group is responsible for applying this Code of Ethics. Situations not set out in this Code will be submitted to the Code of Ethics Management Committee.
If not sure, what to do?

Code of Ethics

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

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

In such situations and, 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?
- How would that look on the front page of a newspaper?
- What would I advise my children to do?
- How would I feel if my family, friends and neighbors found out 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.
TERM OF COMMITMENT - CODE OF ETHICS - 3rd EDITION

I declare that I have received WEG Code of Ethics and undertake to comply with it in the exercise of my activities at the company and ensure its compliance by everyone who must observe it; and, in case of having subordinates or third parties under my responsibility, inform them about the requirements of this Code.

FULL NAME:__________________________________________  REGISTRATION:_________

PLACE AND DATE:________________________________________

________________________________
SIGNATURE

If you are an employee at WEG, fill out this term and hand it to your supervisor or send it to the Human Resources Department.