



Integrated Annual Report 2022

Driving efficiency and sustainability

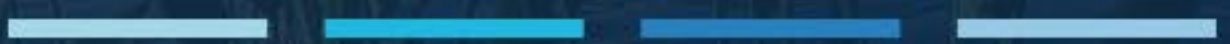


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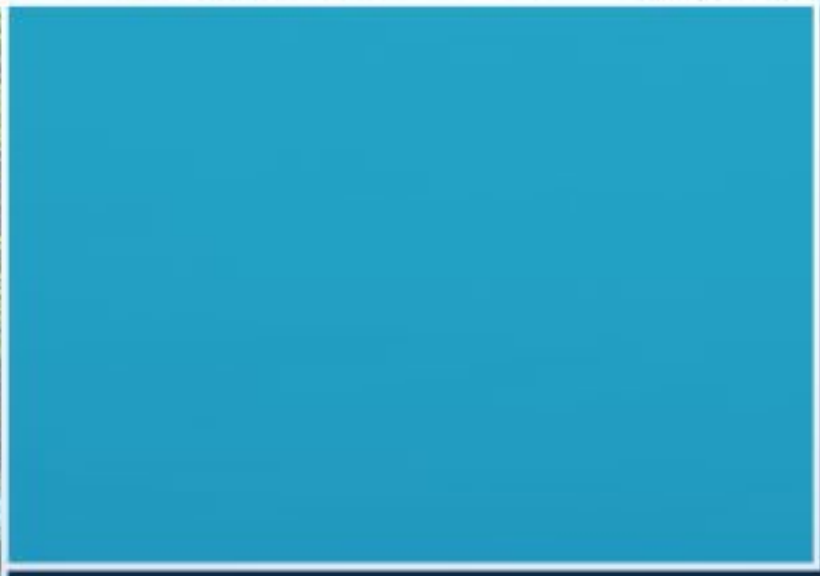
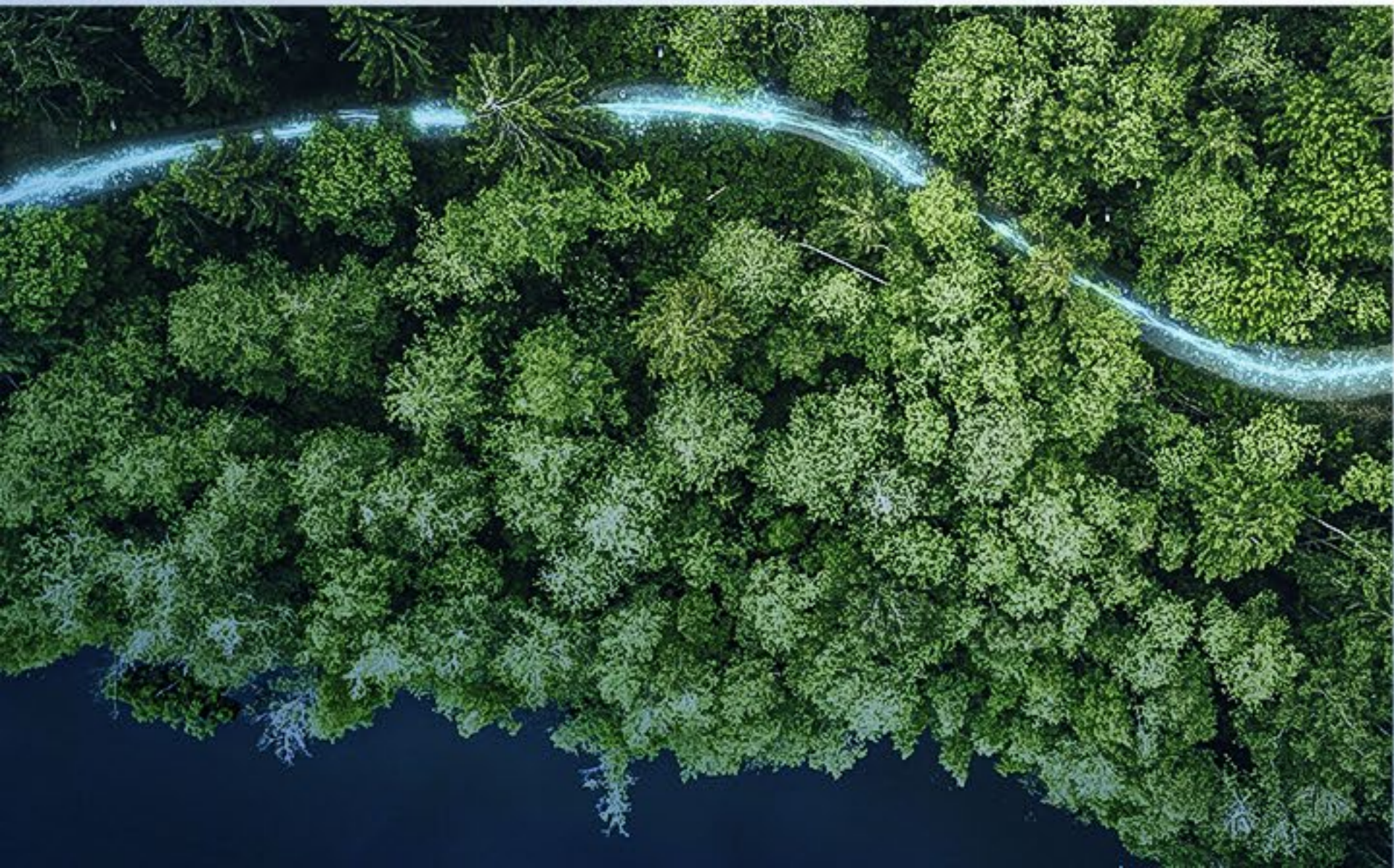
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SUSTAINABILITY AT WEG



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DRIVING THE WORLD



We were born in the 60's as a motor company. And a motor company is born to drive the world.

But we are also a source of ideas and innovations, restless, vibrant, intense and tireless in the search for the best solutions for our customers.

We are a global company which moves at the pace of the needs of the society and the economy of our times.

If over the years the economy has demanded increasingly efficient and durable electrical equipment, now, with the urgency of climate change, society demands broad and innovative solutions.

We contribute to a more efficient and sustainable world, investing in technologies for the energy transition and in smart solutions for industry, countryside, cities and homes.

This means, in practice, a commitment to using our capacity to innovate for the global needs and for the creation of a smarter, humanized and sustainable way of life, oriented to people's well-being.

Message from the President

GRI 2-22



Harry Schmelzer Jr.
President of WEG

Anyone who knows our history knows that WEG continuously grows and evolves.

Our focus on offering efficient, sustainable and smart solutions has been part of the company's philosophy since its inception, and at a time when all attention is turning to more economical and cleaner production methods, the company finds a privileged place of performance and global competitiveness.

Our historical orientation is to seek more efficiency and savings in each product, in each project. Despite all the challenges faced in recent years, mainly due to the pandemic, we reached 2022 as one of the most innovative companies in Brazil, ranking fifth as the most valued companies on the Brazilian Stock Exchange, and with a team of more than 39,000 employees spread across the planet. Our governance and compliance model once again showed consistency, effectiveness and transparency.

We invested in people, incorporated new products and solutions into our portfolio, expanded our international presence and grew across all of the company's businesses in 2022. We keep taking efficiency, integration, productivity, connectivity, innovation and sustainability to industries, the countryside, cities and communities where we operate.

Today, we offer renewed forms of electric drives, motors, generators, transformers and systems for electrification, automation and digitalization, and we are increasingly standing out in products and systems for power generation from renewable sources. All these fronts have a great growth potential for WEG and are part of the construction of an increasingly efficient and sustainable world. And it is in this more electrified and digitalized world that we want to build our future, which is why we are looking further and further and inserting ESG aspects into all of the Company's new decision-making.

In this context, we work in 2022 with the carbon inventory of our global operations, including our offices and factories in all the countries we operate, and formally started our decarbonization journey with CO₂ reduction emissions goals.

We believe that the future of all businesses will depend on our ability to be innovative, sustainable and productive. Therefore, we will continue developing products and solutions based on innovation, technology and sustainability concepts, investing in people and communities and pursuing our mission of continuous and sustainable growth, while maintaining simplicity.

Thank you all and good reading!

MATERIAL SUBJECTS

GRI 3-2

Attentive to the needs and expectations of its stakeholders, WEG consistently applies its materiality process every two years.

In 2022, WEG maintained the material subjects of the process applied in the last cycle. Accordingly, the technical details of this process are described in the chapter “Indicators and additional information”. The next materiality cycle is scheduled for 2023.

List of WEG material subjects:



**GREENHOUSE
GAS EMISSIONS**

**HEALTH, SAFETY
AND WELL-BEING**

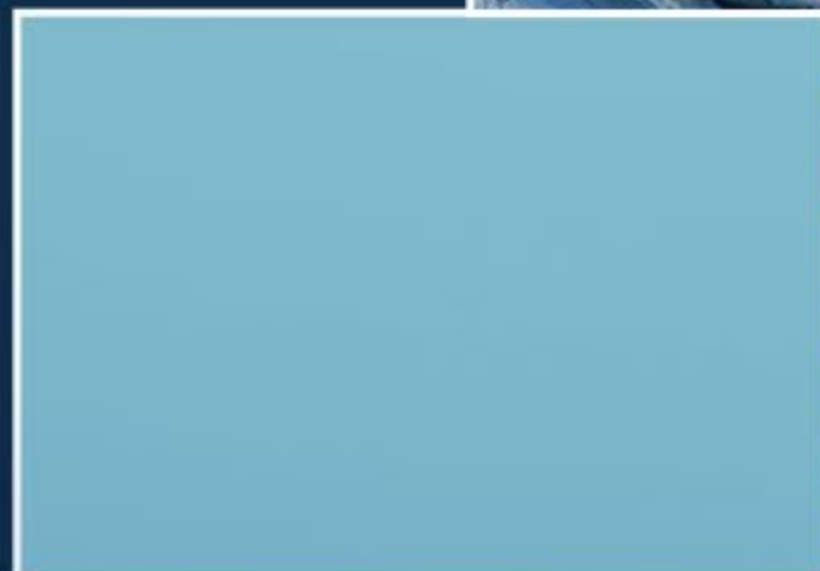
**DEVELOPMENT AND
QUALIFICATION OF
SUSTAINABLE SUPPLIERS**

**DIVERSITY
AND INCLUSION**

**SUSTAINABLE
PRODUCTS**

**SUSTAINABLE GROWTH
OF THE COMMUNITIES**

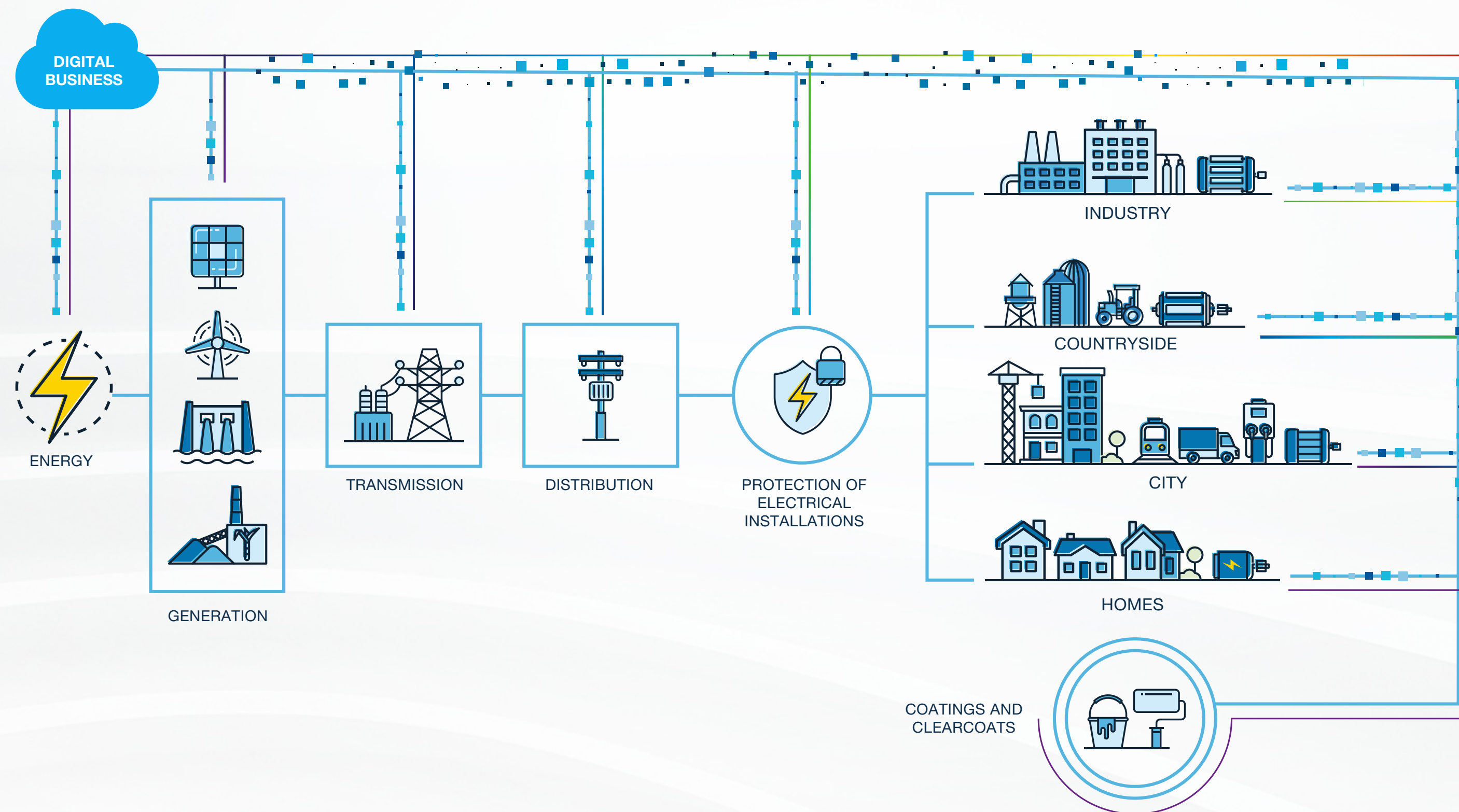
STRATEGIES



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BUSINESS MODEL

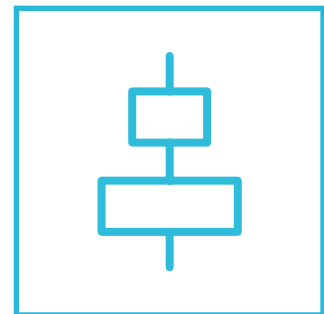


WEG's business model provides complete and efficient solutions for industrial electro-electronic equipment, generation, transmission, storage and distribution of energy, commercial and appliance motors, coatings and varnishes. Solutions ranging from generation to consumption, with innovation as one of their main characteristics. Innovation focused on energy and industrial efficiency, renewable energies, electric mobility, digital solutions and technological materials.

These characteristics of the business model allow WEG to continue providing solutions in a competitive and flexible way, integrating solutions and generating positive impacts on cities and industries around the world.

COMPETITIVE ADVANTAGES

A unique business model creates important competitive advantages.



Vertical Integration

Production flexibility that reduces costs and optimizes processes.



Diversification

A varied mix of solutions that meets market's requirements and consolidates our global presence.



Modular Expansion

Production system dedicated to maximizing return on capital and minimizing demand risks.



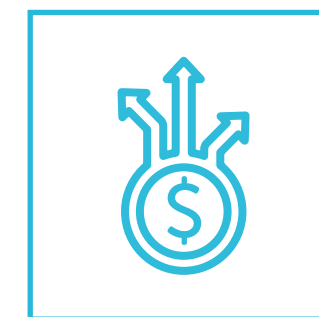
Mass Customization

We understand needs to meet objectives and thus develop customized solutions.



Simple and Committed

We keep the commitment and the simplicity in our relationship with the stakeholders.



Financial Strength

Allows WEG to pursue growth opportunities as they become available. These opportunities range from raw materials procurement at attractive conditions to acquisitions of new business.



COMPANY AND BUSINESS AREAS PERFORMANCE IN 2022

After a unique and challenging global scenario in recent years, begun with the outbreak of the pandemic in early 2020, the year 2022 began with expectations of the global economic recovery. The results were consistent throughout the year, despite events with major global consequences. High inflation in most countries was a major challenge in the course of 2022, both in developed and emerging countries.

We have been able to benefit from favorable demand conditions for our products and solutions in most of the markets where we operate, despite the challenges in the global supply chain not yet normalized in the year. It was possible to mitigate the effects in this period of uncertainty thanks to our business model, with long-term vision, vertical integration, product diversification and a good global presence.

NET OPERATING REVENUE

IN 2022
THE NET
OPERATING REVENUE,
(NOR) WAS

**BRL 29,905
MILLION,**

WITH
+26.9%
INCREASE IN
COMPARISON
TO 2021.

DOMESTIC MARKET

The net operating revenue in the domestic market was **BRL 14,864 million**, representing **49.7% of the total NOR**, with **38.4%** increase in comparison to the previous year.

INTERNATIONAL MARKET

In the international market, the net operating revenue was **BRL 15,040 million**, representing **50.3% of the total NOR**, with **17.3%** increase in comparison with the previous year.

RETURN ON INVESTED CAPITAL

The Return on Invested Capital (ROIC) for 2022 decreased **1.1 percentage points** compared to 2021, reaching **29.4%**.

HISTORY OF
CONSOLIDATED
NET OPERATING
REVENUE
(NOR)
(BRL MILLION)

17,469
2020

23,563
2021

29,905
2022

[CLICK HERE](#) TO ACCESS WEG'S FINANCIAL STATEMENTS

BUSINESS AREAS

WEG's business areas have a **diversified product line**, which allows strong growth in different market cycles. These areas, as well as their product lines, are structured as follows:



INDUSTRIAL ELECTRO ELECTRONIC EQUIPMENT

- Low Voltage Industrial Motors, High Voltage Industrial Motors, Gearboxes, Drives, Controls, Automation Panels, E-houses, Energy Storage Systems in Batteries, Electric Mobility Solutions, Digital Solutions for Industry 4.0.



POWER GENERATION, TRANSMISSION AND DISTRIBUTION

- Electric Generators, Alternators, Wind Turbines, Solar Generation, Hydraulic Turbines, Steam Turbines (biomass), Power Transformers, Dry-type Transformers, Distribution Transformers, Substations.



COMMERCIAL AND APPLIANCE MOTORS

- Commercial Motors.
- Motors for Household Appliances.



COATINGS AND VARNISHES

- Liquid Coatings.
- Powder Coatings.
- Electrical Insulating Varnishes.

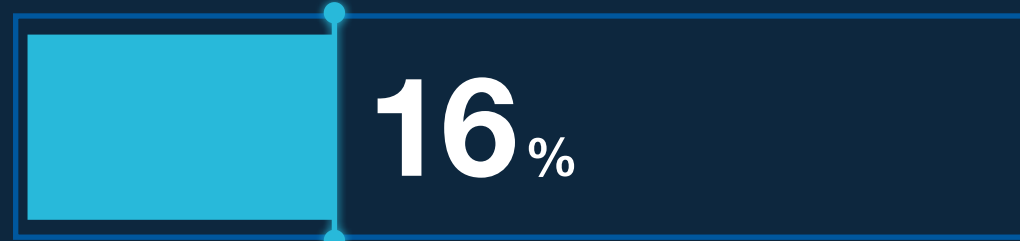
NET OPERATING REVENUE IN 2022

DOMESTIC MARKET **50%**

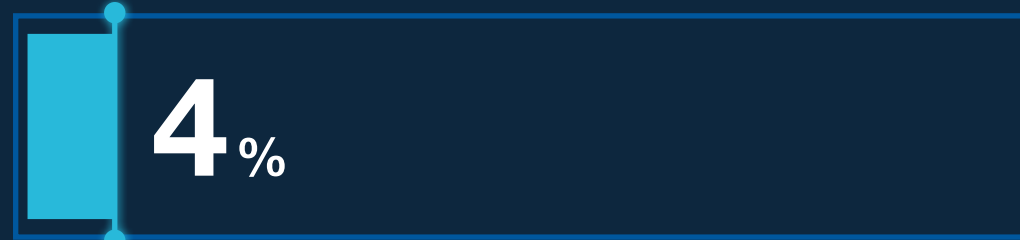
POWER
GENERATION,
TRANSMISSION AND
DISTRIBUTION



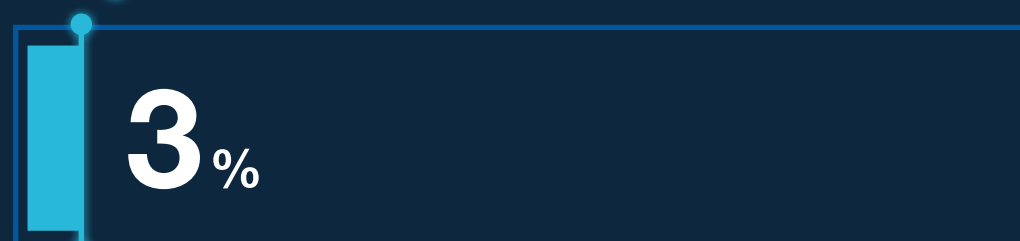
INDUSTRIAL
ELECTRO ELECTRONIC
EQUIPMENT



COATINGS
AND VARNISHES



COMMERCIAL
AND APPLIANCE
MOTORS



INTERNATIONAL MARKET **50%**

32%



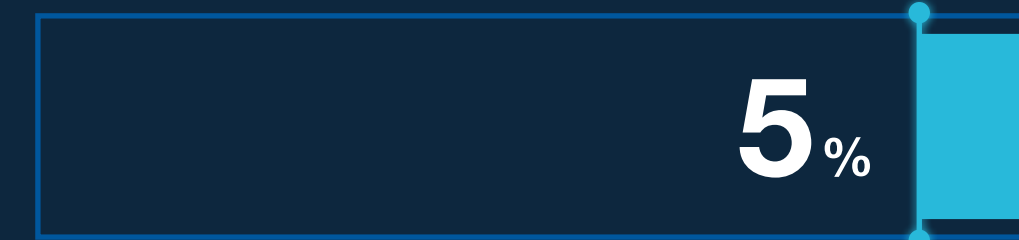
INDUSTRIAL
ELECTRO ELECTRONIC
EQUIPMENT

12%



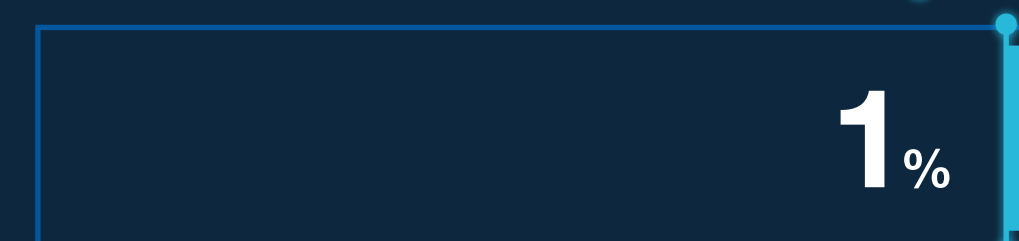
POWER
GENERATION,
TRANSMISSION AND
DISTRIBUTION

5%



COMMERCIAL
AND APPLIANCE
MOTORS

1%



COATINGS
AND VARNISHES

PURPOSE AND STRATEGY



WEG PURPOSE

DEVELOP TECHNOLOGIES AND SOLUTIONS TO CONTRIBUTE BUILDING A MORE EFFICIENT AND SUSTAINABLE WORLD.

WEG GUIDELINES

- Maintain the focus on strategic businesses and solutions aligned with Energy Transition needs:
 - Motion Drive.
 - Electrification.
 - Automation.
 - Power Generation.
 - Grid.
- Strengthen the WEG Culture and the ESG journey.
- Advance in electrification solutions for the new world of mobility.
- Develop digital solutions as a complementary and integrated offer to the businesses with WEG's strategic focus.

POSITIVE SCENARIO FOR WEG'S BUSINESS AND INITIATIVES



COMMITMENTS AND HIGHLIGHTS

GRI 2-23

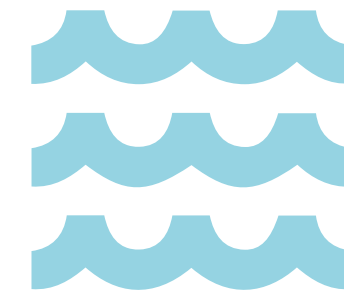
GLOBAL COMPACT

WEG, as a way of reaffirming its commitment to **Sustainable Development**, is a signatory to the UN Global Pact. And it continuously works to align its strategy and operations with the **Ten Universal Principles in the areas of Human Rights, Labor, Environment and Anti-Corruption**. This adherence also reaffirms WEG's alignment with the Sustainable Development Goals (SDGs).



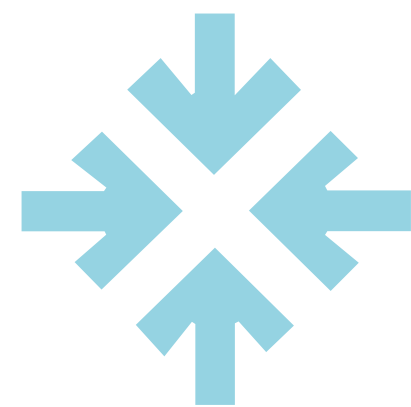
HUMAN RIGHTS

- 1 - Businesses should support and respect the protection of internationally proclaimed human rights.
- 2 - Make sure that they are not complicit in human rights abuses.



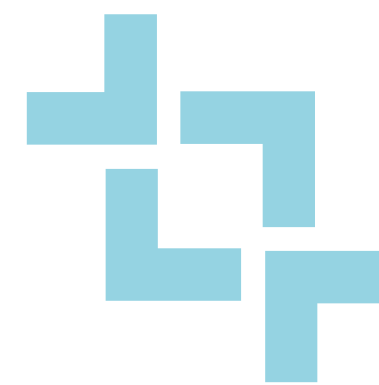
ENVIRONMENT

- 7 - Businesses should support a precautionary approach to environmental challenges.
- 8 - Undertake initiatives to promote greater environmental responsibility.
- 9 - Encourage the development and diffusion of environmentally friendly technologies.



LABOUR

- 3 - Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.
- 4 - The elimination of all forms of forced and compulsory labour.
- 5 - The effective abolition of child labour.
- 6 - The elimination of discrimination in respect of employment and occupation.

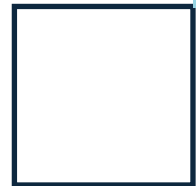


ANTI-CORRUPTION

- 10 - Businesses should work against corruption in all its forms, including extortion and bribery.

HIGHLIGHTS AND RECOGNITIONS

Aware that sustainable development is a continuous journey and that the challenges are constant, WEG works day by day to evolve and improve its processes, and as a result, it has been awarded with important recognitions that indicate that the company is on the right path on this journey. Below are the main highlights in **2022**.



	 FTSE4Good		
			



ENVIRONMENTAL

- 18 WEG CARBON NEUTRAL PROGRAM
- 22 SUSTAINABLE PRODUCTS AND SOLUTIONS



MATERIAL SUBJECT



IIRC CAPITAL Manufactured Capital; Natural Capital.

WEG CARBON NEUTRAL PROGRAM

Within the context of GHG emissions and climate change, in 2022 WEG took an important step through the creation of the **WEG Carbon Neutral Program**.

The program aims at making efforts to achieve the GHG emission goals established for the entire WEG group. The medium and long-term goals are to reduce 52% its operational emissions by 2030 and reach Net-zero in 2050, using 2021 as the base year. In addition, the program sets out guidelines, actions and responsibilities, making clear to its stakeholders its commitment to work to overcome the challenges of combating global warming and climate change, an important subject for the company.

The responsibility for achieving these goals involves the company as a whole, considering that climate change is dealt with at a strategic, tactical and operational level. Within the GHG management process, plans and actions are deployed through investments in updating processes and more efficient technologies.

The WEG Group's GHG emission reduction goals will be broken down annually to the Business Units according to the result of the previous year's inventory. The Units' goals will become part of WEG's internal goals program (PWQP), impacting the variable remuneration of all employees.



PROGRAM GOALS

The global goals of the WEG Carbon Neutral Program were established following internationally accepted methodological criteria and aligned with the NDCs (Nationally Determined Contribution), of the countries where WEG has industrial operations, that referred to the assumed GHG reduction commitments by the signatory countries of the Paris Agreement.

SCOPE 1 AND SCOPE 2 EMISSIONS (tCO₂e/year)



WEG reduced 14.9% of emissions in 2022 when compared with 2021.

GOALS

2030 Reduce GHG emissions by **52%**

2050 Reach 100% **Net-Zero**

WEG Global Scope 1 and Scope 2 Emissions.



Greenhouse Gas (GHG) emissions are on the global agenda to fight global warming, with energy transition being the main solution for a low-carbon economy, which creates a great opportunity for WEG to develop solutions aligned with the needs of its customers and, at the same time, to be a partner of industry, agribusiness and cities in their efforts to mitigate GHG emissions, with clean, more efficient technologies and less environmental impact, bringing benefits to society as a whole.

By 2030, WEG will be strongly focused on projects to reduce CO₂ emissions, investing in the mitigation of their impacts, before any compensation movement (offsetting) of emissions.

AN ESSENTIAL PART
OF THE COMPANY'S
EMISSION REDUCTION
EVOLUTION, WEG
ANNUALLY CARRIES
OUT AN INVENTORY OF
GHG EMISSIONS FROM
ITS ACTIVITIES, THE
RESULTS OF WHICH ARE
PRESENTED BELOW.

GHG EMISSIONS INVENTORY

EMISSION INTENSITY

SCOPE 1 AND 2 EMISSIONS (tCO₂e) / MI BRL NOR



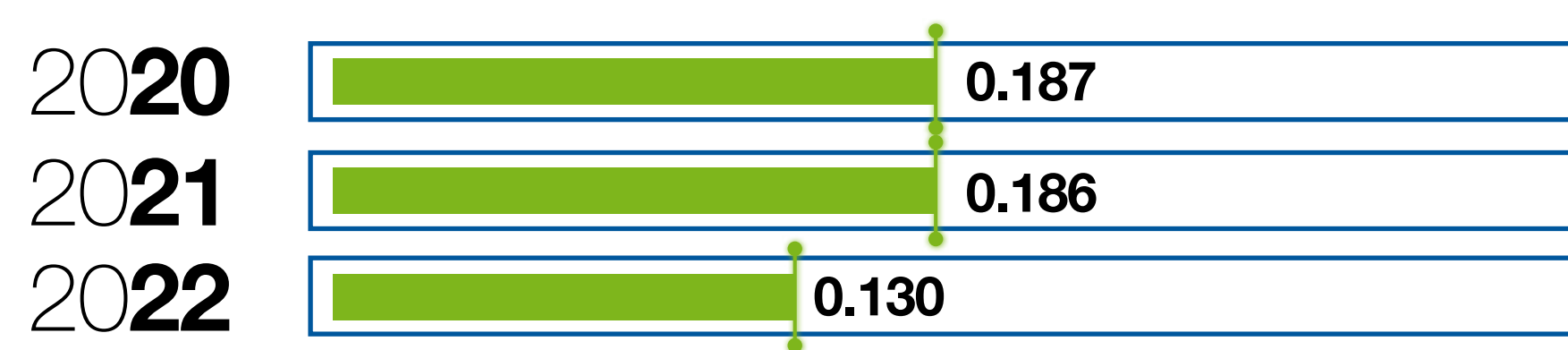
% OF RENEWABLE ENERGY USE WITH THIRD PARTY GUARANTEE

15.3% of the energy consumed by WEG in 2022 comes from renewable energy sources with a guarantee of origin.

INTERNAL EMISSIONS FACTOR - SCOPE 2

Considering WEG'S energy consumption matrix, bilateral agreements and the purchase of I-REC, the increase in the contribution with the renewable energy share can be observed by means of the reduction in the indicator below, which demonstrates 28% reduction in comparison to 2021.

INTERNAL EMISSIONS FACTOR (tCO₂e/MWh)

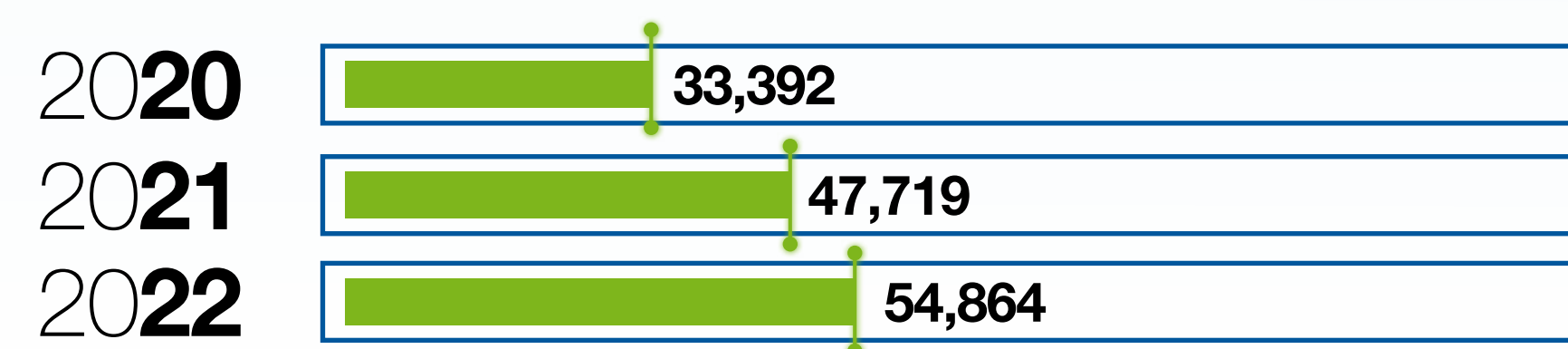


SCOPE 1

(GRI 305-1)

Scope 1 refers to direct GHG emissions from production processes, such as the use of fossil fuels.

SCOPE 1 EMISSIONS (tCO₂eyear)



SCOPE 2

(GRI 305-2)

Scope 2 refers to indirect greenhouse gas emissions from energy consumption.

SCOPE 2 EMISSIONS (tCO₂eyear) - *Market-based*



Note: 1) Scope 2 for 2021 and 2022 were calculated based on the Market-based method.

SCOPE 2 EMISSIONS (tCO₂eyear) - *By location*



EMISSIONS BY LOCATION

Emissions and representativeness per continent (tCO₂e)

CONTINENT	OPERATIONAL CONTROL		(% Purchase Choice)
	SCOPE 1	SCOPE 2	
Latin America	38,989	39,535	61.1
Asia	4,833	21,228	20.3
North America	7,754	8,695	12.8
Europe	1,636	1,636	2.9
Africa	1,631	2,082	2.8
TOTAL	54,864	73,768	100

Note: calculated based on the Market-based method.

SCOPE 3

(GRI 305-3)

Scope 3 refers to indirect GHG emissions from the value chain. For the survey of Scope 3 emissions, all relevant categories for WEG were considered. Although WEG's Scope 3 emissions are relevant, WEG has a portfolio of products and solutions able to support decarbonization at its customers, such as solutions for renewable energy generation (wind, solar, hydrogeneration, biomass), electric mobility and energy efficiency.

SCOPE 3 EMISSIONS (tCO₂e/year)



In 2022, WEG achieved a reduction of 19% in scope 3 emissions compared to 2021.

BIOGENIC EMISSIONS AND REMOVAL - CALCULATION OF THE CARBON CYCLE IN OWNED FORESTS

WEG's GHG Emissions inventory calculates and reports biogenic emissions and removals separately, and these numbers are not considered in the emissions balance. WEG's CO₂ removals refer to the plantations of 6,017.71 hectares of pine and eucalyptus, cultivated for packaging its products. WEG also has unmanaged legal reserves, natural forests and Permanent Preservation Areas, totaling more than 12,000 hectares with the managed areas.

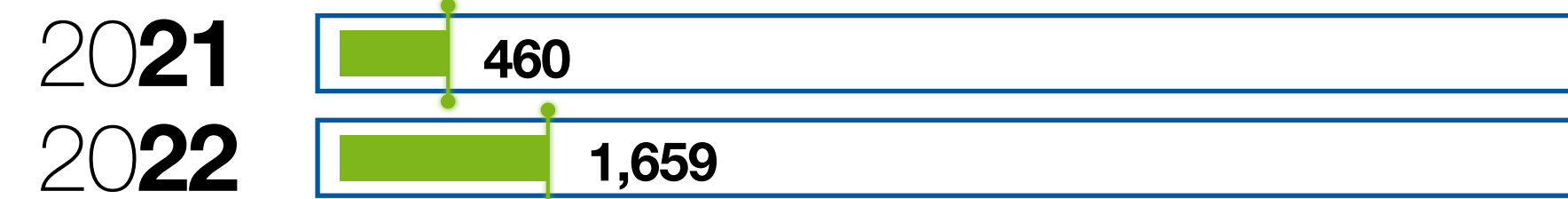
CO₂ REMOVALS (tCO₂e/year)

CALCULATION METHOD - GHG PROTOCOL

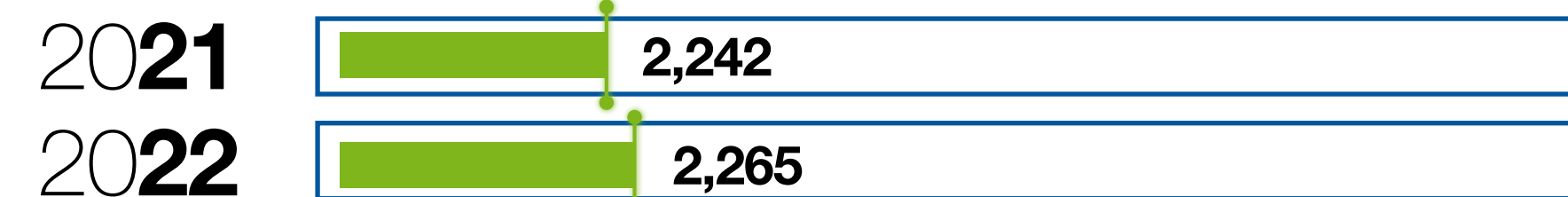


BIOGENIC EMISSIONS (tCO₂e/year)

SCOPE 1



SCOPE 3



EXTERNAL VALIDATION OF THE GREENHOUSE GAS EMISSIONS INVENTORY

WEG's 2022 Greenhouse Gas Emissions Inventory, which follows the GHG Protocol methodology, was audited and validated by a third party. The validation process provides greater reliability to the figures presented and supports the company in continuously evaluating and improving management on the subject.

[Check the validation letter here external.](#)

MATERIAL SUBJECT



IIRC CAPITAL Manufactured Capital; Human Capital; Intellectual Capital; Social and Relationship Capital; Natural Capital.

SUSTAINABLE PRODUCTS AND SOLUTIONS

The historical orientation, which drives WEG’s purpose and strategy, is to seek more efficiency and savings in each product, offering its customers efficient, sustainable and smart solutions. Within the current climatic context, the demand for “sustainable” products becomes increasingly necessary, making WEG prepared and a partner of its customers to face these challenges.

For the development of sustainable technologies and solutions to emerge and improve, it is necessary to have a consistent innovation process that has sustainability as one of its focuses. At WEG, this orientation means that a wide range of its products and solutions for cities, countryside, industry and end consumers are aligned with a lower environmental impact and a low-carbon economy.

To exemplify how these aspects are part of WEG’s business model, data and information on innovation and on WEG’s sustainable products and solutions are presented below.

INNOVATION

HIGHLIGHTS

**BRL 647
MILLION**

IN TOTAL R&D INVESTMENTS IN 2022, APPROXIMATELY 2.2% OF THE NET OPERATING REVENUE.

118

RESEARCH/TEST LABORATORIES AROUND THE WORLD.

441

GLOBALLY VALID PATENTS (ONGOING, BETWEEN GRANTED AND REQUESTED).

59.3%

INNOVATION INDEX (% OF SALES OF PRODUCTS RELEASED IN THE LAST 5 YEARS).

INNOVATION FOCUS



**ENERGY AND
INDUSTRIAL
EFFICIENCY**



**RENEWABLE
ENERGY**



**ELECTRICAL
MOBILITY**



**DIGITAL
SOLUTIONS**



**TECHNOLOGICAL
MATERIALS**

OPEN INNOVATION

In 2022, WEG with the innovation ecosystem conducted three innovation challenges focusing on sustainability. Currently, all of them are in the phase of designing the proofs of concept so that the technologies can be validated and, if approved, implemented in the company.

PARTNERSHIPS

STARTUPS

In 2022, 98 startups were prospected in line with priority demands within the themes below:

- **SUSTAINABILITY**
- **TECHNOLOGICAL MATERIALS**
- **RENEWABLE ENERGY**
- **INDUSTRIAL PROCESSES**
- **ENERGY EFFICIENCY**
- **ELECTRIC MOBILITY**

UNIVERSITIES IN BRAZIL AND ABROAD



BRAZIL



GERMANY



CHINA



U.S.A.



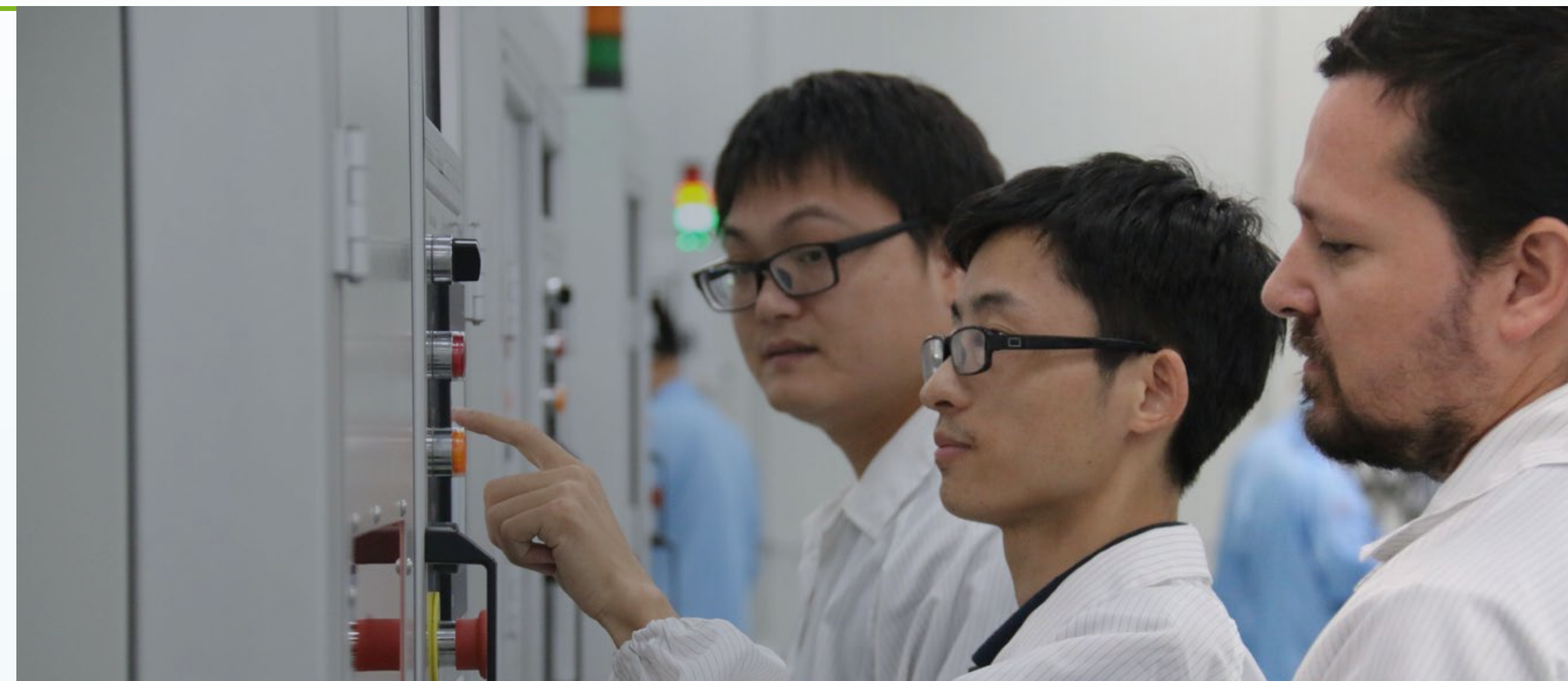
PORTUGAL

TECHNOLOGICAL DEVELOPMENT PROGRAM

Aligned with the WEG Strategic Planning, the Technological Strategic Planning directs the innovation activities to each department of the company, systematized through WEG Quality and Productivity Program (PWQP) goals, more specifically, within its technological subprogram, the Technological Development Program. This subprogram gathers Research, Development & Innovation (RD&I) about products, processes, systems and services of each business unit.

In the Strategic Technological Planning and in the preliminary definition of the portfolio of PD&I projects, WEG seeks to align internal and external scientific and technological opportunities with RD&I activities already implanted.

Annually, all RD&I projects are analyzed and approved by the direction within the scope of the PWQP so that they are aligned with the company's strategic objectives.



HIGHLIGHTS OF SUSTAINABLE PRODUCTS AND SOLUTIONS AT OUR BUSINESS UNITS

Through the company's strategic direction for its business model, WEG has in all its business units more efficient solutions and products with less environmental impact. Such as renewable energy (solar, wind), electric mobility and energy efficiency. Below are some highlights considering the variety of products and solutions that the company provides to the market through its different business units.

WIND POWER

In July 2022, WEG announced the release of a new wind turbine platform with a power of 7 MW and 172 meters of blade rotor diameter. This wind turbine will become the largest machine in operation in the Brazilian market. More powerful and efficient, the new model brings greater generation to wind projects. Another feature is the ability to provide reactive energy even without wind, which can enable other revenues in addition to energy production.

WEG also has software applications that use Artificial Intelligence and advanced analyses that can detect performance deficiencies caused by adverse weather conditions. The prototype of the new 7 MW wind turbine should be installed at the end of 2023 and start operating at the beginning of 2024.

SOLAR POWER

WEG consolidates itself as one of the main suppliers of products and solutions for solar plants in Brazil, bringing the efficiency that drives sustainability in cities, industries, farms and homes across the country. WEG has a wide portfolio of products for photovoltaic solar generation at all stages of the project, with solutions for the energy conversion and internal distribution system from the plant to the point of connection with the electrical system, through high voltage substations.

COMMERCIAL AND INDUSTRIAL ENERGY STORAGE SYSTEMS

Energy storage systems are used in commercial or industrial installations, being the complete solution for storage and management of stored electrical energy. They can be configured to perform various functions in smart systems of generation, transmission and distribution of electric energy.

DEVELOPMENT OF TRANSFORMERS FOR RENEWABLE ENERGY

The reliability of the transformers developed for solar plants aims at guaranteeing the supply of energy, allowing many people to have access to electricity through renewable energy generation sources. In the line of transformers for wind farms, WEG has developed an electrical and mechanical project for an extremely compact transformer. Additionally, due to the installation configuration, in which the source and the transforming unit are very close to each other, the system provides smaller losses and greater energy efficiency. In 2022, WEG provided 6,300 MVA in renewable energy solutions.

HYDROELECTRIC GENERATION

WEG was selected to supply the generators for São Roque Hydroelectric Power Plant, located in the city of Vargem-SC. The generators are one of the most important parts that compose the enterprise and for São Roque Hydroelectric Power Plant. With 285 tons each and approximately eight meters in diameter, these pieces of equipment are among the largest electric hydrogenerators ever produced by WEG. With specialized engineering and vertical manufacturing, equipment is developed and produced to fully meet the needs and requirements of customers.

São Roque Hydroelectric Power Plant has an installed capacity of 142 MW, which, on average, is enough to supply a city with approximately 170,000 inhabitants. The generators started commercial operation in July 2022.



RENEWABLE ENERGY

W51 HD MOTOR (HIGH DENSITY)

Efficient and compact solution, delivering high performance with reduced size and weight compared to the previous line (up to 25% higher power density – kW/kg) and its competitors. Therefore, it provides the rational use of raw materials in the manufacture of motors and the potential effects of their transformation, presenting around 15% reduction in GHG emissions in comparison to the previous line.

**ENERGY AND
INDUSTRIAL
EFFICIENCY****VSD FOR MOTORS**

High-tech VSD for driving and controlling three-phase induction and permanent magnet motors. Thanks to its technology, this VSD model provides energy savings, safety, increased productivity and quality in the process network in which it is implemented. The CFW900, together with permanent magnet motors, offers the highest energy efficiency solution on the market. The new MMI with Bluetooth® connectivity is ideal for panel builders and repair shops and allows programming, monitoring, parameter backup and other functionalities via tablets or smartphones.

BLDC MOTOR LINE (BRUSHLESS DC)

For application in front load washing machines, which presents a 60% improvement in the performance of the operating cycle and, consequently, reduction of GHG emissions during the operation phase. This line currently represents 20% of the volume sold by WEG for front load washing machines.

**ELECTRICAL
MOBILITY****INTEGRATED SOLUTIONS FOR ELECTRIC VEHICLES**

WEG continuously develops innovative technologies to create electric traction systems, as well as the entire electrical infrastructure needed to operate electric vehicles. WEG electric traction systems can be applied to various road, rail and navigation vehicles, such as trucks and buses urbans, vans, electric forklifts, trains, monorails, support ships and tugs.

SMART AND SUSTAINABLE SYSTEMS

Smart systems are able to integrate different devices and machines, as well as installations and processes, promoting efficiency in decision-making and increasing operational efficiency. Smarter solutions and systems also promote more efficient use of energy resources helping reduce the carbon footprint of operations at all levels.

AUTOMATION SYSTEMS

WEG supplies completely integrated control systems, ensuring high performance of the industrial processes, easy operation and productivity gains by means of state-of-the-art technology. The success of the integration of this system is in the synergy of WEG products, where motors, drives, generators, electric panels and software applications are integrated, providing the ideal solution for each necessity.

WEG TRANSFORMER FLEET MANAGEMENT AND WEG POWER TRANSFORMER SPECIALIST

WEG Transformer Fleet Management is the ideal solution to monitor online and manage the fleet of oil or dry-type transformers, enabling customers to maximize the efficiency of their operations, in support of the optimized management of industrial plants, renewable energy generation and infrastructure. Also, the WEG Power Transformer Specialist solution is a digital solution applied in the monitoring and management of power transformers that, integrated with the WEG Transformer Fleet Management platform, centralizes the signals from a series of sensors installed in the equipment.

WEG MOTION FLEET MANAGEMENT

Developed to bring more practicality and agility in the operation, maintenance and management of industrial plants, the WEG Motion Fleet Management is the ideal solution to monitor and raise the availability of the industrial fleet. Based on “cloud computing” technology, asset monitoring can be followed at any time and from anywhere in the world. With the WEG Motion Fleet Management it is possible to know the operational status of motors and drives (inverters and soft-starters) of low and medium voltage, gearboxes, gearmotors, compressors among other assets, which are applied in any type of industry or installation.

ULTRA LOW BAKE (ULB) TECHNOLOGY FOR COATINGS

The Ultra Low Bake (ULB) technology consists of reducing the curing time or curing temperature of powder coatings. Linked to this reduction in time or temperature (which can reach up to 35%) is the reduction in the amount of gas used in the curing ovens of the customers and partners, lowering GHG emissions.

WEG has forty products developed for this purpose. As the reduction in gas consumption is also directly linked to the reduction in the production costs, WEG partners that have this kind of technology in their production line, in addition to the lower environmental impact, have a significant increase in productivity and competitiveness.



**DIGITAL
SOLUTIONS**



**TECHNOLOGICAL
MATERIALS**



SOCIAL



- 30 HEALTH, SAFETY AND WELL-BEING
- 38 DIVERSITY AND INCLUSION
- 44 RELATIONS WITH THE COMMUNITIES



MATERIAL SUBJECT



IIRC CAPITALS Manufactured Capital; Human Capital.

HEALTH, SAFETY AND WELL-BEING



CARE FOR THE HEALTH AND SAFETY OF EMPLOYEES IS A FUNDAMENTAL PART OF WEG'S BUSINESS AND OPERATIONS.

WEG continually seeks to improve and strengthen policies and processes, making the environment increasingly safe and healthy. During 2022, WEG further strengthened the measures intended to preserve the integrity of its employees. The programs aim at promoting awareness, involvement and dissemination of the prevention culture, establishing the appreciation of human beings in accordance with WEG's Health and Safety Policy.

GOVERNANCE

(GRI 403-1)

Formed by directors, the Health and Safety Committee is responsible for evaluating and approving improvement projects for safety and ergonomics in the workplace, as well as defining related global strategies and guidelines. In addition, it also analyzes the results of the annual goals, objectives and indicators, supporting investments necessary to establish the necessary prevention standard. The Committee is formed by seven members, namely:

- **HR Director (coordinator)**
- **1 Managing Director**
- **3 Industrial Directors**
- **1 Production Director**
- **Corporate Health and Safety Manager**

GOVERNANCE IN UNITS ABROAD

The management of units outside Brazil follows the guidelines of the WEG group. Each unit operates in compliance with local legislation, having autonomy to work on adapting corporate rules. As an example, WEG has occupational health and safety management system certifications in different countries.

STRUCTURE OF HEALTH AND SAFETY PROFESSIONALS

WEG's Health and Safety professionals are fully spread across and integrated with the company's projects and environments, playing a fundamental role in the design and development of solutions and processes. We have specialists in various areas such as ergonomics, occupational hygiene, safety engineering, occupational health and psychology. In 2022, in Brazil, we had 2029 employees qualified and/or trained in Health and Safety.

The actuation in safety and health at WEG is the responsibility of all management and employees.

MANAGEMENT

WEG maintains its work practices in Occupational Health, Safety, Ergonomics and Hygiene by:

- Identifying, minimizing and/or eliminating the significant risks to the occupational safety and health of our employees, contractors and public in general.
- Identifying and complying with applicable legal requirements.
- Establishing annually objectives and goals aimed at continuously improving the procedures and practices currently applied.
- Promoting studies of new projects in Occupational Health, Safety and Hygiene aimed at strengthening good practices internally.
- Training of employees in Health and Safety.



All management takes place through compliance with the requirements of local legislation in each country where it is installed with commercial and industrial operations. Through the WEG Manufacturing System (WMS), WEG seeks to improve safety and health, structuring methods and tools in a standardized way.



THE MAIN REFERENCES FOR THE IMPLEMENTATION OF WEG POLICIES AND SAFETY PILLAR - WMS ARE:

- ISO 45001 – Directive (at the time of policy implementation, it considers OHSAS 18001 references).
- BS8800 – Directives for implementing the OSH management system.
- Law 6514 of December 22, 1977, Chapter V of the Consolidation of The Labor Laws – Regulatory Standards.
- WCM – World Class Manufacturing.
- State and Municipal Legislation.
- Collective Conventions and Agreements.

WEG’s Health and Safety Policy and guidelines are implemented in all areas, for all stakeholders. The WMS management system started in 2017, had its model area defined based on the analysis of indicators and considers a population of approximately 155 employees working in the steel sheet cutting area, called stamping. The WMS organizes the tools and practices into seven steps, requiring evolution to the next STEP after a compliance audit.

From 2017 to 2022, more than 80% of the areas are under implementation process of the first 4 STEPS. The fulfillment of the implementation activities of step 1 in the areas of Industrial Motors in 2022 is 97%.

TRAINING OF EMPLOYEES IN HEALTH AND SAFETY
(GRI 403-5)

WEG constantly works to provide employees with a safe environment for daily activities in order to preserve their physical and psychological integrity. To that end, WEG carries out awareness-raising and training actions to engage them in the company’s guidelines and objectives so that they can act safely and consciously every day. Some of the programs and actions that foster this process are the Daily Safety Dialogue and the specific Training Paths on Safety, organized according to the employee’s area of expertise. A series of programs and actions are also developed to identify risks and improvements in workplaces on a continuous and consistent basis, such as: Routines for Mapping Safety and Ergonomics Hazards and Risks, Preventive Task Analysis, Safety Audits, Internal Accident Prevention Commission, Machine and Equipment Assessment Program and Emergency Response Plans.

EMPLOYEE TRAINING IS ORGANIZED INTO:

BEGINNERS:

- Training for new hires, with general rules and adaptation rules.
- Workplace Training, with specific rules for safety and health at work, based on operational standards.
- Risk Perception Training, focused on safe behavior.
- Induction Training for Service Providers, Visitors. Safety and Health Rules for stakeholders.
- Specific training, such as Internal Committee on Accident Prevention, emergency brigade member, electricity (NR10), cargo handling (NR11), machinery and equipment (NR12), safety on construction sites (NR18), chemicals (NR20), confined space (NR33), height (NR35).

PERIODIC:

- Workplace Training on sequential operating patterns, after the evolution of the employee's knowledge at the workplace.
- Refresher of initial training as provided for in legislation.
- Emergency response plan, including simulated exercises.

OCCASIONAL:

- Training and qualifications on specific events such as new measures for the control and use of PPE.
- Training and qualifications established in campaigns such as Internal Week of Workplace Accident Prevention, with themes according to the annual work proposal.



Mandatory training is related to the job position, ensuring that people occupying a specific position receive training relevant to the position.

The training path established in the Workplace Training is specific. The content is maintained by the area itself, based on local operational and safety standards.

Number of employees trained in health and safety standards in 2022: 17,158.

PROMOTION OF HEALTH, WELL-BEING AND QUALITY OF LIFE

GRI 403-3 / 403-6

One of WEG’s commitments is to maintain and improve the employees’ quality of life. WEG develops and provides employees with a variety of services, programs and initiatives aimed at promoting quality of life and well-being, with emphasis on actions such as the Living Well Program, vaccination campaigns, labor gymnastics, daily balanced foods, the Occupational Health and Medical Surveillance Program and the WEG Hearing Conservation Program.

IMPACT MANAGEMENT

(GRI 403-2 / 403-7)

Control measures at WEG follow the hierarchy:

- **Elimination:** seek solutions that can eliminate the condition of dangers and risks in the workplace.
- **Reduction:** work on solutions to lower the risk to an acceptable level.
- **Engineering:** projects that help control risks.
- **Administrative:** risk management.
- **Personal protective equipment:** as a last resort, when other measures are not possible or are in the process of being developed or being implemented.

FOLLOW-UP OF CONTROL MEASURES:

(GRI 403-4):

- Daily in Routine Management, where the Action Plans indicator is presented.
- Monthly at the meeting of the WEG Safety and Ergonomics Program, where those in charge present the evolution of solutions.

Action plans have an automatic workflow routine, previously defined in WEG’s internal control and registration system. The workflow is forwarded whenever a new plan is inserted or updated according to status, coming to the attention of managers and other responsible parties.

All lessons learned are recorded and shared in new projects and also shared for the expansion and scope of actions for the WEG Group. The inclusion of the shared theme occurs on the agenda of the WEG Safety and Ergonomics Program meeting for follow-up.



INVESTMENTS IN MACHINERY AND EQUIPMENT

Seeking to assess the risks and the need for control measures, we assess machines and equipment in accordance with the rules and standards in force. To that end, the Program for the Assessment of Machines and Equipment manages changes to resources and is the channel for including lessons learned. In this program, the entire process of acquiring or improving machinery and equipment is assessed by the Occupational Safety area, so that it can be carried out considering all aspects of safety and ergonomics necessary for the operation. When the machines or equipment are installed, they check whether the items proposed in the assessment prior to the purchase or internal manufacturing were provided or if there is a need for additional items. WEG has been investing heavily in improving robotization processes, which have helped reduce the risk of injuries, considerably decreasing human-machine interaction, replacing or eliminating manual and repetitive operations.

CONTINUOUS IMPROVEMENT IN OCCUPATIONAL SAFETY

In 2017, WEG implemented the Safety pillar of the WMS methodology and, since then, it has been implementing these tools in the model areas and in the expansion of the manufacturing plants. The Safety Pillar is structured as follows:

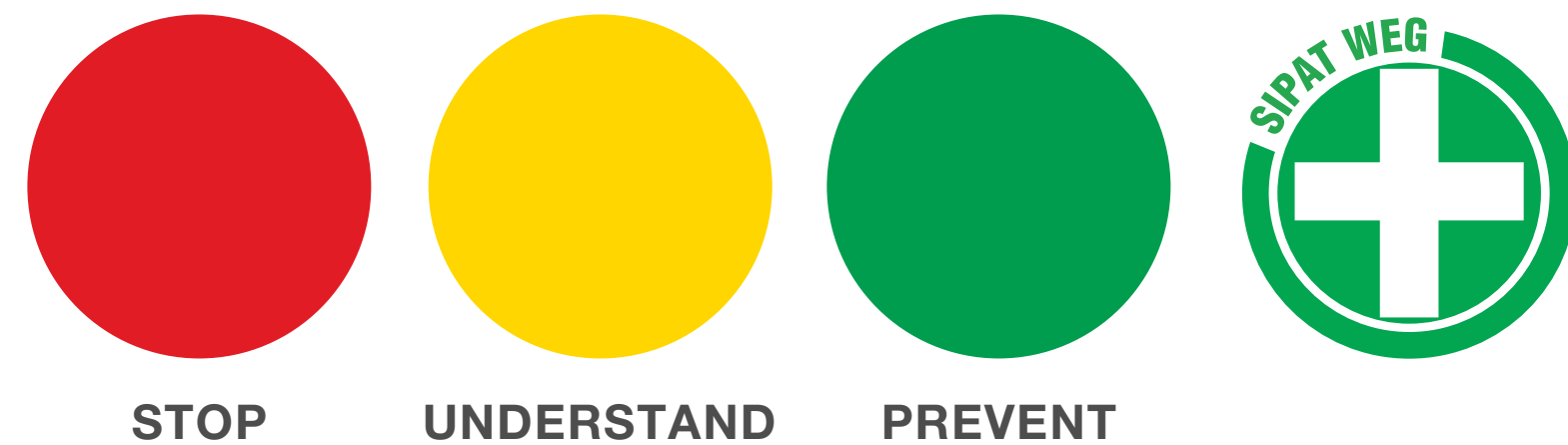
- **Step 0:** Establish the basic conditions and define the model area.
- **Step 1:** Analyze the incidents and their causes.
- **Step 2:** Develop an action plan and horizontal expansion.
- **Step 3:** Establish initial safety standards (procedures).
- **Step 4:** Carry out audits, inspections and preventive action plans.
- **Step 5:** Implement the safety notes.
- **Step 6:** Implement continuous improvement and create autonomous standards.
- **Step 7:** Complete management system.

Thus, all current programs and tools undergo a review and update based on the structure of the manufacturing management system, aiming at improving safety, quality, productivity, maintenance and logistics by means of a set of methods and tools. People are trained to take responsibility at each level, as required to implement the system. This responsibility is strengthened through tools such as the Safety Observation Card and SAF (Safety) Label, allowing the reporting of risky situations and behaviors in the work environment.



STRENGTHENING THE CULTURE OF PREVENTION

WEG works on events to strengthen the prevention culture beyond the daily prevention routine; for example, it promotes events that dedicate a week to dealing with specific accident prevention topics. A highlight in 2022, the Internal Week of Workplace Accident Prevention was held in Brazil, which brought the theme STOP, UNDERSTAND, PREVENT – Incorporate the culture of Safety!



The planned activities mainly considered group dynamics in the productive and administrative areas. The tasks pointed out the importance of safe, organized workplaces, providing mental triggers and key aspects for risk perception and safe behavior. The importance of teamwork, active care and risk communication was also highlighted.

As lectures, the themes dealt with the Evolution of the Culture of Safety, based mainly on the theory of the Bradley Curve, Traffic Prevention and the Perception of Risks and Mindfulness. As interactive activities at the exits of cafeterias, entrances and avenues, ludic activities were carried out, interacting with the public in environments different from the work station.

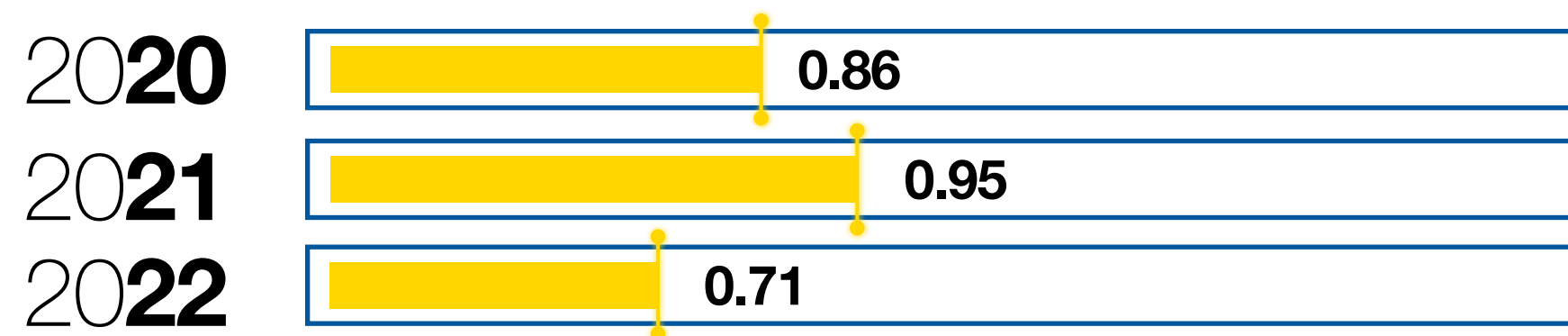


INDICATORS

WEG has indicators to evaluate its performance in health and safety and establishes goals through the Health and Safety Program, where department goals related to the theme are defined.

Among the performance indicators, the main one is LTFIR (Lost Time Frequency Injury Rate). Activity indicators are also monitored, such as the percentage of compliance with safety adjustments for machinery and equipment (NR12) or the percentage of compliance with safety inspections in the areas.

LOST TIME FREQUENCY INJURY RATE (LTFIR)



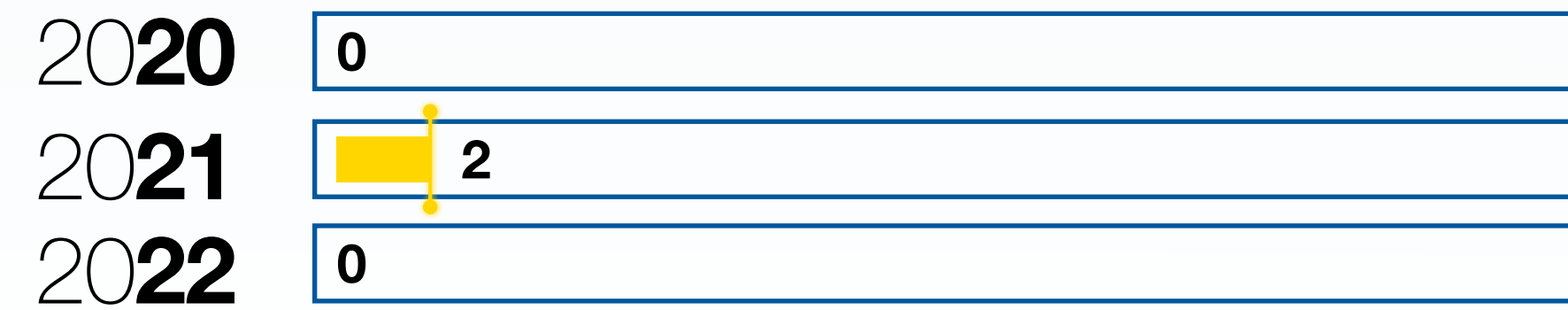
Note: the calculations were based on 200 thousand working hours.

RECORDABLE INCIDENT RATE

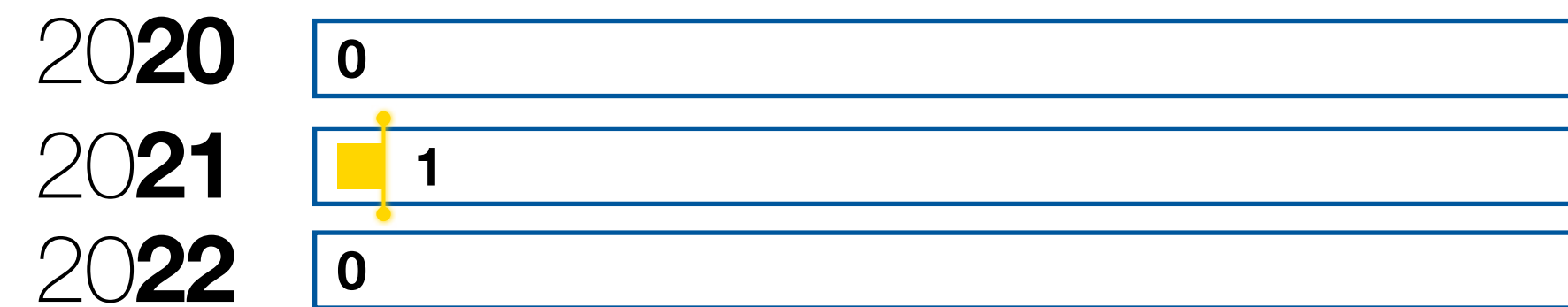


Note: the calculations were based on 200 thousand working hours.

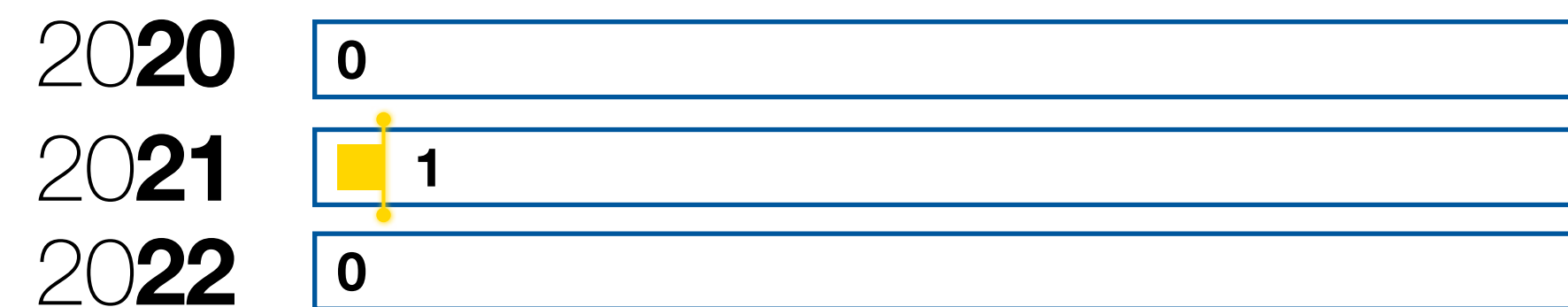
TOTAL FATALITIES



FATALITIES WITH TEMPORARY WORKERS AND THIRD PARTIES



FATALITIES WITH WEG EMPLOYEES



MATERIAL SUBJECT



IIRC CAPITALS Human Capital; Social and Relationship Capital.

DIVERSITY AND INCLUSION

An environment that promotes diversity and inclusion brings benefits such as more security and respect, reduced conflicts, creativity and innovation, since people with different experiences, cultures and realities bring a broader and more diverse perspective on a given topic.

WEG disseminates respect for diversity and inclusion in its Code of Ethics, in the Social Responsibility Policy, in the Recruitment and Selection Policy and in its internal rules, having as the main guideline the equality among employees and respect for differences, not accepting discrimination of any kind in the workplace due to: ethnicity, color of the skin, religion, culture, gender, political conviction, nationality, regionality, marital status, sexual orientation, physical or intellectual condition, among others.

To manage its impacts, the company uses as a basis its policies and guidelines, communication process and awareness and engagement actions for a greater understanding of the topic, and training of managers and leaders on the subject.

In 2022, the theme evolved on some fronts, and it will certainly evolve even more in the coming years, since the diversity journey is continuous, and WEG is committed to continuously evolving in the matter.

RELATED POLICIES:

- SOCIAL RESPONSIBILITY POLICY
- WEG CODE OF ETHICS
- CODE OF ETHICS FOR SUPPLIERS
- MARKETING POLICY

EXTERNAL COMMITMENTS:

- GLOBAL COMPACT

DIVERSITY INDICATORS

(GRI 405-1)

2020

	AGE GROUP: % OF EMPLOYEES			% OF GOVERNANCE BODIES	
	TOTAL	IN SUPERVISION POSITIONS	IN MANAGEMENT POSITIONS	IN DIRECTION POSITIONS	IN BOARD OF DIRECTORS POSITIONS
Under 18 (apprentices)	0.4	0	0	0	0
Under 30	39.1	2	0	0	0
30 to 50	54	84	64	26	0
Above 50	6.5	14	36	74	100

2021

	AGE GROUP: % OF EMPLOYEES			% OF GOVERNANCE BODIES	
	TOTAL	IN SUPERVISION POSITIONS	IN MANAGEMENT POSITIONS	IN DIRECTION POSITIONS	IN BOARD OF DIRECTORS POSITIONS
Under 18 (apprentices)	0.4	0	0	0	0
Under 30	41.2	2	0	0	0
30 to 50	51.9	82	58	29	0
Above 50	6.4	16	42	71	100

2022

	AGE GROUP: % OF EMPLOYEES			% OF GOVERNANCE BODIES	
	TOTAL	IN SUPERVISION POSITIONS	IN MANAGEMENT POSITIONS	IN DIRECTION POSITIONS	IN BOARD OF DIRECTORS POSITIONS
Under 18 (apprentices)	0.7	0	0	0	0
Under 30	33.4	3.3	0.3	0.7	0
30 to 50	55.3	82.3	67.8	40.0	0
Above 50	10.6	14.4	31.9	59.3	100

Notes: 1) In 2022, data began to be reported considering the global scope. Until then, data within the scope of Brazil were reported.

2) About specific separation of administrative and production employees, we don't report that separation because we understood that are already included in the "total" category.



2020

	GENDER: % OF EMPLOYEES			% OF GOVERNANCE BODIES	
	TOTAL	IN SUPERVISION POSITIONS	IN MANAGEMENT POSITIONS	IN DIRECTION POSITIONS	IN BOARD OF DIRECTORS POSITIONS
Men	78.7	94	97.4	100	100
Women	21.3	6	2.6	0	0

2021

	GENDER: % OF EMPLOYEES			% OF GOVERNANCE BODIES	
	TOTAL	IN SUPERVISION POSITIONS	IN MANAGEMENT POSITIONS	IN DIRECTION POSITIONS	IN BOARD OF DIRECTORS POSITIONS
Men	79.4	94	97.4	100	100
Women	20.6	6	2.5	0	0

2022

	GENDER: % OF EMPLOYEES			% OF GOVERNANCE BODIES	
	TOTAL	IN SUPERVISION POSITIONS	IN MANAGEMENT POSITIONS	IN DIRECTION POSITIONS	IN BOARD OF DIRECTORS POSITIONS
Men	78.7	80.4	90.7	99.2	85.7
Women	21.3	19.6	9.3	0.8	14.3

Notes: 1) In 2022, data began to be reported considering the global scope. Until then, data within the scope of Brazil were reported.
2) About specific separation of administrative and production employees, we don't report that separation because we understood that are already included in the "total" category.



LEADERSHIP ACADEMY



The WEG Leadership Academy is part of the Leadership Development Program, which aims at providing new leaders with immersion in the WEG culture and point out the importance of their role in the people management process.

The responsibility for an environment that develops fully aligned with WEG's policies and positions in diversity and inclusion, as well as a vision of good practices and creativity, innovation, well-being, among other benefits to employees and consequently to positive results in the company's activities, certainly involves the leaders.

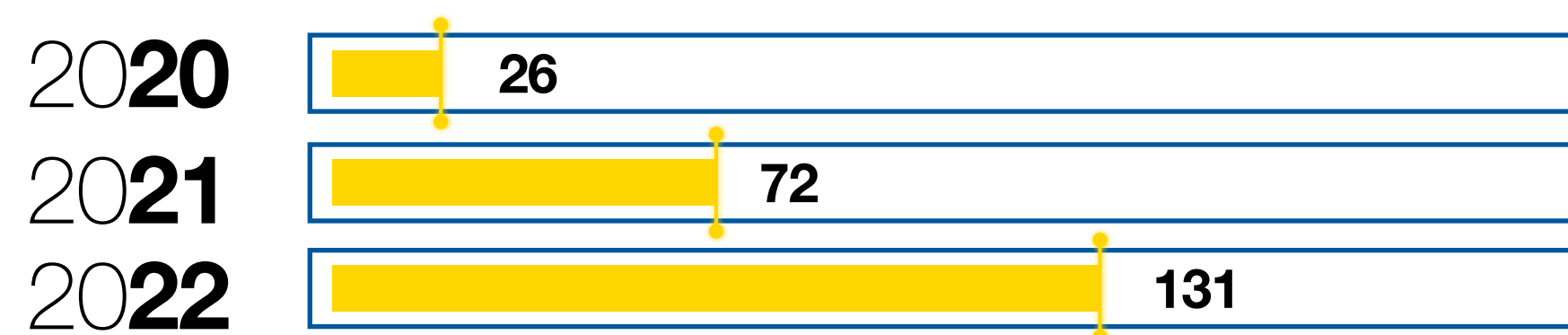
Understanding this importance of leaders for diversity and inclusion, WEG has a training module at the Leadership Academy dedicated to Diversity, that promotes synergy between the differences present in the teams.

DIVERSITY MODULE

MODULE DETAILS

TARGET AUDIENCE	Management
LENGTH	4 hours
COURSE	<ul style="list-style-type: none"> Know and understand diversity, its challenges and opportunities to minimize risks arising from prejudice and discrimination. The role of the manager as an encourager to promote synergy among the differences present in the teams, deal with the complexities and adversities of the company's day-to-day activities and make decisions that promote the inclusion of people.
CONTENT	<ul style="list-style-type: none"> What is diversity. What the diversities are (gender, disability, race/ethnicity, nationality, birthplace, sexual orientation, age/generations, among others). The contribution of diversity to the team. Development of the team to respect diversity. Diversity x WEG Code of Ethics. Benefits of diversity for WEG's management as a global company.

TRACK RECORD OF TRAINED MANAGERS



In 2022, WEG continued with this process and had the opportunity to work on the topic with a greater number of new leaders compared to recent years. This is due to the fact that in 2020 the number of trained managers was directly impacted by the pandemic and its restrictions. In 2021, the training situation in relation to the pandemic started to normalize, something that was reflected in the increase in the indicator. In 2022, the indicator showed a significant increase, impacted by the growth in the number of new managers appointed. The trend is that in the coming years the number of managers trained will increase.

PERSON WITH A DISABILITY

Aware of the challenges and needs for continuous evolution on different fronts of diversity and inclusion in the company, in 2022 WEG developed important initiatives to develop inclusion management of a person with a disability

As a highlight, the creation of the Occupational Inclusion Committee, which aims at establishing actions and monitoring the activities of inclusion of people with disabilities, which are developed by the Person with a Disability Working Group. The Committee is made up of corporate Directors and Managers and representatives of some units. Another highlight was the creation of a basic Brazilian Sign Language course for employees without hearing problems, which aims at contributing to communication between these employees and deaf ones, facilitating the development of training for a more inclusive performance. There were a total of 98 participants in 2022. In addition, WEG hired a Brazilian Sign Language interpreter for selection interviews, integration of new employees, medical evaluation, support for managers, training, corporate videos, dismissals and other specific interpretations.

In 2022, WEG also continued important processes in this context, such as the PwD Working Group, which seeks strategies to continuously improve an inclusive culture, as well as actions related to the subject.

NUMBER OF EMPLOYEES WITH DISABILITIES AT WEG

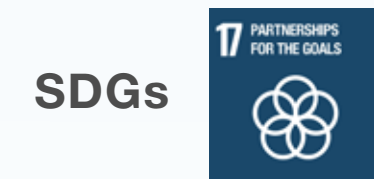


Notes: 1) In 2022, data began to be reported considering the global scope. Until then, Brazil-scope data were reported.

2) For comparative purposes, considering the Brazil scope of 2022, the indicator was: 922 employees.



MATERIAL SUBJECT



IIRC CAPITAL Social and relationship capital.

RELATIONS WITH THE COMMUNITIES

GRI 413-1

WEG's relationship with communities takes place through support for social projects, courses, meetings and conversation circles, with a focus on social inclusion, health, education and culture.

WEG interacts permanently to understand local needs and to direct support more effectively.



WEG SOCIAL INVESTMENT - MANAGEMENT

The compliance process in the Management of Social Investments is based on the Group's Social Investment Policy, which is closely related to the principles of the Global Pact.

- The Social Investment Analysis Group analyzes the projects submitted to WEG based on the Social Investment policy and suggests the transfers.
- The Social Investment Group analyzes the suggestions of the Social Investment Analysis Group and decides on the transfers, which, in some cases, requires deliberations by the General Direction.

Approved projects are monitored by representatives of the Social Investment Analysis Group, who are responsible for representing WEG in social matters in territories where the company operates.

WEG business units outside Brazil follow the guidelines of the WEG Social Investment Policy, submitting requests for approval according to the unit's governance.



IN 2022, THE SOCIAL INVESTMENT POLICY WAS REASSESSED, UPDATING THE REQUIREMENTS THAT UNDERLIE THE ANALYSIS OF PROJECTS:

- Only from a private, nonprofit and, preferably, of a philanthropic nature entity with a recognized history.
- It must occur primarily in locations where WEG has operations (industrial or commercial).
- It must preferably reach and/or involve WEG employees and/or family members.
- It must aim at social improvement and life quality of the population, especially children, adolescents and the elderly.
- It must aim at collective reach and contribute to sustainable development.
- It must promote a positive image of WEG.
- It must be maintained by more than one sponsor so that it will not to depend exclusively on WEG resources and the project will be progressively sustainable, avoiding the creation of a bond of dependence between the company and the entity.
- The entity must be in compliance with its tax and/or legal obligations.
- The entity must present technical and structural capacity to develop the project.
- It must be aligned with WEG's Code of Ethics and Policy of Prevention and Fight against Corruption and Other Detrimental Acts.
- It must provide opportunities for WEG to participate through the Volunteer Program.

PROJECT FOLLOW-UP

Every year, WEG chooses projects to carry out a detailed follow-up, considering that it is a time to go far beyond assessing whether the project is taking place as registered with WEG, but it is also a time where experiences are exchanged so that the project develops in an even assertive and the full potential is used.

GOALS

2022 – ACCOUNTABILITY OF THE GOAL REPORTED IN THE LAST WEG INTEGRATED ANNUAL REPORT

- Expansion of the Solidarity Network Program - IR. Encouraging managers and employees to allocate their income tax to social projects in advance by December - Goal reached.

2023

- Visits in loco of the Social Development team to organizations and projects in different cities where WEG operates. Objective: Expand WEG's involvement in communities through actions/activities/projects in the areas of: Social Investment and Volunteering.
- Completion of course on how to develop a social project, format it in the WSI WEG system and ways of raising funds. Deliverable: Online course, 2 classes (20 organizations each), totaling 40 organizations.
- Expansion of global social actions, with emphasis on the main WEG units abroad.



SUSTAINABLE GROWTH MEETING

Understanding that the path to sustainable development of local communities can be improved every day, WEG has held the WEG Sustainable Growth Meeting for 12 years, aiming at maintaining a close relationship with social organizations and seeking improvements in management processes.

So far, WEG has shared knowledge on different topics, such as:

- How to format project
- Volunteering - Good practices that transform
- Indicators for Project Management
- Presentation of new tax incentive laws
- Standardization and process in organizations
- Energy efficiency in organizations
- Importance of accountability
- Building a Project Team

In 2022, the theme was **“Importance of Compliance for Social Organizations”**, with 84 participants from 54 entities from different locations in Brazil.



15th WEG meeting
of Sustainable
Growth
The importance of Compliance
for social organizations

CONTACT

- Project communication and registration: [CLICK HERE](#)
- Communication for complaints and/or whistle blowing: [CLICK HERE](#)
- Another contact channel option for communications: **comunidade@weg.net / voluntario@weg.net / +55 47 3276-4552**

EXAMPLES OF SPONSORED PROJECTS



Young People
Connected
Mauá/SP



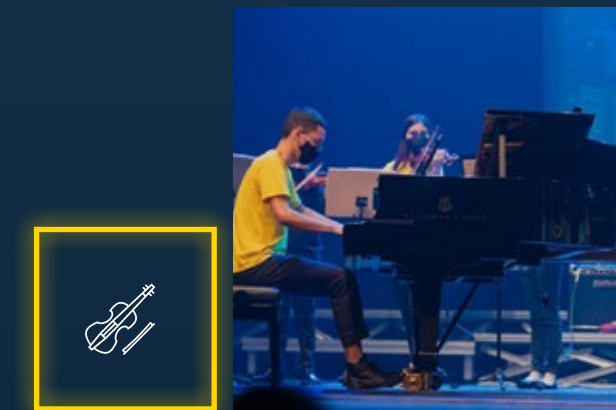
FEMUSC
FEMUSC Institute
Jaraguá do Sul/SC



Maternal and Child
Welcoming
Itajaí/SC



Breathing Equipment
Autonomous
Jaraguá do Sul/SC



Music for All
Jaraguá do Sul/SC



Social Idol of
Basketball Institute
Anderson Varejao
Linhares/ES



Bed for the Elderly
São José Hospital
Jaraguá do Sul/SC



Grown People
Children's Fund
Manaus/AM



Solidarity Skateboard
São Bernardo do Campo/SP



Turn of Peace - Judo
as an instrument of
conflict management
Chácara das Flores
Mauá/SP



Maintenance of activities
Mano Down cultural space
Belo Horizonte/MG



Children's Theater Festival
Blumenau/SC



Pia House
Sertãozinho/SP



Cofameg
Gravatá/RS



Social Inclusion



Education



Culture



Health

SOCIAL INVESTMENT INDICATORS

SOCIAL INVESTMENT (BRL MILLIONS)



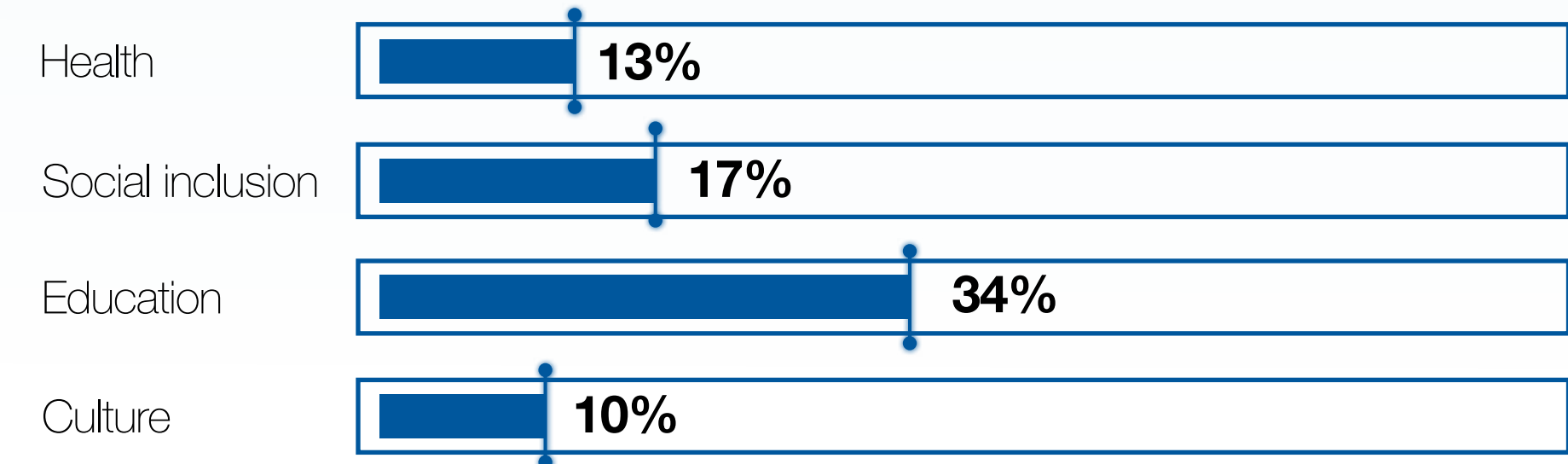
SPONSORED PROJECTS



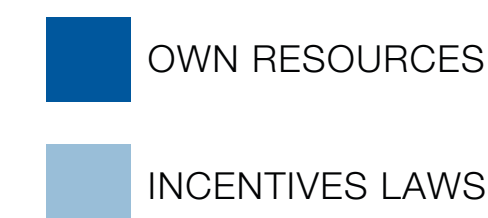
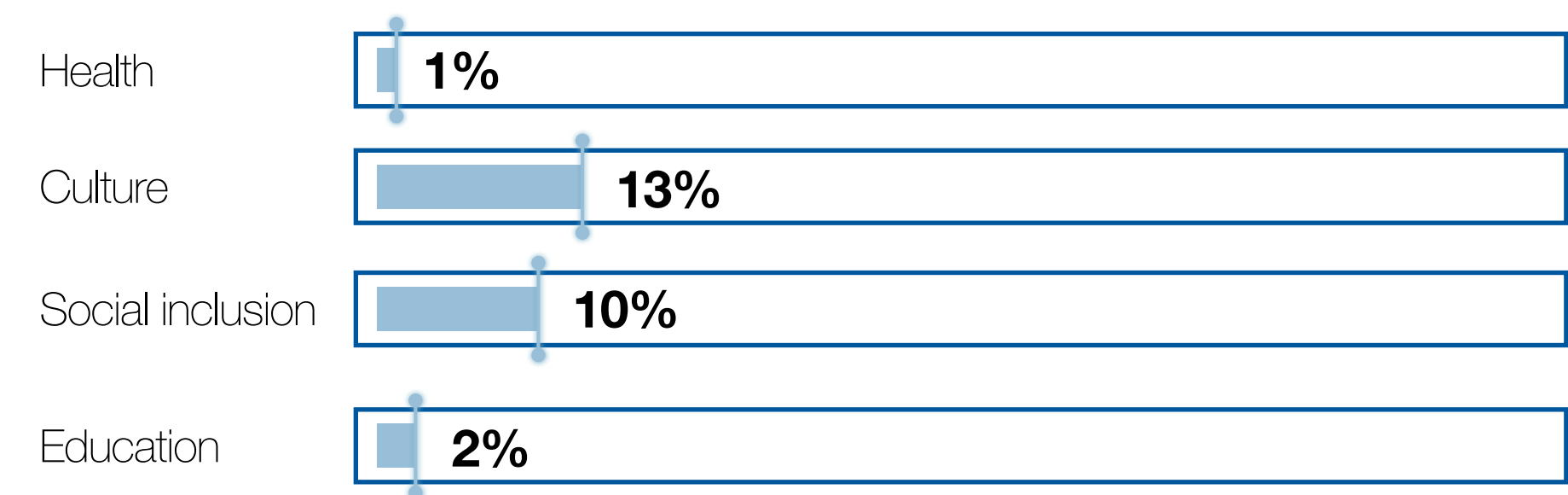
Note: in 2022, data began to be reported considering the global scope. Until then, Brazil-scope data were reported.

PROJECTS SUPPORTED BY AREA OF ACTIVITY

OWN RESOURCES



INCENTIVES LAWS



ORIGIN OF RESOURCES

OWN RESOURCES: 60.5%
INCENTIVES LAWS: 39.5%

Note: in 2022, data began to be reported considering the global scope. Until then, Brazil-scope data were reported.

More than 696 thousand people impacted by projects supported by WEG in 2022.

WEG SCIENCE AND TECHNOLOGY MUSEUM



As part of the relationship with the community, the WEG Museum of Science and Technology offers to all visitors the possibility to learn from energy-generating processes to their applications in everyday life, as well as the history of WEG.

Connecting these stories, preserving the memory, and offering an interactive space for social inclusion were the biggest challenges of the project. With access for wheelchair users, elevator, tactile floor and scale model, the WEG Museum stands out in accessibility, and in addition to the interactive exhibition, it offers inclusive educational actions designed for people with disabilities.

For schools, the WEG Museum offers different workshops and educational activities, in highlight topics such as: “My Sustainable City”, “Generating and Transforming Energy”, “Photovoltaic Solar Energy”, “Riparian Forest” and “Water Preservation: Capturing this idea”.

[CLICK HERE](#)

and take a virtual tour of the WEG Museum.



HIGHLIGHTS OF EDUCATIONAL ACTIONS IN 2022

WATER CONSERVATION: COLLECT THIS IDEA

Educational action to collect rainwater with students, who, through the demonstration of the cisterns installed in the Museum, set up a homemade cistern. 11 classes participated in the action, totaling 291 students.

VOLUNTEERING

In 2022, the WEG Volunteer Program reached 2,000 registered volunteers. The company is proud to see so many employees dedicating their time and attention to helping others in projects for the community.

The community can submit its demands to our volunteer program through a communication channel.

[CLICK HERE](#) TO ACCESS THE CHANNEL

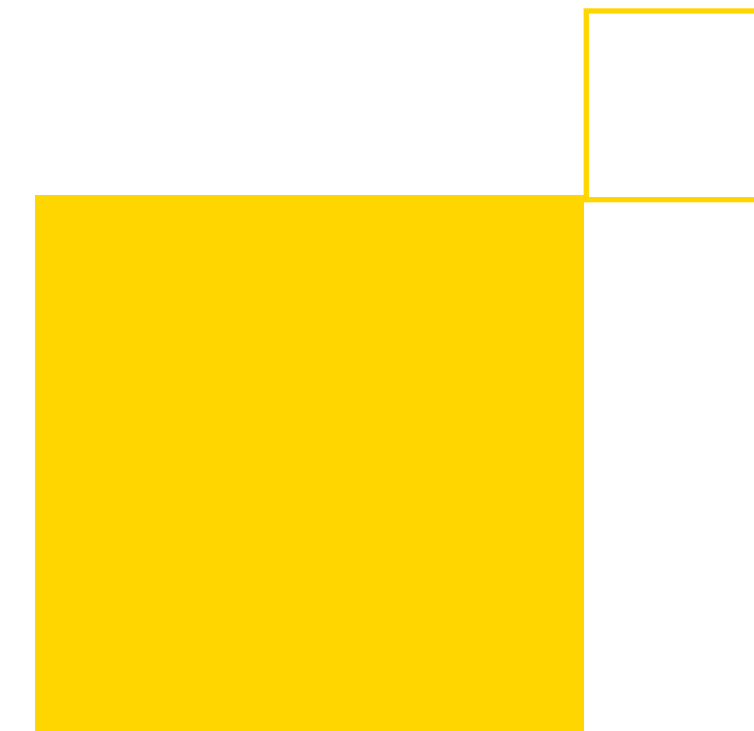
The submissions are analyzed by the Volunteer Group and reported to the employees registered in the volunteer bank. And as a way to encourage collaboration towards SDG goals, when a project is submitted, the applicant is encouraged to mention into which SDG this project fall.

In 2022, 781 volunteer employees participated in 137 actions, with almost 70,000 people impacted.

ACTION EXAMPLES:

At our unit in Portugal, our employees carried out the solidarity KM action, where each employee chose a physical activity and counted the kilometers of this activity. The sum of kilometers traveled by employees was converted into food, which was donated to needy entities in the region.

Another action was to encourage blood donation with the participation of volunteers from the Jaraguá do Sul, Guaramirim, Manaus, Itajaí, Gravataí, Bento Goncalves and Monte Alto units.



AREAS OF ACTIVITY OF VOLUNTEERS

- Education
- Elders
- Technology
- Health
- Campaigns
- Environment
- Social inclusion
- Animal
- Technological social
- Donations

ARBOR DAY ACTION



“

The experience of participating and being a volunteer awakened in me many good feelings, which I value very much. It awakened with greater strength the feeling of love and care for others, of hope, of valuing sustainability, and among many others, the feeling of friendship, friendships which I cultivate to this day. In 2019, in one of the Actions that were taking place, we all met to work together. We didn't know each other until then, but the harmony was so great that we cultivate this friendship until today. We spare no effort to carry out actions with great affection, dedication and love. And this last Action was no different—we worked with great affection to contribute and make everything work out. It was a very special experience of union, of care for the environment, with the company, and of understanding the definition that our “little” makes a lot of difference. We all have our daily activities, they consume time and energy, but I will never give up the feeling of joy and light that volunteer work brings to my life!

Suliane Schvendtner – Labor Relations

”

GOVERNANCE



- 54 CORPORATE GOVERNANCE
- 70 ETHICS AND INTEGRITY
- 75 RESPONSIBLE RELATIONS

CORPORATE GOVERNANCE



The company is committed to continuing working within the same principles of transparency, fairness and accountability to shareholders and other stakeholders. In view of that, WEG joined the New Market listing segment of B3 and adopted the Brazilian Corporate Governance Code, from the Brazilian Institute of Corporate Governance (IBGC in the Portuguese acronym).

The adoption of special corporate governance practices reflects the example set by WEG's founders.

THE MANAGEMENT OF THE WEG GROUP IS COMPOSED OF (GRI 2-9)

BOARD OF DIRECTORS

The Board's mission is to protect and value the Company's assets, maximizing the return on investment for its Shareholders, in line with the Company's values, purposes and beliefs.

The Board must establish the general direction of the Company's business and decide on strategic issues, in accordance with the competences

established by the legislation in force and by the Company's Bylaws. Guided by the guidelines of the Internal Regulations of the Board of Directors WEG SA.

The Board of Directors consists of seven members, including a president and a vice-president. Two board members are considered independent in accordance with the provisions of the Listing Rules of B3 New Market. The meetings of the Board of Directors are held with the presence of at least 2/3 (two thirds) of its members.

In 2022, 12 meetings were held with 100% participation of the members.

CRITERIA:

NOMINATION AND SELECTION

(GRI 2-10)

The selection and nomination of candidates to integrate the list for submission to the election by the General Meeting must consider some criteria presented in the Policy for Nominating Members of the Board of Directors, Executive Board and Advisory Committees, as follows.

Creation of an environment that allows the free expression of directors, seeking the diversity of experiences, qualifications and styles of behavior so that the body gathers the necessary competences to exercise its attributions

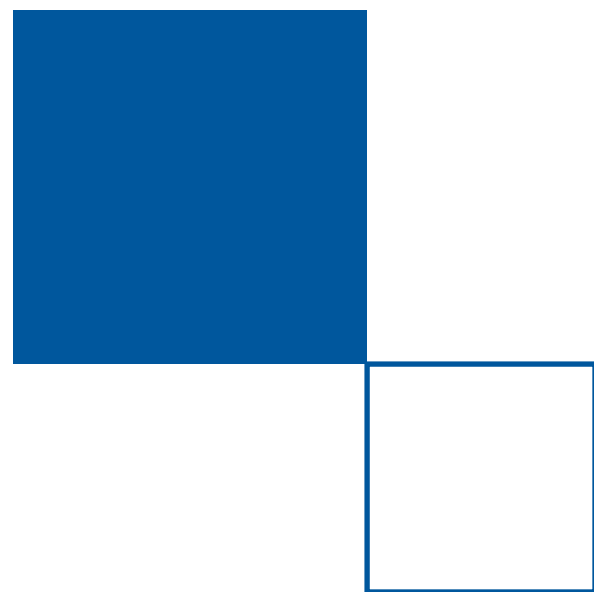
Individually, it should be sought candidates that have relevant skills to perform the function in addition to alignment with the organization's values

Seek to gather in the Board of Directors skills such as experience in different areas and specific knowledge

The board member shall also be free of fundamental conflict of interest (not manageable, not occasional or situational, which is or is expected to be permanent), be permanently aware of matters of the organization and understand that his/her duties and responsibilities are comprehensive and not restricted to the meetings of the Board

Joint decisions taken by multidisciplinary teams that complement each other is a principle that has always guided WEG – this principle is evident in work groups, commissions, committees and, especially, in the Company's Board of Directors.

Thus, the Board Members – independent or not – make up a group with experience in several world-class companies in the areas of finance, strategy, products, market, people and sustainability, capable of understanding, planning and guiding the Company's sustainable growth in a high-level governance environment.



MEMBERS

The Board of Directors, elected at the general meeting held on April 26, 2022, for a 2-year term, was made up of the following members:
(GRI 2-11)



Décio da Silva

Is the Chairman of the Board of Directors of the Company. He was president of WEG between 1989 and 2007, having held various positions within the company since 1979, when he started working for the company after graduating from the first class at the WEG Training Center. He is also Chairman of the Board of Directors of Oxford Porcelanas S.A. and WPA Participações e Serviços S/A.



Nildemar Secches

Is a member of the Board of Directors since 1997 and current Vice President, having held the position of President in the past. In addition, the executive serves as a member of the Board of Directors of lochpe-Maxion, Suzano Papel e Celulose e Vibra Energia.



Tânia Conte Cosentino

Has been a member of the Board of Directors since 2022. She has a consolidated career as an electrical engineer, with several specializations in finance and corporate governance. Her professional career includes experiences at Rockwell Automation, Siemens and Schneider Electric. Currently, she is president of Microsoft in Brazil.



Dan loschpe

Has been a member of the Board of Directors since 2012. He has also been a member of the company's audit commission since 2022. Currently, he is a member of the Board of Directors of the companies lochpe-Maxion, Embraer, Cosan and Marcopolo.

MEMBERS



Siegfried Kreutzfeld

Has been a member of the Board of Directors since 2020. He started his career at WEG in 1979, where he accumulated more than 40 years of experience, as Director of Engineering and R&D, Managing Director of WEG Motores and Director Superintendent of WEG China. In 2020, he ended his corporate career at the Company as Superintendent Director from WEG in South Africa. Siegfried is currently a member of the Advisory Board of ANPEI (National Association of Research and Development of Innovative Companies) and the Board of Directors of CBMM (Brazilian Company of Metallurgy and Mining).



Sérgio Luiz Silva Schwartz

Has been a member of the Board of Directors since 2015. The executive accumulated a long experience at WEG between 1996 and 2015, when he ended his cycle at the company, having reached the position of Vice President and CFO of the company. Currently, Sérgio is also a member of the Board of Directors of WPA Participações e Serviços S/A, Lochpe-Maxion and Oxford Porcelanas.



Martin Werninghaus

Has been a member of the Board of Directors since 2006. Graduate in economics, he has a long experience with the company, having worked at WEG from 1984 to 2006, when he ended his activities at the company as superintendent director of WEG Química. Currently, the executive is a member of the Board of Directors of WPA Participações e Serviços S/A.

[CLICK HERE TO LEARN MORE ABOUT
WEG'S BOARD OF DIRECTORS](#)

SUSTAINABILITY SUBJECTS DISCUSSED IN THE BOARD OF DIRECTORS IN 2022

- Sustainability Strategy
- WEG Carbon Neutral Program

ROLE IN IMPACT MANAGEMENT SUPERVISION

(GRI 2-12 / 2-13)

The Board must establish the general direction of the Company's business and decide on strategic issues, in accordance with the competences established by the legislation in force and by the Company's Bylaws.

It must monitor the conduct of business and the activities of the direction, people management and risk management, within an organizational structure based on prudence and effective control. And ensure the company's perpetuity, within a long-term and sustainability perspective, which incorporates considerations of an economic, social, environmental and good corporate governance nature, in the definition of business and operations.

In recent years, with the creation of the Sustainability Direction and the Sustainability Committee, the Board of Directors receives information for evaluating and developing strategies related to the sustainable development goals. In addition, seeking to deepen ESG actions, the Board of Directors approved in 2022 the WEG Carbon Neutral Program, which defines global decarbonization goals (reduction of GHG emissions).

COMMUNICATION OF CRUCIAL CONCERNS

(GRI 2-16)

Reports of Internal Audit activities and Code of Ethics events are presented to the Board, as described in the Minutes of the Board of Directors, for consideration and deliberation. In addition, the Risk Management Policy establishes an operational and administrative risk management and business continuity program, which is also evaluated by the Board of Directors.



FISCAL COUNCIL

The Audit Committee is a collegiate body, independent of the Executive Board and the Board of Directors, operating on a permanent basis, overseeing the management of the Company's business and accounts, based on the principles of ethics, equity and transparency. This Internal Regulation establishes the general rules regarding the operation, structure, organization and activities of the CF of WEG S.A., in accordance with the legislation and its Bylaws. Comprised of up to 5 (five) effective members and an equal number of alternates, the Annual General Meeting elects its members and sets their remuneration annually.

Lucia Maria Martins Casasanta

Effective Member

Patricia Valente Stierli

Effective Member

Vanderlei Dominguez da Rosa

Effective Member
(President)

ELECTION DATE:
04/26/2022

TERM:
1 year

[CLICK HERE TO LEARN
MORE ABOUT OUR FISCAL COUNCIL](#)

And always follow the most up-to-date
information on members

AUDIT COMMISSION

The Audit Commission is a non-statutory advisory body directly linked to the Board of Directors, responsible for monitoring the activities of the Company's internal audit and internal controls area. It is composed of 3 (three) independent members, appointed by the Board of Directors, who will hold their positions for a maximum of 10 (ten) consecutive years, with at least 1 (one) member appointed among the Independent Directors of the Company's Board of Directors.

Dan Ioschpe

Effective Member
(Coordinator)

Douglas Conrado Stange

Effective Member

Estela Maris Vieira de Souza

Effective Member
(Coordinator)

ELECTION DATE:
05/24/2022

TERM:
2 years

[CLICK HERE TO LEARN
MORE ABOUT OUR AUDIT COMMISSION](#)

And always keep up with the most up-to-date
information on Members.



EXECUTIVE BOARD

- WEG S.A.

The executive board is composed of 12 members all members of the Direction will be elected and dismissed, at any time, by the Board of Directors.

The term of office is two years, and reelection is permitted. The Direction, within the limits set by the Bylaws, is vested with broad and general management powers so as to enable the execution of all the necessary actions to regulate the operation of the company in order to achieve its corporate objectives

The active and passive representation of the Company, in or out of court, as well as the practice of all legal acts that create, modify or extinguish any rights and obligations, is incumbent upon 2 (two) members of the Direction, who sign jointly, one of them the Chief Executive Officer, or the Administrative and Financial Director, or the Investor Relation Director.

MEMBERS



Harry Schmelzer Jr.
Chief Executive Officer



André Luís Rodrigues
Administration and Finance
Managing Director



Alberto Yoshikazu Kuba
Chief Operating Officer of
WEG Industrial Motors




André Meneguetti Salgueiro
Finance and Investor
Relations Officer



Carlos Diether Prinz
Chief Operating Officer
of WEG T&D



Carlos José Bastos Grillo
Chief Officer of WEG Digital
and Systems




Eduardo de Nóbrega
Chief Operating Officer in
China



Elder Jurandir Stringari
International Director



Hilton José da Veiga Faria
HR and Sustainability
Director



João Paulo Gualberto da Silva
Chief Operating Officer of
WEG Energy



Julio Cesar Ramires
Managing Director of
Commercial and Appliance
Motors Business Unit



Manfred Peter Johann
Chief Operating Officer of
WEG Automation

All information about our directors, including the most recent updates on the composition of the Executive Board, can be found on our website.

[CLICK HERE TO FIND MORE DETAILS OF THE EXECUTIVE BOARD AND FOLLOW THE MOST UP-TO-DATE INFORMATION ON MEMBERS.](#)

REMUNERATION

GRI 2-20

POLICY

WEG's remuneration policy for its managers aims at attracting and retaining qualified professionals, with competence and a profile suitable for the characteristics and needs of the business.

- Board of Directors and Executive Board** - The purpose of the remuneration is to repay the contribution made by each member to the continuity and development of the organizational business under their responsibility, as well as to the achievement of results and performance by the Company.
- Fiscal Council** - The remuneration aims at remunerating each member for the performance of their legal and statutory functions. There is no variable compensation for the Fiscal Council.
- Audit Commission** - The purpose of the remuneration is to compensate the members for their contribution and responsibility exercised in their position, considering their attributions. There is no variable remuneration for the Audit Commission.

	FIXED REMUNERATION	VARIABLE REMUNERATION	LONG-TERM INCENTIVE PLAN
Board of Directors	X	X	
Executive Board	X	X	X
Fiscal Council	X		
Audit Commission	X		

Management remuneration is governed by WEG S.A.'s Management Remuneration Policy, approved annually at the Annual General Meeting.

VOTING RESULTS CAN BE CHECKED ON THE
FINAL DETAILED VOTING MAP

FIXED REMUNERATION

The fixed remuneration, as well as the benefits offered by the Company, follow market practices and consider individual performance and other factors such as the executive's potential, specific skills, job experience and retention risks. In establishing the individual amount to be paid monthly, it is considered: their responsibilities, time devoted to their duties, competence and professional reputation, and the parametric market value for such services. Periodically, the company conducts a compensation survey through a specialized company and selects samples of companies that reflect similarities with WEG in terms of size, industry in which it operates, presence in the various markets in which it operates and Philosophy of consistent and similar compensation.

Members of the Board of Directors and Executive Board receive fixed compensation, established in accordance with specific legislation, bylaws determinations and market standards.

The remuneration of the members of the Fiscal Council complies with the provisions of paragraph 3 of article 162 of Law 6.404/1976 and is fixed by the General Meeting that elects them, based on a proposal by the Board of Directors.

The members of the Audit Commission receive fixed compensation, that is, monthly fees fixed at a meeting of the Board of Directors, in order to ensure the compatibility of the role with the compensation paid.

VARIABLE REMUNERATION

REPRESENTED BY
PERFORMANCE BONUSES
SUBJECT TO THE
ACHIEVEMENT OF ANNUAL
GOALS ESTABLISHED BY
THE BOARD OF DIRECTORS.

Members of the Board of Directors and Executive Board Statutory receive variable remuneration depending on the achievement of goals and performance indicators. This form of compensation promotes consistent and transparent sharing of results, as well as the alignment of the interests of the Company, Managers and shareholders, in accordance with the best management and corporate governance practices.

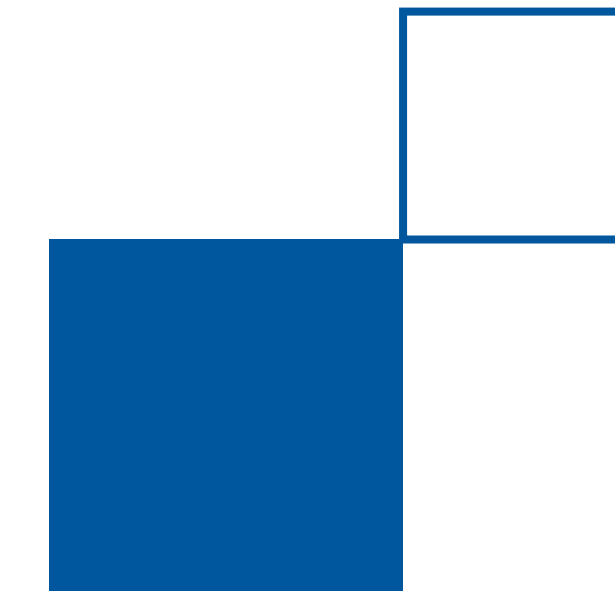
The validation of the plans and amounts to be distributed will be carried out by the Board of Directors, subject to the limits approved at the Shareholders' Meeting.

With a view to strengthening the company's culture and aligning it with the company's objectives, starting in 2023, the executive bonus program will have two goals related to ESG.

One of the targets is linked to the reduction of CO₂ emissions, and the other to performance in improving employee health and safety.



LONG TERM INCENTIVE PLAN



Long-Term Incentive Program – The Company's Managers also receive share-based compensation, called Long-Term Incentive Plan, subject to the achievement of goals. This form of remuneration encourages managers to become long-term shareholders, helping align the interests of these administrators with the interests of the other Company's shareholders.

SHARE-BASED COMPENSATION IS PROVIDED FOR IN THE BYLAWS, ARTICLE 5, PARAGRAPH 2, AND THE MAXIMUM NUMBER OF SHARES TO BE GRANTED BY SHARE-BASED PLANS IS LIMITED TO A MAXIMUM OF 2% (TWO PERCENT) OF THE TOTAL NUMBER OF REPRESENTATIVE SHARES OF THE COMPANY'S SHARE CAPITAL.

- 70% of the shares granted to Administrators or Managers will be delivered at first but divided into three parts: 1/3 delivered as of the second year, 1/3 delivered as of the third year and 1/3 as of the fourth year.
- The remaining 30% of the shares granted to the Administrators or Managers will be delivered but will only be available for disposal by them under the following conditions:
 - On the date on which the Administrator or Manager turns 55 (fifty-five) years old, 50% (fifty percent) of the total shares that have already fulfilled the vesting period will be released.
 - The balance of 50% (fifty percent) will be released on the occasion of the special termination event, as defined in item 14 of the ILP Plan. If the special termination event occurs on a date before the Administrator or Manager turns 55 (fifty-five) years old, they will be totally released.

The variable compensation and share-based compensation are subject to goals and performance indicators to be achieved, promoting the alignment of their interests with those of the Company in order to create value, in line with the best management and corporate governance practices.



RELATIONSHIP OF REMUNERATION POLICIES WITH OBJECTIVES AND PERFORMANCE

Annually, the Board of Directors establishes the criteria for the performance bonus to be distributed to the managers (Executive Board and Board of Directors). The performance bonus is calculated on consolidated net income, with a percentage of up to 2.5%, provided that minimum operating performance goals are met. Performance goals refer to Return on Invested Capital and EBITDA growth.

Share-based compensation subject to achieving a minimum return on invested capital (ROIC) defined by the Board of Directors, and the maximum number of shares to be granted by share-based plans is limited to a maximum of 2% (two percent) of the total shares representing the Company's Share Capital.

The main performance targets refer to Return on Invested Capital and EBITDA growth. From 2023, were included targets linked to employee health and safety performance indicators and reduction of CO₂ emissions.

RISK MANAGEMENT



RISK MANAGEMENT AT WEG IS A PROCESS THAT INVOLVES THE ENTIRE ADMINISTRATION, IMPROVING THE RISK PREVENTION CULTURE, WHILE PROVIDING ALIGNMENT WITH THE COMPANY'S LONG-TERM STRATEGY.

WEG adopts a Risk Management Policy aimed at establishing the guidelines of the management process in order to ensure that the identification, analysis, evaluation, mitigation and monitoring of risks are carried out in accordance with the defined methodologies, assigning roles and responsibilities to the different levels of the Company, taking into account the strategic planning, processes, business models and external factors.

Risks are reviewed periodically through analysis and classification of risks into six categories: external, strategic, financial, people, compliance and governance, and operations.

The Board of Directors becomes aware of the mapped risks, as well as the action plans aimed at improving actions to mitigate the most relevant risks.

GOVERNANCE IN SUSTAINABILITY

WEG's organizational culture has been aligned with good governance and socio-environmental responsibility practices since its early years. An inheritance of the convictions and position of its founders, Werner Voigt, Eggon João da Silva and Geraldo Werninghaus. Over the years, WEG has been honing its processes and management, and in recent years it has made important moves in its Sustainability governance process, something that can be seen in the improvements of processes.

GOALS PROGRAM

WEG's annual goals program, called WEG Quality and Productivity Program (PWQP), aims at raising awareness and encouraging people's willingness for solving problems and taking advantage of opportunities for improvement, seeking continuous gains in quality and productivity, both in the manufacture of products and in the provision of services, as well as in the whole business performance, in each sector. The preparation of the WEG Quality and Productivity Program goals and projects considers different categories, as follows:

- Environment Program
- WEG Health and Safety Program
- Technological Development Program
- Continuous Improvement Program
- Specific Goal Program
- Annual Standardization Program

ESG GOALS

In the PWQP Brazil Program, WEG determined that each Department should establish environmental and/or social and/or governance goals.

RESULTS

In 2022, the Program obtained the following numbers:

E (ENVIRONMENTAL):

204 environmental goals were reached.

S (SOCIAL):

374 social goals were reached.

G (GOVERNANCE):

1,398 governance goals were reached.

The volume of improvements applied through the goals helped the company bring processes and practices more in line with good governance and socio-environmental practices in 2022 and contributed to bringing about continuous improvements for ESG in the different areas of the company.



ETHICS AND INTEGRITY

The establishment of a harmonious environment that favors the development of employees and that also impacts the company's performance fundamentally depends on the incorporation of ethics and integrity in its culture, processes and practices. Therefore, WEG establishes continuous policies and practices to strengthen its management on the subject.

CORPORATE POLICIES

(GRI 2-24)

WEG's corporate policies establish the company's guidelines that involve activities as a whole. In this way, the internal processes and the relationship with stakeholders occur in a sustainable way, mitigating risks and strengthening the generation of value in all capitals (financial, manufactured, intellectual, human, social and relationship and natural). Policies are developed in-house by the related areas/committees and always approved by the company's General Direction. Given WEG's geographic coverage, the policies are available in different languages so that our employees and stakeholders can easily understand them in different parts of the world.

PREVENTION AND FIGHT AGAINST CORRUPTION AND OTHER DETRIMENTAL ACTS

Revised in May 2021, WEG Policy for Preventing and Fighting Corruption and Other Detrimental Acts aims at reinforcing WEG's commitment to existing good practices through the expected conduct already defined in WEG's Code of Ethics in order to avoid and fight corruption and other detrimental acts, detect and remedy deviations, fraud, irregularities and illegal acts against national or foreign public administration, as well as encourage reports on failure to comply with the policy.

This Policy covers all administrators, members of the Fiscal Council, managers, employees, suppliers, customers, commercial representatives and other accredited third parties acting on behalf of WEG. People at WEG covered by the policy receive periodic training.

ACKNOWLEDGEMENT FORM FOR ADMINISTRATORS, MANAGERS AND EMPLOYEES

The administrators, members of the Fiscal Council, managers and other employees who keep relations with public administrations, nationally or abroad, must sign or otherwise acknowledge the awareness of this Policy.

[CLICK HERE TO LEARN THE FULL POLICY](#)

PRIVACY

Privacy and commitment to protecting personal data of interested parties is important to the company. This policy aims at providing transparency for the way the company collects, uses, protects or handles such data, and it is in compliance with European Union Regulation No. 2016/679, known as the General Data Protection Regulation ("GDPR") and other relevant laws on the subject ("Data Protection Laws").

[CLICK HERE TO LEARN THE **FULL POLICY**](#)

MARKETING

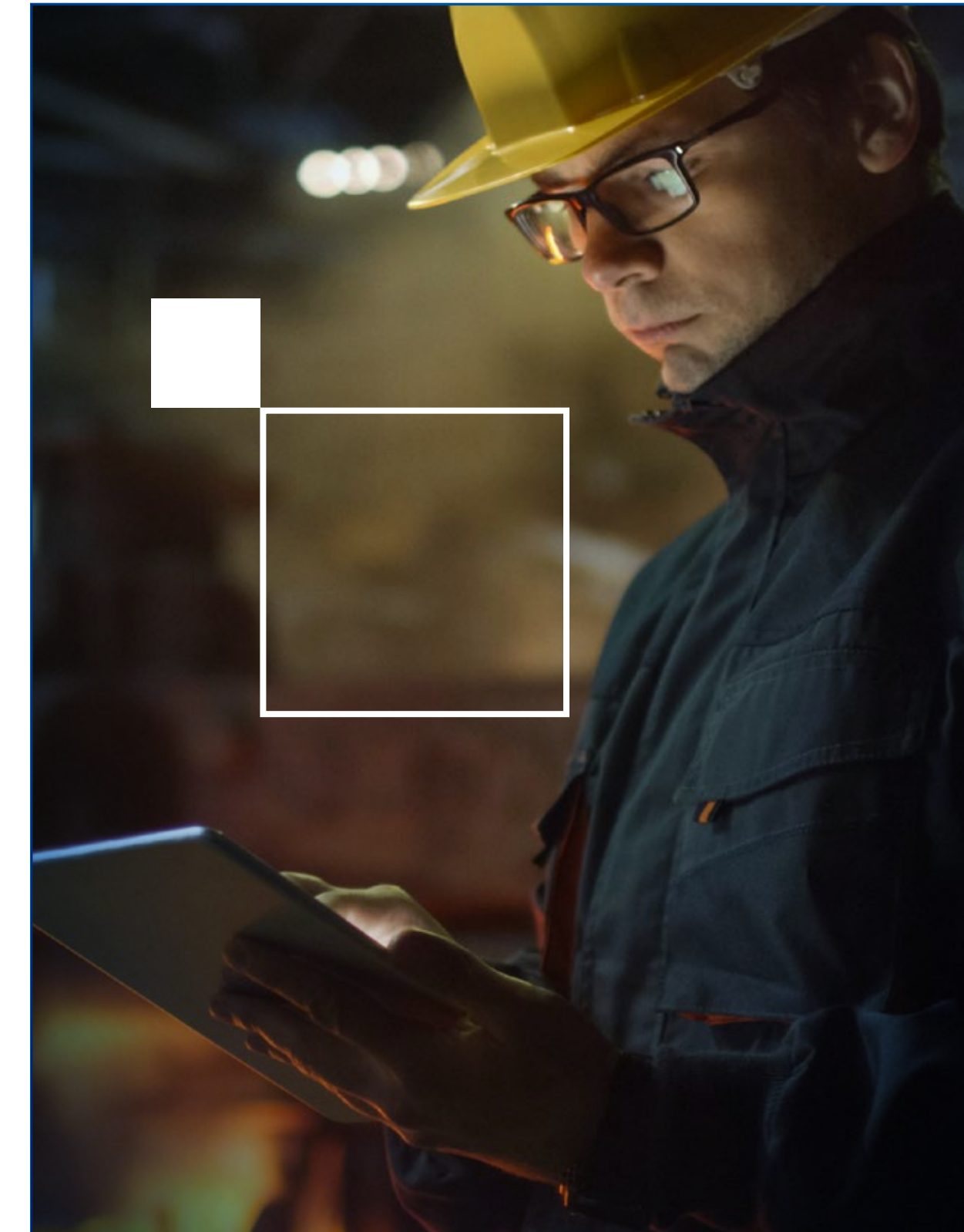
This policy aims at aligning WEG's marketing communication projects and actions with its mission and principles regarding sustainability in a responsible, transparent, ethical and true manner, respecting individuality, diversity and the environment. It also intends to minimize risks in the company's business activities regarding the sector self-regulation codes and legislation.

[CLICK HERE TO LEARN THE **FULL POLICY**](#)

SOCIAL RESPONSABILITY

This policy deals with highly relevant themes in the social and human rights line. It involves the relationship of company with employees and stakeholders.

[CLICK HERE TO LEARN THE **FULL POLICY**](#)



CODE OF ETHICS

IN ADDITION TO THE SPECIFIC POLICIES, THE COMPANY HAS A CODE OF ETHICS, SETTING OUT THE EXPECTED CONDUCT OF EMPLOYEES, MANAGERS AND ADMINISTRATORS IN THE PERFORMANCE OF THEIR ACTIVITIES ACROSS WEG.



Development and Approval

(GRI-2-23)

WEG's Code of Ethics is a cross-cutting theme based on the UN's human rights and on the company's values and policies, ensuring the integrity of employees and stakeholders. All hierarchical levels of the company are involved, aiming at aggregating a broad and diversified vision. Additionally, WEG encourages its stakeholders to apply the guidelines of the Code of Ethics. The Code of Ethics Management Commission coordinates the process, and the Direction and Board of Directors approves it.

Duties of the Code of Ethics Management Commission

- Interpret the Code of Ethics in case that are not clear in order to make its understanding uniform and avoid ambiguities in its application.
- Periodically analyze and revise, when necessary, the Code of Ethics in the light of ethical application and evolvement in the social field and within the company.
- Monitor the alignment of the application across the units of the group.
- Check and inform the direction about the application of the Code at the company.
- Deliberate on the necessary resources for the application of the Code.

[CLICK HERE TO LEARN THE FULL POLICY](#)

CONTINUOUS QUALIFICATION OF EMPLOYEES

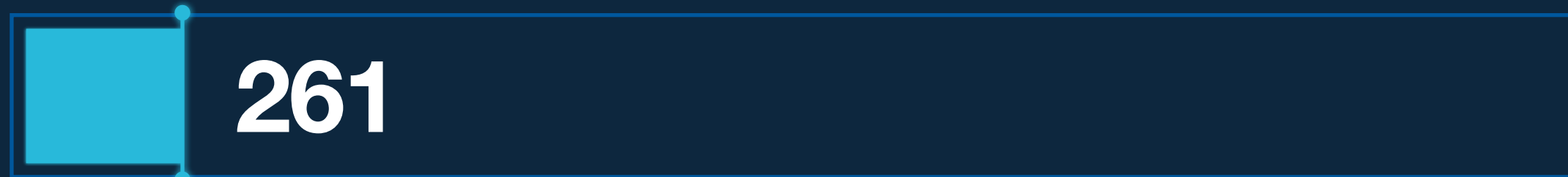
TRAINING IN THE POLICY TO FIGHT CORRUPTION AND OTHER DETRIMENTAL ACTS FOR STRATEGIC AREAS

WEG provides regular training for all administrators, members of the Fiscal Council, managers and employees who can act on behalf of and authorized by WEG, who, at the end of the training, sign the acknowledgment of this policy. The trainings have a global scope and are conducted in Portuguese, English, Spanish, Mandarin and German.

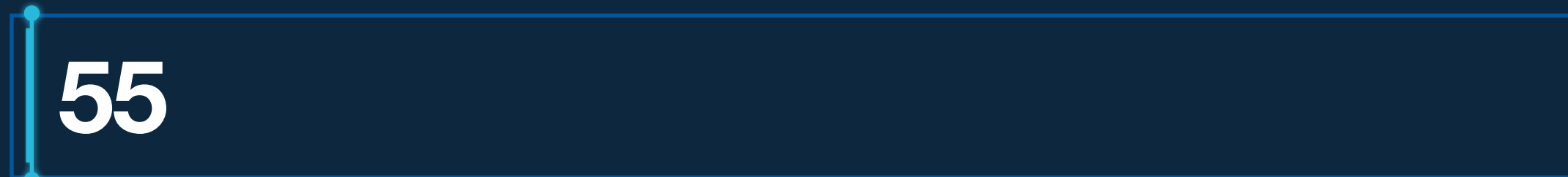
In 2022, refresher training was carried out for all target audiences covered by the policy.

History of trained employees:

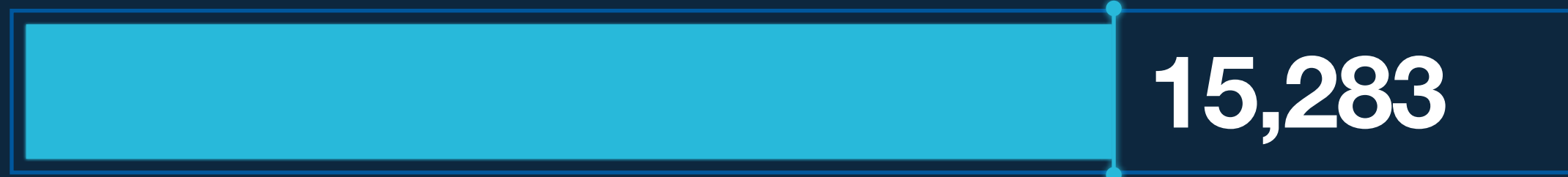
2020



2021



2022



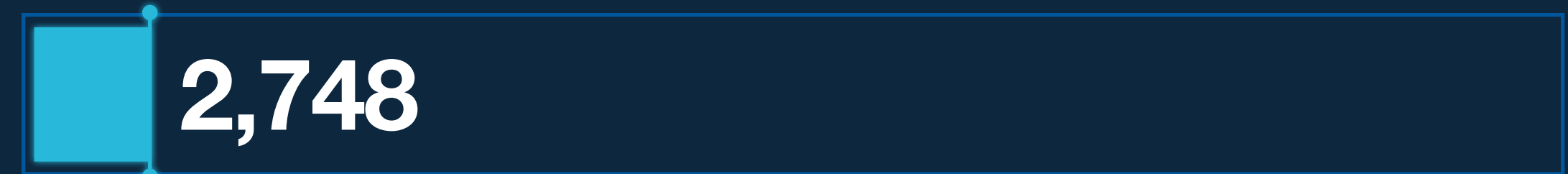
TRAINING OF NEW EMPLOYEES IN THE CODE OF ETHICS

When hired, new employees participate in training on the topics covered by the Code of Ethics, which permeates human rights, so that it is accessible and clearly understood by all employees. A copy is delivered, requiring the signature of the term of commitment and the distance learning training.

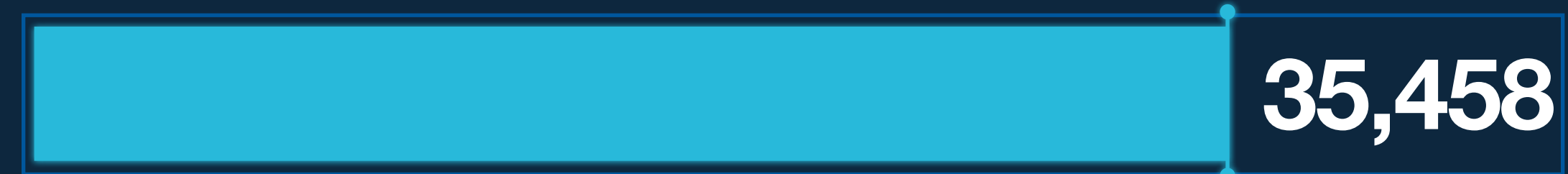
WEG seeks to make its employees aware of the importance of the topics that compose the Code of Ethics through internal communication actions.

History of trained employees:

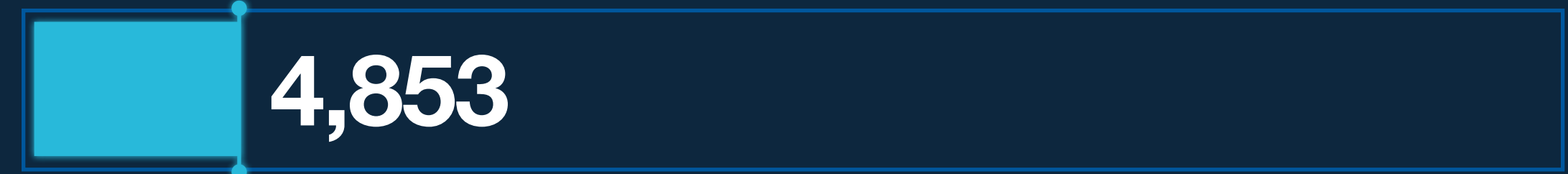
2020



2021



2022



Notes: 1) In 2021 training was carried out for all WEG Group employees.
2) In 2022, only hired employees were trained.

WEG ETHICS CHANNEL

(GRI 2-26)

The Ethics Channel is one of the tools that reinforces the WEG Compliance Program, which represents the alignment of the company's conduct with values and principles, internal rules and what is established in society in terms of laws and customs. In a transparent and secure manner, the Ethics Channel establishes a way for direct, secure communication and treatment of information in absolute confidentiality. The channel is available to employees as well as WEG's business partners, and it is open 24x7.

On this channel you can:

(GRI 2-25)

- Clarify questions about any personal conduct or procedure in your area at the company.
- Report nonconformities.
- Check the status of the verification procedure and the final opinion on the report, complaint and suggestion made.

[ACCESS THE WEG ETHICS CHANNEL HERE](#)

INDICATORS RELATED TO THE CODE OF ETHICS

Number of employees of the WEG Group

2020 | **2021** | **2022**
33,342 | 36,987 | 39,137

COMPLETED REPORTS

Total reports analyzed

CATEGORY	2022	2021	2020
Valid	116	119	82
Invalid	268	249	309
TOTAL	384	368	391

CATEGORY	2022	2021	2020
Work relationship and organizational climate	28	46	31
Discrimination and harassment	46	37	17
Internal Policies and Regulations or Legislation	19	13	14
Stakeholder Relations	16	15	13
Fraud and theft	7	6	6
Others	0	2	1
TOTAL	116	119	82

Number of reports under investigation up to December 31 of the year in question

2020: 41
2021: 55
2022: 34

RESPONSIBLE RELATIONS

Achieving sustainable growth fundamentally depends on ethical conduct in operations and in the relationship with its stakeholders. Among the stakeholders, the supply chain is highly relevant to WEG, both in its direct impact on the business and in the impact and influence that WEG generates in its supply chain. As business partners, suppliers are encouraged to grow together with WEG. (GRI 2-6)

WEG is based on the premise that in order to achieve continuity, risk control and continuous improvements in the supply chain, it is necessary for the organization to be co-responsible so that suppliers and service providers adopt a management that uses economic, social and environmental criteria. Establishing continuous management with policies, tools and processes.

Due to the fact that WEG's business model is diversified, although it has a vertical nature, it requires a large number of suppliers to meet development needs, something that reinforces the need to establish consistent processes to manage this entire chain.

In this context, the following practices adopted by WEG stand out:

- Valuing of local suppliers.
- Development of suppliers.
- Technological exchange.
- Product development: development of materials and components together with suppliers for future application to WEG products.
- Periodic audits.
- Online communication system (allowing suppliers to view the schedule of components and deliver the materials directly to the company's central stockroom).
- Relationship with service providers (training and awareness of safety and environment aspects so as to ensure that they perform their activities safely within the regulations in force).
- Development, selection and evaluation of suppliers based on Sustainability criteria: 100% of new suppliers are selected based on social, environmental and economic criteria through a Sustainability assessment form. Strategic suppliers also fill out the form, which assesses requirements related to environmental management, health and safety at work and social responsibility. The assessment generates a performance result, which allows verifying whether they are in compliance with those requirements or if they need an improvement plan to become a WEG supplier. (GRI 308-1 / 414-1)
- Semi-annual communication with suppliers on aspects of sustainability, continuous improvement and good management practices in order to communicate and encourage their adoption of the ESG agenda.

MATERIAL SUBJECT

SDGs



IIRC CAPITAL

Manufactured Capital; Human Capital; Social and relationship capital; Natural Capital.



CODE OF ETHICS FOR SUPPLIERS

We encourage the dissemination of the Code directives in all suppliers' decision and operation scopes, and also in their respective supply chains. In 2021, new and critical suppliers, class A and B, were asked to accept the WEG Code of Ethics for Suppliers so that they commit to following the guidelines of the Code.

WEG Code of Ethics describes the conduct expected from employees, managers and administrators 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 this Group will be referred to as just WEG.

REPORTS AND QUESTIONS

A communication channel is available for any reports and/or questions about the Code of Ethics for WEG Suppliers.

[CLICK HERE TO ACCESS THE CHANNELS TO MAKE A REPORT](#)

[CLICK HERE TO LEARN ABOUT WEG'S CODE OF ETHICS FOR SUPPLIERS](#)

RISK MANAGEMENT IN THE SUPPLY CHAIN

WEG follows an Enterprise Risk Management Policy, which served as the basis for the preparation of a mapping and contingency risk management policy in the company's supply chain. Thus, suppliers and critical materials can be assessed in order to investigate and mitigate possible risks associated with the operations. WEG continually evaluates and monitors its supply chain, so that it is in compliance with WEG's Code of Ethics for Suppliers and other policies of the company which establish guidelines for the protection of human rights, the environment and other aspects of socio-environmental responsibility.

RESTRICTED SUBSTANCES

In order to reduce the use of restricted substances in our processes and products, we created the WEG Restricted Substances List, which undergoes periodic updates and is in line with the main national and international regulations. This list is used in different stages of WEG processes, such as the manufacture of products and packaging, the development of new materials and, mainly, with suppliers of raw materials, components and inputs. Our List of Restricted Substances is also present in the Supplier's Code of Ethics and in the Supply Agreements of our supply chain, showing the importance of the subject within the company. In line with the interests of the company, our suppliers are committed to delivering their products to us in accordance with this list. In line with the issue of restricted substances, WEG is committed to ensuring that its products are free of conflict minerals and, consequently, do not finance armed conflicts.

SUPPLIER ACTIVITIES IN 2022

WEG has partnerships with more than 10 thousand suppliers all over the world, in Africa, North America, South America, Asia, Europe and Oceania.

Most of the relationships is long-term, with regular supply through a contract or purchase orders, but suppliers are also hired exclusively for a project due to the complexity and availability of the materials supplied or upon customer requests.

Due to the diversification of WEG's business, it has several suppliers, such as production materials, raw materials, packaging, finished and semi-finished products. For example, they provide copper or aluminum conductors, steel coils and sheets, steel bars, insulating materials, pigments, solvents, mineral fillers and catalysts.

The risk management of suppliers follows the global guidelines of the WEG Group regarding the Risk Management Policy, described in the General Administration Manual. The development and qualification of suppliers aims at sustainable partnerships in compliance with the main global quality and sustainability guidelines.

The progress and effectiveness of measures and work performed are monitored through periodic management meetings where goals, main indicators, market indexes, cost reduction work and evolution of costs of purchased materials.

In 2022 significant changes compared to the previous reporting period were related to:

- Suppliers for the energy generation, transmission and distribution segment, due to the expansion of new businesses in the generation of energy from renewable sources and energy storage in batteries.
- Relevant investments in our units abroad, expanding production capacity, with greater relevance in the United States, requiring the strengthening of the supply chain.
- New partnerships in products and services for the wind turbine line. Developed to minimize the impact of rising commodity and logistics prices that affected the unit's profitability. Likewise, it sought to develop and increase the participation of Brazilian suppliers.
- Intensification of its global presence, starting manufacturing at plants in Turkey and Algeria, which have common suppliers to the Brazil and China units, and local suppliers.
- It is also worth mentioning the deficient international logistics, due to the closure of Asian ports, strikes in European ports, conflict between Russia and Ukraine, lockdown in China, resulting in increased delivery times for raw materials, especially for electronic components. WEG was able to overcome all obstacles together with the international logistics team.



INDICATORS AND COMPLEMENTARY INFORMATION



GRI CONTENT SUMMARY

Declaration of use	WEG reported in compliance with the GRI Standards for the period from 02/01/2022 to 12/31/2022
GRI 1 used	GRI 1: Fundamentals 2021
Applicable GRI Sector Standard(s)	N/A

GRI STANDARDS	CONTENT	LOCATION	OMISSION			REF NO. OF THE GRI SECTOR STANDARD
			OMITTED REQUIREMENT(S)	REASONS	EXPLANATION	
GENERAL CONTENTS						
GRI 2: General contents 2021	2-1 Organization details	<ul style="list-style-type: none"> • WEG is an open share capital company. • Address: Av. Prefeito Waldemar Grubba, 3.300 – 89256-900 – Jaraguá do Sul – SC – Brasil. • Operation countries: • 52 manufacturing plants in 15 countries. • Commercial operations in 37 countries. • Distributors/agents in over 120 countries. • Sales to over 135 countries - Access the WEG company profile. 				
	2-2 Entities included in the organization's sustainability report	<ul style="list-style-type: none"> • For this report, all companies of the WEG group were considered. • WEG's Financial Statements are audited and, like the Integrated Annual Report, based on the scope of the entire WEG group. • The data is consolidated by corporate areas, and it takes the same database to the companies. 				
	2-3 Reporting period, frequency and point of contact	<ul style="list-style-type: none"> • Period: Fiscal year 2022, same period used in the company's Financial Statements. • The Report is published annually. • Publication date: This report was published in April 2023. • Contact: sustentabilidade@weg.net 				
	2-4 Information restatements	There were no reformulations of relevant information in this edition of the Integrated Annual Report.				





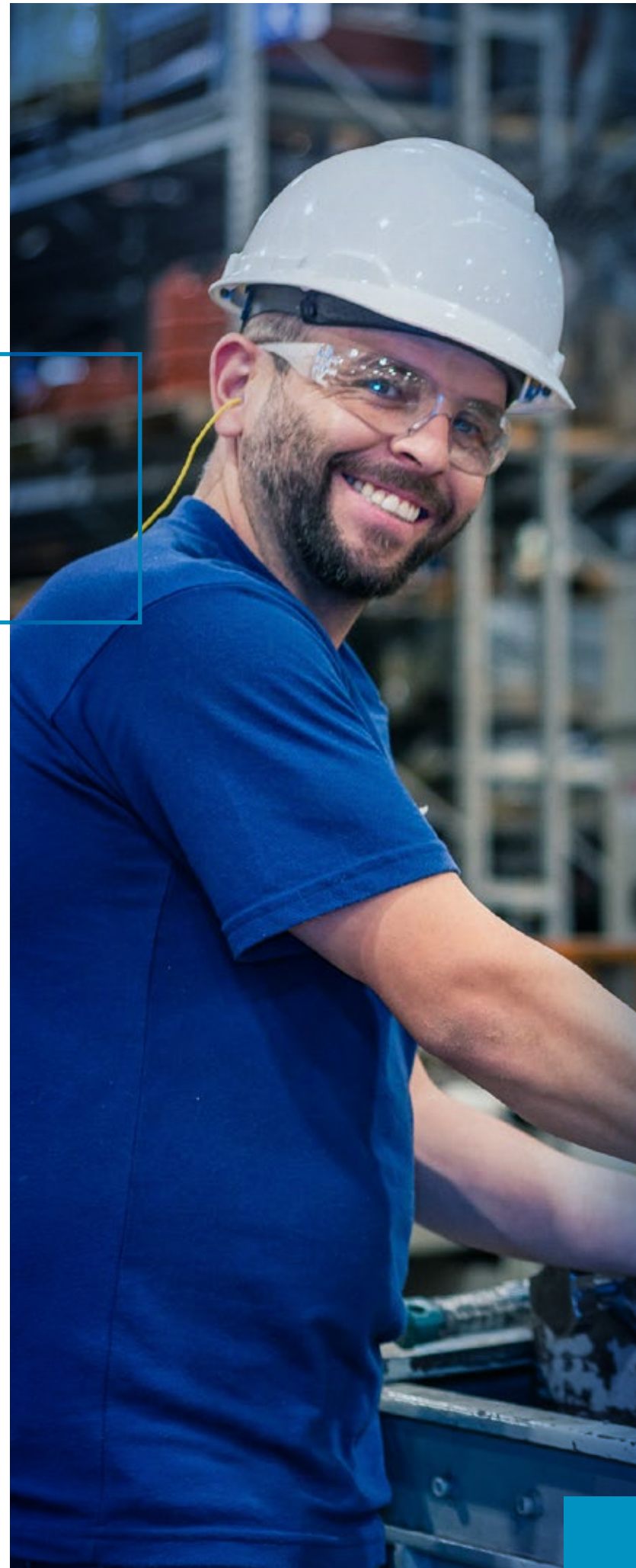
GRI STANDARDS	CONTENT	LOCATION	OMISSION			REF NO. OF THE GRI SECTOR STANDARD
			OMITTED REQUIREMENT(S)	REASONS	EXPLANATION	
GENERAL CONTENTS						
	2-5 External verification					
	2-6 Activities, value chain and other business relationships					
	Contents 2-7 Employees					



GRI STANDARDS	CONTENT	LOCATION	OMISSION			REF NO. OF THE GRI SECTOR STANDARD
			OMITTED REQUIREMENT(S)	REASONS	EXPLANATION	
GENERAL CONTENTS						
	Contents 2-8 Workers who are not employees	<ul style="list-style-type: none"> • Third-party employees: 6,102. • Type of work performed: Due to this indicator consider the consolidation of all units in the group, there are different types of services applied to different structures, such as: IT, cleaning services, accounting, consultant tax, property security/surveillance, food, among others. • Contractual relationship: The contractual relationship occurs on a timely basis or for a certain time and/or service, depending on the type of activity. • Data compilation: Data compilation is carried out using the internal systems adopted by HR's in each location. After the data is consolidated corporately to obtain the indicators globally. In the context of the scope of related data of contributors, this compilation format of the data included all the indicators of related collaborators, where haven't been significant fluctuations in the number of collaborators through being the same base of compilation of data from previous years. 				
	Contents 2-9 Governance structure and its composition	<ul style="list-style-type: none"> • Page 54. • Regarding underrepresented social groups, there is no related group yet formalized in the company. • Stakeholder representation occurs from different ways, such as by class, local unions, third-party entities sector, among others. 				



GRI STANDARDS	CONTENT	LOCATION	OMISSION			REF NO. OF THE GRI SECTOR STANDARD
			OMITTED REQUIREMENT(S)	REASONS	EXPLANATION	
GENERAL CONTENTS						
	Contents 2-10 Nomination and selection for the highest governance body	<ul style="list-style-type: none"> Page 55. Currently, nominations must always observe several criteria, looking achieve diversity, complementarity of experiences and academic training. Is available to any shareholder or set of shareholders propose a slate for the Board of Directors for voting in the General Assembly, thats occurs annually. 				
	Contents 2-11 Chair of the highest governance body	Page 56.				
	Contents 2-12 Role played by the highest governance body in supervision of impact management	Page 58.				
	Contents 2-13 Delegation of responsibility for impact management	Page 58.				
	Contents 2-14 Role played by the highest governance body in the sustainability report	The governance of review and approval of information in this report, including the material topics, is conducted by the Information Disclosure Committee and General Direction.				
	Contents 2-15 Conflicts of Interest	<ul style="list-style-type: none"> Page 55. According to WEG Group Related Party Transactions Policy. Access the Policy here. Eventual conflicts of interest are not publicly disclosed. 				
	Contents 2-16 Communicating critical concerns	Page 58.				
	Contents 2-17 Collective knowledge of the highest governance body	Page 57.				
	Contents 2-18 Assessment of the performance of the highest governance body	<ul style="list-style-type: none"> Pages 62 to 66. Reference Form, pages 174 and 175. Access the Form here. 				
	Contents 2-19 Remuneration policies	<ul style="list-style-type: none"> Pages 62 to 66. Reference Form, pages 217, 228 and 230. Access the Form here. 				



GRI STANDARDS	CONTENT	LOCATION	OMISSION			REF NO. OF THE GRI SECTOR STANDARD
			OMITTED REQUIREMENT(S)	REASONS	EXPLANATION	
GENERAL CONTENTS						
	Contents 2-20 Process for determining the remuneration	Pages 66 - 70.				
	Contents 2-21 Proportion of total annual remuneration	<ul style="list-style-type: none"> Ratio between the total annual remuneration of the highest paid individual in the organization and the average total annual remuneration of all employees (excluding the highest paid): 35.78. Ratio between the percentage increase in total annual compensation of the highest paid individual in the organization and the average percentage increase in total annual compensation of all employees (excluding the highest paid): 0.72. Contextual information for understanding the reported data and how the data were compiled: Data were collected from the HR system, which covers 92% of WEG's employees worldwide. Compensation amounts were all converted to US Dollars on a monthly basis at the 2022 average local currency rate. For the purposes of eliminating the effects of exchange variation, 2021 salary data was also converted by quote 2022 average. 				
	Contents 2-22 Declaration on sustainable development strategy	Page 5.				
	Contents 2-23 Policy commitments	<ul style="list-style-type: none"> a) <ul style="list-style-type: none"> i.: United Nations (UN). International Charter of Human rights: ii.: Page 74. iii.: The policies, in their content, establish practices of principle of precaution, as demonstrated on our website. iv.: Page 72. b) <ul style="list-style-type: none"> i.: Page 72. ii.: The categories of interested parties, which the organization gives special attention in the appointment are: <ul style="list-style-type: none"> • Related companies • Suppliers • Service providers • Commercial representatives / distributors • Resellers and technical assistants • Customers • Investors • Community • Government c) Page 15. d) The company's commitments are approved by the General Direction of the Company. e) The commitments are applied to all operations of the company, whether industrial or commercial. f) Policies and commitments are communicated to employees through internal communication campaigns and internal training. 				



GRI STANDARDS	CONTENT	LOCATION	OMISSION			REF NO. OF THE GRI SECTOR STANDARD
			OMITTED REQUIREMENT(S)	REASONS	EXPLANATION	
GENERAL CONTENTS						
	Contents 2-24 Incorporation of policy commitments	Pages 70 - 74.				
	Contents 2-25 Processes for repairing negative impacts	<ul style="list-style-type: none"> Pages 70 - 74. The negative remediation process occurs through the WEG Compliance Program, that is the structure for this process. 				
	Contents 2-26 Mechanisms for counseling and reporting concerns	Page 74.				
	Contents 2-27 Compliance with laws and regulations	No significant instances of non-compliance with laws and regulations were identified during the reporting period.				
	Contents 2-28 Membership in associations	Page 108.				
	Contents 2-29 Approach to stakeholder engagement	Pages 97 - 101.				
	Contents 2-30 Collective bargaining agreements	<ul style="list-style-type: none"> 76.6% of employees are covered by collective bargaining agreements. In Brazil, all employees are covered and governed by collective norms, while employees from abroad who eventually are not, have the contract and working conditions based on local labor legislation, which is observed in its entirety. 				



GRI STANDARDS	CONTENT	LOCATION	OMISSION			REF NO. OF THE GRI SECTOR STANDARD
			OMITTED REQUIREMENT(S)	REASONS	EXPLANATION	
MATERIAL SUBJECTS						
GRI 3: Material subjects 2021	3-1 Process for defining material subjects	Page 97.				
	3-2 List of material subjects	Page 6.				
	3-3 Management of material topics	The consultation with stakeholders is part of the process to determinate the material subjects. This process was one of the inputs that supported the company to develop the themes in depth in the last year, and report the progress of these actions in this report.				
GREENHOUSE GAS EMISSIONS						
GRI 3: Material Subjects 2021	305-1 Direct greenhouse gas (GHG) emissions (Scope 1)	<ul style="list-style-type: none"> Page 20. <p>SOURCE OF EMISSION FACTORS AND POTENTIAL INDICES OF GLOBAL HEATING (GWP) USED</p> <ul style="list-style-type: none"> The emissions of CH₄, N₂O, SF₆, NF₃, HFCs and PFCs are expressed as CO₂e, considering the respective global warming potential (GWP) of each gas based on the IPCC AR5. In the case of the WEG Group, emissions of CO₂, CH₄, N₂O and HFCs were found. Our base year was 2021, as it was the first year in which WEG calculated all categories and scopes that are applicable to the business, and following methodology internationally recognized. In addition to being the first year in which the inventory was audited. For the scope 3, the categories were followed which are consequences for the business. There is not identified significant changes that justify base year recalculation. The consolidation of GHG emissions were realized by the operational control. 				



GRI STANDARDS	CONTENT	LOCATION	OMISSION			REF NO. OF THE GRI SECTOR STANDARD
			OMITTED REQUIREMENT(S)	REASONS	EXPLANATION	
GREENHOUSE GAS EMISSIONS						
GRI 3: Material Subjects 2021	305-2 Indirect greenhouse gas (GHG) emissions (Scope 2)	<ul style="list-style-type: none"> Page 20. <p>SOURCE OF EMISSION FACTORS AND POTENTIAL INDICES OF GLOBAL HEATING (GWP) USED</p> <ul style="list-style-type: none"> The emissions of CH₄, N₂O, SF₆, NF₃, HFCs and PFCs are expressed as CO₂e, considering the respective global warming potential (GWP) of each gas based on the IPCC AR5. In the case of the WEG Group, emissions of CO₂, CH₄, N₂O and HFCs were found. Our base year was 2021, as it was the first year in which WEG calculated all categories and scopes that are applicable to the business, and following methodology internationally recognized. In addition to being the first year in which the inventory was audited. For the scope 3, the categories were followed which are consequences for the business. There is not identified significant changes that justify base year recalculation. The consolidation of GHG emissions were realized by the operational control. 				
	305-3 Other indirect greenhouse gas emissions (Scope 3)	<ul style="list-style-type: none"> Page 21. <p>SOURCE OF EMISSION FACTORS AND POTENTIAL INDICES OF GLOBAL HEATING (GWP) USED</p> <ul style="list-style-type: none"> The emissions of CH₄, N₂O, SF₆, NF₃, HFCs and PFCs are expressed as CO₂e, considering the respective global warming potential (GWP) of each gas based on the IPCC AR5. In the case of the WEG Group, emissions of CO₂, CH₄, N₂O and HFCs were found. Our base year was 2021, as it was the first year in which WEG calculated all categories and scopes that are applicable to the business, and following methodology internationally recognized. In addition to being the first year in which the inventory was audited. For the scope 3, the categories were followed which are consequences for the business. 				



GRI STANDARDS	CONTENT	LOCATION	OMISSION			REF NO. OF THE GRI SECTOR STANDARD
			OMITTED REQUIREMENT(S)	REASONS	EXPLANATION	
HEALTH, SAFETY AND WELL-BEING						
GRI 3: Material Subjects 2021	403-1 Occupational health and safety management system	<ul style="list-style-type: none"> Pages 30 - 32. 100% of employees are covered by WEG's Health and Safety Policy. 				
	403-2 Hazard identification, risk assessment, and incident investigation	Page 34.				
	403-3 Occupational health services	Page 34.				
	403-4 Worker participation, consultation, and communication on occupational health and safety	Page 34.				
	403-5 Training of employees in health and safety	Pages 32 - 33.				
	403-6 Promotion of worker health	Page 34.				
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Page 34.				



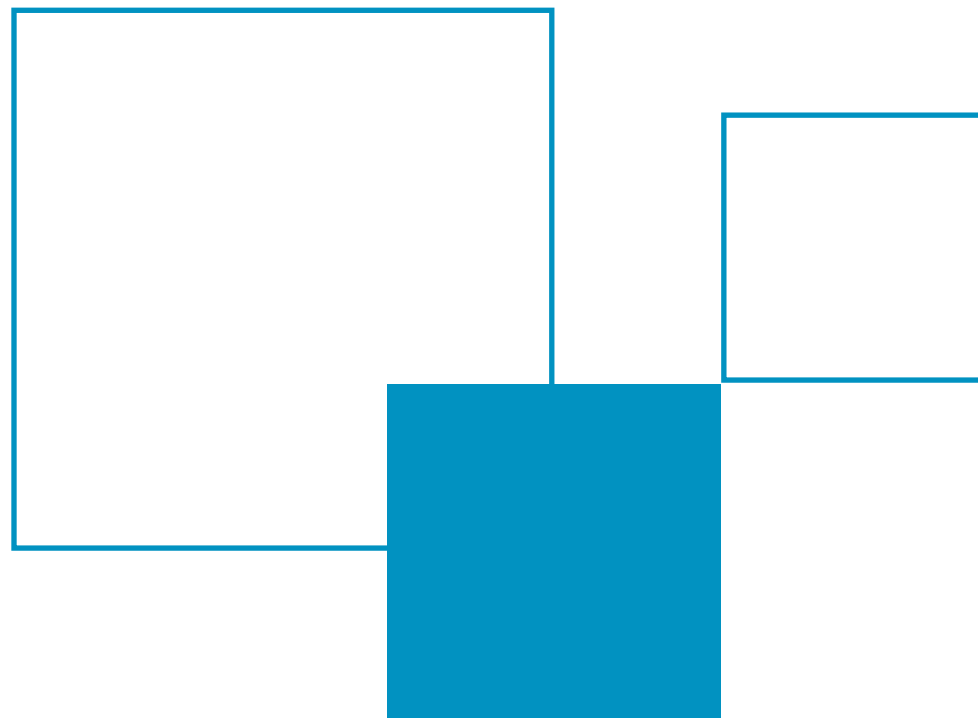
GRI STANDARDS	CONTENT	LOCATION	OMISSION			REF NO. OF THE GRI SECTOR STANDARD
			OMITTED REQUIREMENT(S)	REASONS	EXPLANATION	
DEVELOPMENT AND QUALIFICATION OF SUSTAINABLE SUPPLIERS						
GRI 3: Material Subjects 2021	308-1 New suppliers that were selected using environmental criteria	Page 75.				
	414-1 New suppliers that were selected using social criteria	Page 75.				
DIVERSITY AND INCLUSION						
GRI 3: Material Subjects 2021	405-1 Diversity in governance bodies and employees	Pages 39 - 40.				
SUSTAINABLE PRODUCTS						
GRI 3: Material Subjects 2021		Pages 22 - 28.				
SUSTAINABLE GROWTH OF THE COMMUNITIES						
GRI 3: Material Subjects 2021	413-1 Operations with local community involvement, impact assessments and development programs	<ul style="list-style-type: none"> • Pages 44 - 52. • 66.7% of the WEG units (production and commercial) with developed social projects in 2022. These units cover 81% of employees. 				

IIRC

- All requirements highlighted in bold in the standard are being followed.
- In this report there is no case of unavailability of reliable information or specific legal prohibitions.
- The governance of review and approval of the information reported in this report, including the material topics, is carried out by the Information Disclosure Committee and General Direction. The governance of the process that has a broad perspective on the report. Concluding that this report follows the proposed methodological guidelines. For future reporting, governance measures will be implemented on an ongoing basis.

SUBJECT	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASUREMENT	CODE	ANSWER
Energy management	(1) Total energy consumed (2) Percentage of the electricity network (3) Renewable percentage	Quantitative	Gigajoules (GJ), percentage (%)	RT-IG-130a.1	(1): 2,036,844 GJ (565,790 MWh). (2)/(3): In 2022, 14% of WEG Group's energy sources of renewable sources, through the purchase of Renewable Energy Certificates (I-REC).
Employee's health and safety	(1) Total recordable incident rate (2) Fatality rate (3) Near miss frequency rate	Quantitative	Rate	RT-IG-320a.1	(1): 1.68 (2): 0.00 (3): 3.12 (Data from Brazil Scope)
Fuel savings and Emissions in use phase	Fleet fuel efficiency weighted by the sales for medium and heavy vehicles	Quantitative			
	Fuel efficiency weighted by the sales of equipment non-road vehicles	Quantitative			
	Weighted emissions of sales: (1) Nitrogen oxides (NOx) and (2) Particulate Material for: (a) marine diesel engines, (b) locomotive with diesel engines, (c) medium and heavy engines, and (d) other non-road vehicles with diesel engines	Quantitative			

SUBJECT	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASUREMENT	CODE	ANSWER
Supply Materials	Description of risk management associated with the use of critical materials	Discussion and Analysis	N/A	RT-IG-440a.1	WEG has a restricted substances policy, demonstrating its commitment to responsible procurement and defining guidelines and responsibilities so that its products and packaging are in compliance with the regulations applicable globally. This policy is supported by a global restricted substance list and internal procedures that detail how regulations and directives, such as REACH (Registration, Evaluation, Authorization and Restriction of Chemicals), RoHS (Restriction of Certain Hazardous Substances), TSCA (Toxic Substances Control Law), among others, are met. For the restricted substances and conflict minerals regulations to be met, we monitor our supply chain, establishing governance with suppliers to mitigate the risk of using conflict minerals and restricted substances. We explain our commitment to complying with regulations and directives through the Supplier Code of Ethics and the Supply Agreement.
Design and remanufacturing services	Revenue from remanufactured products and remanufacturing services	Quantitative	Communicating currency	RT-IG-440b.1	WEG has the Replacement Plan, a program that encourages the replacement of old motors that present low performance, are broken or have frequent problems in their operation. Through this plan, used motors of any brand are taken as part of the payment for a new WEG motor. In the Replacement Plan, the motors are destroyed and do not fully return to the WEG production process.
Activity metric	Number of units produced by product category	Quantitative	Number	RT-IG-000.A	A breakdown of revenue by activity is provided on page 12.
	Number of employees	Quantitative	Number	RT-IG-000.B	39,137



TASK FORCE ON CLIMATE RELATED FINANCIAL DISCLOSURES (TCFD)

TCFD RECOMMENDATION	DISCLOSURE WEG
GOVERNANCE	
<p>a) Describe how the Board oversees climate change-related risks and opportunities.</p>	<p>The Board of Directors stipulates strategic guidelines and approves investments and actions in relation to sustainability at WEG, including those related to climate change. As described in the Board's internal regulations, its guideline is to ensure the company's perpetuity within a long-term and sustainable perspective, which incorporates economic, social, environmental and good corporate governance considerations in the definition of business and operations. This Board assignment applies to both risks and opportunities. The Board analyzes and monitors the mapping of the company's risk annually, encompassing risks related to climate change. In this regard, it guides on related policies and actions. In 2022, the Board demanded actions related to the subject and monitored it.</p>
<p>b) Describe the Board's role in assessing and managing risks and opportunities related to climate change.</p>	<p>The company's Insurance and Risk Department, which within the organizational structure is part of the Financial Direction, carries out WEG's enterprise risk management. The Department consolidates the mapped and updated risks of the entire WEG group and presents the result of the risk analysis annually to the Board of Directors. In this process, the Board is updated in relation to the company's risks and decides on related actions. The risk categories assessed are established by WEG's Enterprise Risk Management Policy, which is in line with ISO 31.000. Climate risks are covered in different categories. According to the result of applying these criteria, appropriate and proportionate actions are defined for the identified risk, whether of financial or strategic impact. In addition to the risk management process, the strategic planning process is periodically reviewed, and in the last review cycle, opportunities and business drivers aligned with solutions for a low-carbon economy were identified.</p>

TCFD RECOMMENDATION	DISCLOSURE WEG
STRATEGIES	
<p>a) Describe the risks and opportunities related to climate change that the organization has identified in the short, medium and long term.</p>	<p>RISKS In accordance with the WEG Group's Risk Management Policy, it is considered:</p> <ul style="list-style-type: none"> • Short term: period of up to 2 years. • Medium term: period of 3 to 5 years. • Long term: period over 5 years. <p>Identified risks:</p> <ol style="list-style-type: none"> 1. Emerging regulations: orders on the regulation of existing products and services. Time horizon: medium term 2. Acute physical: cyclone, hurricane, typhoon. Time horizon: short term 3. Acute physical: flood. Time horizon: short term <p>OPPORTUNITIES Description of opportunities: Products and services: development of new products and services through R&D and innovation Time horizon: short term Resource efficiency: use of more efficient production and distribution processes Time horizon: short term Markets: access to new markets Time horizon: medium term</p>
<p>b) Describe the impacts of risks and opportunities related to climate change on the organization's business, strategy and financial planning.</p>	<ol style="list-style-type: none"> 1. Emerging regulations: orders on the regulation of existing products and services. Time horizon: medium term New regulations setting new energy efficiency limits may reduce revenue for certain product lines in certain markets Magnitude: low 2. Acute physic: cyclone, hurricane, typhoon. Time horizon: short term In regions where WEG has manufacturing plants, especially in the state of Santa Catarina (Brazil), where the main plants are located, there are historical records of the occurrence of cyclones and storms, which can impact the organization's operations, stopping production occasionally / for a period of time required to reestablish affected infrastructure/machinery necessary for the production process. Magnitude: medium/low 3. Acute physic: flooding. Time horizon: short term In regions where WEG has manufacturing plants, especially in the state of Santa Catarina (Brazil) where the main plants are located, there are few records of floods capable of impacting the organization's operations, stopping production occasionally/for a period of time required to re-establish affected infrastructure/machinery necessary for the production process. Magnitude: medium/low Description of opportunities: Products and services: development of new products and services through R&D and innovation. Time horizon: short term Innovation plays an important role in the company's financial impact. Our innovation rated (percentage of sales from products launched in the last 5 years) in 2022 was 59.3%. For WEG, technological innovation mainly refers to the development of new technologies, new products, materials and tests, aiming at increasing efficiency, reducing costs, improving quality and reducing raw materials used in products. Magnitude: high

TCFD RECOMMENDATION	DISCLOSURE WEG
STRATEGIES	
<p>c) Describe the impacts of risks and opportunities related to climate change on the organization's business, strategy and financial planning.</p>	<p>Resource efficiency: use of more efficient production and distribution processes. Time horizon: short term Two example programs are:</p> <p>The WEG Manufacturing System (WMS), which has eco-efficiency and cleaner production as its management practice. This program is based on the concepts, principles and techniques of WCM – World Class Manufacturing. The WMS is based on technical and management pillars, including the Environment Pillar, which aims at:</p> <ul style="list-style-type: none"> • Reduce environmental impacts. • Reduce consumption of energy and water resources. • Reduce scrap. • Reduce losses and waste. <p>The objectives and indicators of the environment pillar of the program linked to the productive process are related to:</p> <ul style="list-style-type: none"> • Electric energy, fuels and compressed air. • Waste. • Consumption of inputs. • Chemical cleaning. <p>WEG KAIZEN WEG Kaizen is one of the forms of participative management that promotes the participation of employees in problem solving and continuous improvement activities that generate positive results in all processes. Time horizon: short term Magnitude: medium/high Markets: access to new markets Time horizon: medium term</p> <p>WEG evaluates markets also thinking about the long term. We work on solutions for markets, such as electric mobility, with integrated solutions for electric vehicles, always focused on the development of technologies that contribute to the sustainable growth of the planet. WEG launched and continuously develops its line of electric motors and frequency inverters for electric traction, combining efficiency and quality for different applications:</p> <ul style="list-style-type: none"> • Light vehicles, such as golf carts, industrial tugs, electric forklifts and the like. • Drive of auxiliary loads, such as compressors, pumps and fans installed in vehicles. • Medium vehicles such as delivery trucks, minibuses and vans. • Heavy vehicles, such as buses and trucks. • Locomotives and metro-railway vehicles, such as trains, monorails, VLT and trams. <p>Magnitude: high</p>

TCFD RECOMMENDATION	DISCLOSURE WEG
STRATEGIES	
<p>d) Describe the resilience of the organization's strategy, considering different climate change scenarios, including a scenario of 2 °C or less.</p>	<p>Climate change has a strong relationship with WEG's strategy. In the review of the strategic planning, macro trends and scenarios to which WEG is exposed, such as the containment of global warming, balancing economic growth with increased energy consumption, as well as the reduction in the use of fossils fuels.</p> <p>Using the studies provided by the IEA and IEA-based studies, such as those developed by EPE, we evaluate the macro trends of the markets in which we operate in the electric energy sector. In this way, our businesses seek to meet the needs identified by IEA for carrying out the energy transition.</p> <p>The IEA NZE 2050 transition scenario indicates global development trends that drive global investments in infrastructure, enabling the transition scenario. In this regard, WEG seeks to capture these opportunities in this scenario.</p> <p>Within this scenario, WEG established the following strategic objectives:</p> <ul style="list-style-type: none"> • Contribute to building a more efficient and sustainable world by investing in energy efficiency, renewable energy, energy storage and electric mobility • Be a world benchmark in motors, gearboxes, generators, transformers and electric drives • Strengthen the industrial automation business, including solutions for digitalizing the industry and energy systems, as well as products for electrification in civil construction and infrastructure • Develop the business globally through consistent ESG practices <p>The strategic guidelines were defined to focus on the following businesses:</p> <ul style="list-style-type: none"> • Motion Drive • Electrification • Automation • Power generation • Grid • Advance in electrification solutions for the new world of mobility • Develop digital solutions as a complementary and integrated offer to all WEG businesses <p>WEG also established its Purpose, which plays a fundamental role in the company's strategy, as it defines the reason for the organization's existence, the meaning it has for society and how it contributes to solving socio-environmental problems. In addition, it provides synergy between mission, vision and values.</p> <p>WEG Purpose: Develop technologies and solutions to contribute to building a more efficient and sustainable world. Within this context, the impact of risks and, mainly, the opportunities are relevant to the strategy, as well as the strategy is relevant for WEG to be an important player in the fight against climate change.</p>

TCFD RECOMMENDATION	DISCLOSURE WEG
RISK MANAGEMENT	
<p>a) Describe the processes used by the organization to identify and assess risks related to climate changes.</p>	<p>The identification and assessment of risks related to climate change takes place through WEG's enterprise risk management process. This process is guided by Enterprise Risk Management Policy, which establishes the steps:</p> <ul style="list-style-type: none"> a) Identification of risks based on risk families (external, strategic, financial, people, compliance and governance and operations) and Classes, such as environmental and climate issues, which are a class of the "operations" family). The "operations" family also contains classes related to upstream and downstream logistical risks. The "Strategic Risks" family contains risk classes related to customers, and the "external" risk family contains classes related to events (floods, floods, storms, etc.). b) Risk Analysis: encompasses the severity classification stages (evaluated in the human being, quality, environment, impact, EBTIDA and image spheres) and frequency (unlikely, remote, possible and probable), which are related to the horizon of occurrence of the event. c) Risk Assessment: result of crossing severity and frequency, resulting in the degree of risk (magnitude). d) Risk Treatment: definition and execution of actions for risk treatment. e) Monitoring: risks are monitored annually and, according to the degree, reported to the Board of Directors, which decides on related strategic actions. <p>This process applies to all units of the WEG Group, as well as to affiliates and subsidiaries.</p>
<p>b) Describe the processes used by the organization to manage risks related to climate change.</p>	<p>Risk classification considers aspects such as severity and frequency, which are related to the event occurrence horizon. The crossing between severity and frequency establishes this identification and consequently the risk management process. Once identified and classified, the risks are managed according to the result of the classification of each one, where the appropriate and proportional actions are defined to the risk. This flow is applied to all risk categories monitored by the company, including those that cover climate risks. As described in the Governance recommendation a), the risks are presented and assessed annually by the Board of Directors.</p>
<p>c) Describe how the processes used by the organization to identify, assess and manage risks related to climate change are integrated into the organization's overall risk management</p>	<p>The processes for identifying, assessing and managing risks related to climate change at WEG are currently integrated into the general risk management process. This process is guided by the Enterprise Risk Management Policy, which considers the risk families: external, strategic, financial, people, compliance and governance and operations. Climate issues are part of the "operations" family class. The "operations" family also contains classes related to upstream and downstream logistical risks. The "Strategic Risks" family contains classes of risks related to customers, and the "External Risks" Family contain classes related to natural events (floods, storms etc.) All risks go through the same management process, through the classification of relevance of each one.</p>

TCFD RECOMMENDATION	DISCLOSURE WEG
<p>METRICS AND GOALS</p>	
<p>a) Report the metrics used by the organization to assess risks and opportunities related to climate change according to its strategy and risk management process.</p>	<p>WEG uses the GHG Protocol methodology to calculate its GHG emissions. A third party verifies the emissions inventory. GHG emissions are reported annually. The collected data allow the company to understand how it is impacting, and where it has opportunities for improvement to reduce its impacts and analyze its evolution compared to previous years. It also helps understand the risks and opportunities related to its impact.</p> <p>In addition to the emissions data reported in the Group's inventory, we have indicators for energy use, energy intensity, mix energy, investments in R&D for low carbon products and new technologies. Specifically looking at opportunities, there are metrics of % of products aligned with the low carbon economy compared to other products, according to the IEA taxonomy. An example is the indicator of high energy efficiency motors sold within the Motors Unit and wind energy within the Energy Unit.</p>
<p>b) Report Scope 1, Scope 2 and, if applicable, Scope 3 greenhouse gas emissions and the risks related to them</p>	<p>WEG's GHG emissions were calculated based on the GHG Protocol methodology.</p> <p>GHG emissions (tCO₂e/year) in 2022: SCOPE 1: 54,864 SCOPE 2: 73,768 SCOPE 3: 21,750,867</p> <p>The continuous growth of the organization presents a risk of rising emissions, something that the company has been working on seeking greater efficiency in its processes. Also, it looks for other ways to reduce its impact risk.</p>
<p>c) Describe the goals used by the organization to manage risks and opportunities related to climate change and the performance against the targets.</p>	<p>The medium and long-term goals are to reduce its operational emissions by 52% by 2030 and reach Net-zero in 2050, using 2021 as the base year.</p>

COMPLEMENTARY INFORMATION

MATERIALITY

GRI 2-29 / 3-1

Aiming at the quality and consistency of this process, the last materiality cycle was applied considering:

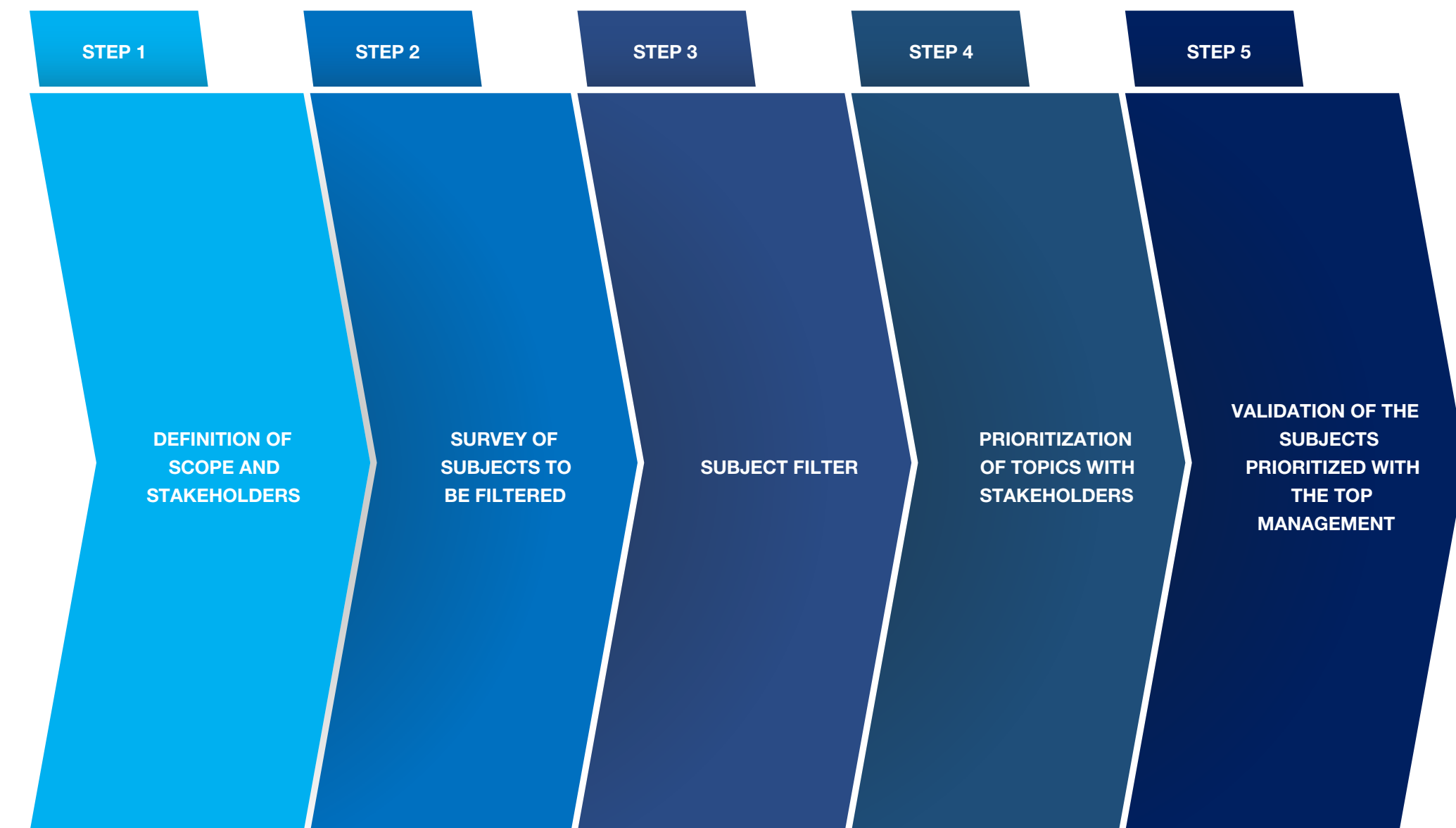
Methodological references



Materiality in IR, Guidance for the preparation of integrated reports.



STEPS




STEP 1

DEFINITION OF SCOPE AND STAKEHOLDERS

DEFINITION OF SCOPE	JUSTIFICATION
Global Scope	WEG is a global company and has different contexts and realities in the places where it is present.
DEFINITION OF STAKEHOLDERS	JUSTIFICATION
Stakeholders to be consulted were maintained according to the previous cycles. They are: Employees, Customers, Suppliers, Investors, Local Community and Organized Civil Society and Trade Associations.	The basis for identifying stakeholders follows an internal rule that spots the most important ones for WEG through an analysis that considers influence, impact power, interests and expectations.

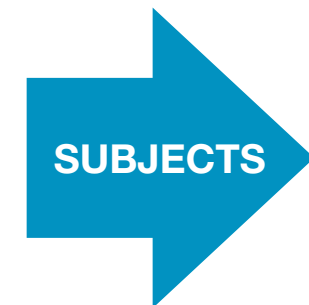
STEP 2

SURVEY OF SUBJECTS TO BE FILTERED

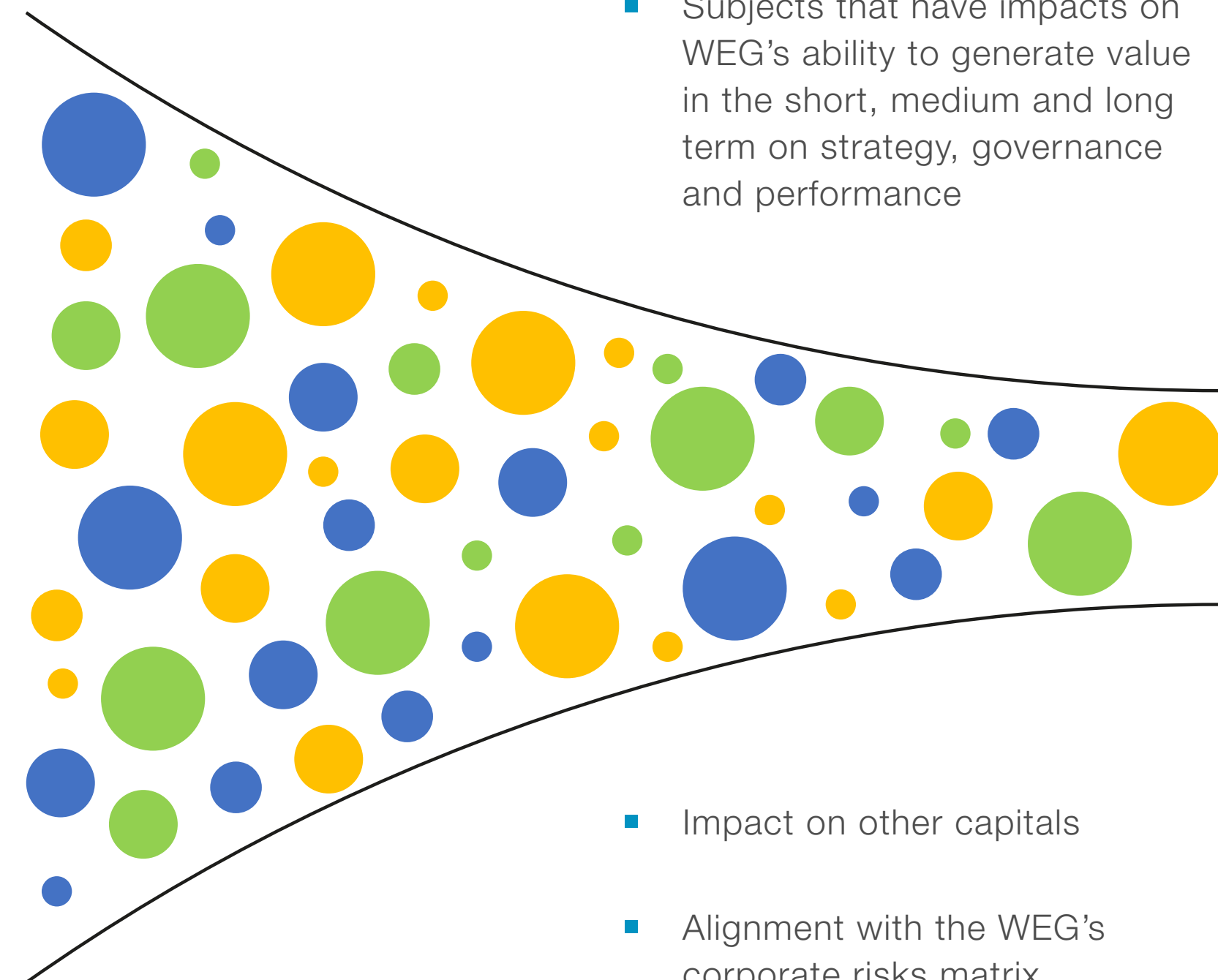
DEFINITION	JUSTIFICATION
304 topics that considered aspects such as megatrends, benchmarking with market peers, sustainability rates (ISE-B3, DJSI, MSCI), frameworks (SASB, GRI) and WEG Strategic Planning.	In order to obtain a consistent and coherent basis for the themes to be filtered, the use of internal and external sources helps obtain a broad and in-depth look at the negative and positive impacts of economic and socio-environmental aspects.
	

STEP 3 SUBJECT FILTER

DEFINITION	JUSTIFICATION
<p>From the subjects raised, 20 subjects were filtered, considering:</p> <ul style="list-style-type: none"> • Group of similar subjects. • Subjects that affect WEG's ability to generate value in the short, medium and long term in terms of strategy, governance and performance. • Impact on other capitals. • Alignment with WEG's corporate risk matrix. 	<p>The subject filter followed the methodological references adopted by WEG. The process of filtering the subjects allows the most relevant topics to be reached from a perspective that considers internal and external aspects, thus generating a scope of topics to be consulted that is aligned with the generation of value, risk prevention and the company's strategy. The choice of 20 subjects is related to the number of final subjects filtered.</p>



SURVEY OF SUBJECTS TO BE FILTERED



SUBJECT FILTER

- Grouping similar subjects
- Subjects that have impacts on WEG's ability to generate value in the short, medium and long term on strategy, governance and performance

- Impact on other capitals
- Alignment with the WEG's corporate risks matrix

SUBJECTS FOR
CONSULTATION OF
PRIORIZATION
WITH STAKEHOLDERS

STEP 4

PRIORITIZATION OF TOPICS WITH STAKEHOLDERS

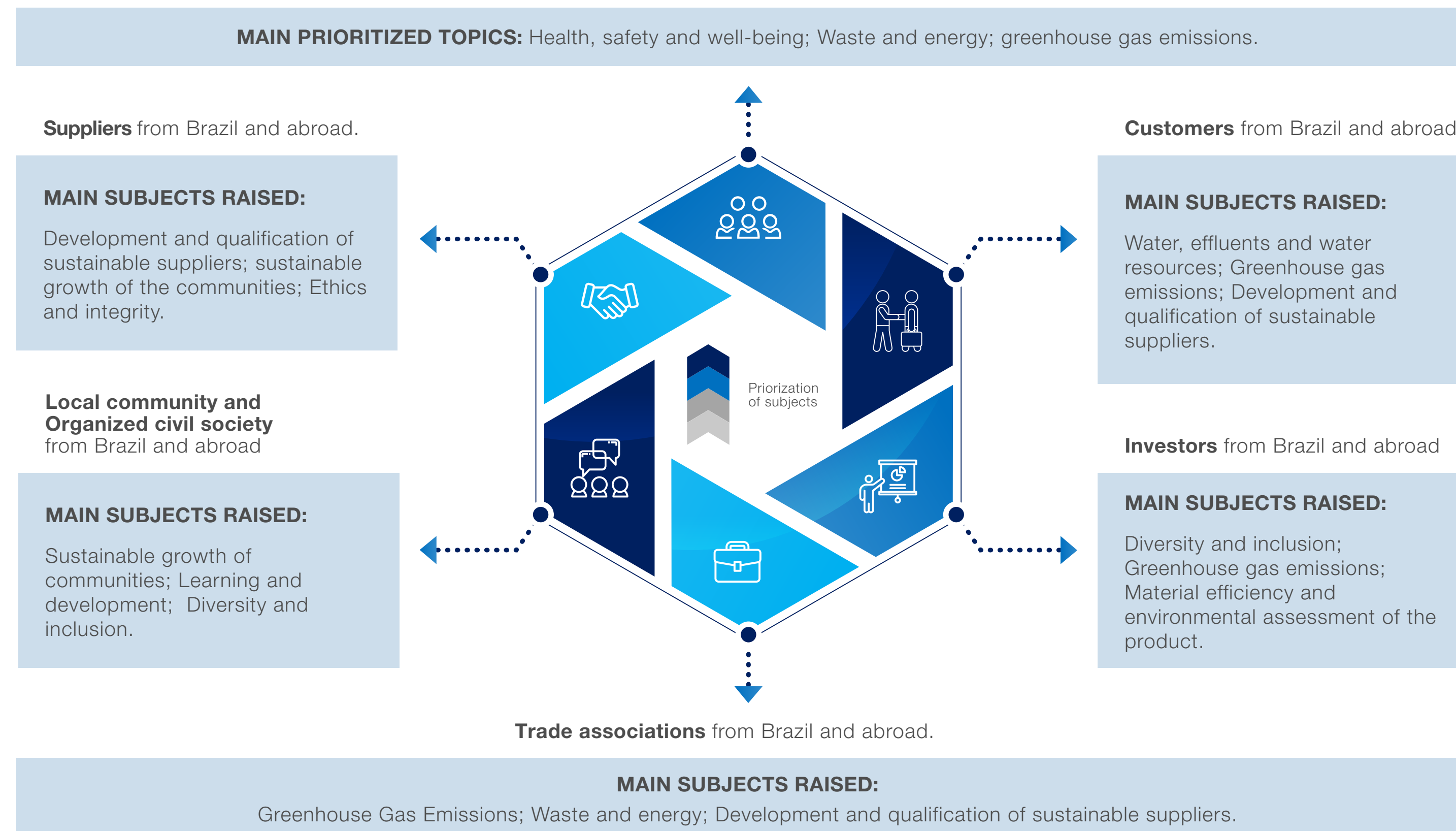
At this stage of the process, the perceptions of WEG's main stakeholders from different countries on the 20 filtered topics were collected, which is a fundamental part of the process for identifying material subjects. Understanding stakeholder perceptions is critical to help understand broadly and strategically current priorities in the face of sustainability challenges.

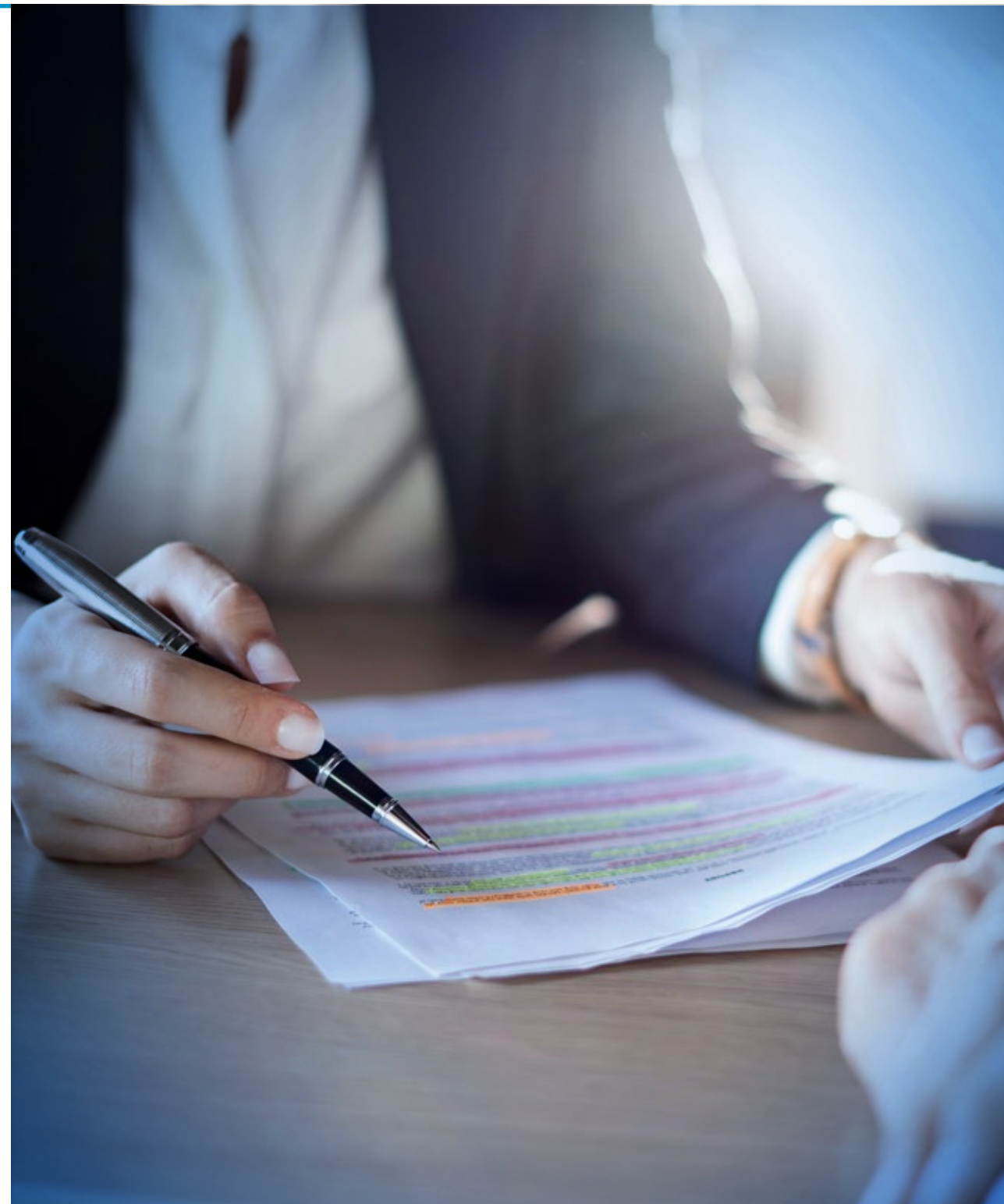
Scope of parties consulted

In order to define which companies, entities and people would be consulted within the defined scope of stakeholders, the premise was the application of a process that aimed at a more qualitative sampling, with the participants being carefully chosen. To that end, 10 representatives of each stakeholder were defined, understanding that this number is a reasonable number to capture a more qualitative vision. The query format was applied through an online form.

Participated in the process:

Employees from South America, North America, Europe, Africa and Asia-Pacific. Employees are native of the respective countries and work at the management level in strategic areas of the company.





STEP 5

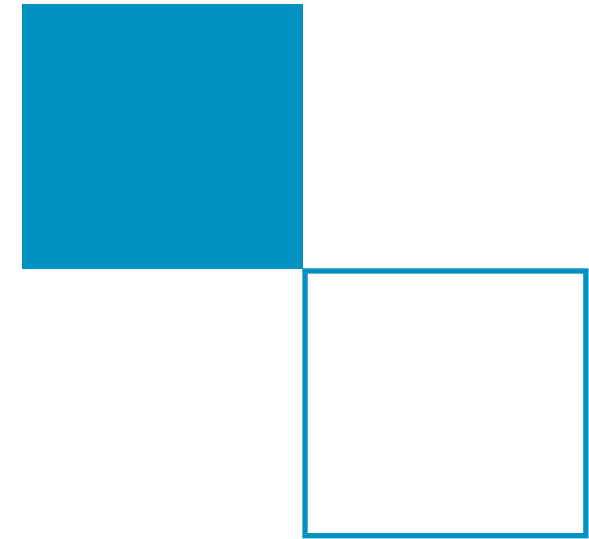
VALIDATION OF THE SUBJECTS PRIORITIZED WITH THE TOP MANAGEMENT





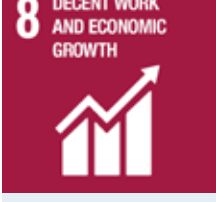
The alignment and validation of material subjects took place through the following forums:

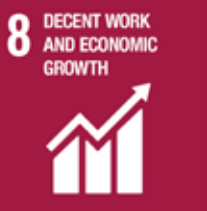




- **Information Disclosure Committee:** Committee that monitors, approves and deliberates matters related to corporate sustainability within the scope of disclosure of public information, recommending the approval of materiality by the Executive Board.
- The **Executive Board** validated the result.


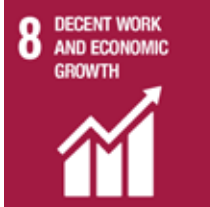




CHANGES IN THE RESULT OF MATERIAL SUBJECTS COMPARED TO THE LAST CYCLE


The result of the consultation process with the stakeholders showed some changes in the results, something that shows the dynamism that the sustainability subject has, as well as its effect in the perceptions and expectations of the stakeholders. The topics that were not previously deemed material and that have now become part of this new consultation were: Greenhouse Gas Emissions, Development and Qualification of Sustainable Suppliers, Diversity and Inclusion and Sustainable Growth of the Communities.



MATERIAL SUBJECT	IMPACTS	RELEVANCE	ADVANCES IN 2022	CORRELATION WITH ODS
<p>GREENHOUSE GAS EMISSIONS</p>	<p>Greenhouse gas emissions are highly relevant due to their impact on climate change, which is a global priority issue that demands urgency. The negative effects, which include more frequent and extreme weather events, are severe and significantly compromise not only the quality of life but also the survival of the populations most exposed to these effects. That is because climate change has social impacts like the violation of human rights such as the right to health, food and housing. Consequently, the financial impacts of dealing with the impacts, mitigating and adapting them, is very high as well.</p> <p>In addition to this context, there are also positive impacts arising from the opportunities that this great challenge brings to society, such as the generation of jobs related to the solutions that help cities and industrialists to be prepared for this journey, in segments such as renewable energies, electric mobility, energy efficiency.</p> <p>WEG generates impacts through its activities, negative through emissions produced, and positive through its business model.</p>	<ul style="list-style-type: none"> • The subject is related to the business model, which is aligned with a low-carbon economy, and WEG's strategy, being treated at a strategic, tactical and operational level. • Customers are significantly impacted because WEG can contribute with its low-carbon economy solutions. • The supply chain plays a relevant and strategic role in reducing WEG's emissions. • Shareholders and investors are an important link in the companies' ecosystem as they encourage companies to be accountable for their climate impacts. 	<p>Creation of WEG Carbon Neutral Program, official start of WEG's decarbonization journey, with goals to reduce CO₂ and achieve net-zero emissions.</p> <p>CLICK HERE FOR MORE DETAILS</p>	 <p>Goals: 7.2/7.3</p>  <p>Goal: 9.4</p>  <p>Goal: 13.2</p>
<p>HEALTH, SAFETY AND WELL-BEING</p>	<p>Health, safety and well-being is a human right, and it is something necessary and basic to carry out any activity. Considering companies with a large volume and diversity of production processes and verticalized processes such as WEG, this approach and care must be even greater, as a healthy and safe environment also directly impacts a good work environment, the quality of activities and the productivity of the company</p>	<ul style="list-style-type: none"> • Employees are the most impacted by the subject, as the management of health, safety and well-being directly impacts their physical and mental health. • For customers there is an indirect impact and risk considering that related problems can affect production, delivery and quality of demands. • Problems in the management and performance of the subject may impact the analysis that investors make of the company. • Employees are part of local communities and health, safety and well-being issues affect their quality of life as well as the quality of life of their families. 	<p>During 2022, WEG took measures to preserve the integrity of its employees through related programs and practices. As a result, most of our Health and Safety indicators improved compared to the previous year.</p> <p>CLICK HERE FOR MORE DETAILS</p>	 <p>Goals: 3.4/3.8</p>  <p>Goal: 8.8</p>

MATERIAL SUBJECT	IMPACTS	RELEVANCE	ADVANCES IN 2022	CORRELATION WITH ODS
<p>DEVELOPMENT AND QUALIFICATION OF SUSTAINABLE SUPPLIERS</p>	<p>The supply chain is a highly strategic part for a company, whether from the point of view of competitiveness, quality, as well as the management of socio-environmental risks and opportunities. WEG has a diversified business model that requires a large number of suppliers to meet development needs.</p> <p>The relationship with suppliers naturally has the potential for positives and negatives impacts. In general, the potential positive impacts in the short, medium and long term are related to economic growth for the supplier, the quality and environmental origin of raw materials for the company, something that reduces the environmental impact of the company itself, as well as the promotion of local suppliers impact on the communities surrounding the company, bringing more resources to the local economy.</p> <p>In terms of potential negative impact, if WEG hypothetically does not carry out an adequate due-diligence process, it may have short, medium and long-term impacts related to ecological aspects, if there are quality problems, increased environmental impacts in the process of the company and risks for people in human rights.</p> <p>These types of impacts generally tend to be systemic, although specific cases may occur and may economically impact the relationship with stakeholders, such as society, customers and investors.</p> <p>In 2022 there was no involvement of the company with material negatives through its activities or as a result of its business relationships. The risks of potential impacts follow a Corporate Risk Management Policy, which served as the basis for the preparation of a mapping and contingency risk management policy in the company's supply chain. In this way, suppliers can be evaluated in order to investigate and mitigate possible risks associated with operations. WEG continuously evaluates and monitors its supply chain, in order to comply with WEG's Code of Ethics for Suppliers and other policies, which establish guidelines for the protection of human rights, the environment and other aspects of socio-environmental responsibility.</p>	<ul style="list-style-type: none"> Suppliers are a fundamental link for a company's activities to occur in a sustainable manner. The partnership between the company and the supplier and the alignment of guidelines and practices are essential for a more sustainable development to occur, especially considering the power, influence and responsibility that a company has in relation to its suppliers. The stimulation and promotion of local suppliers affects the communities surrounding the company, bringing more resources to the local economy. The relationship with suppliers affects the relationship with customers in different ways, both in terms of competitiveness and risks, including socio-environmental risks in the value chain. Investors may be affected considering a scenario in which the company does not have good risk management in the supply chain, in the same way that good management of the risks and opportunities inherent in the relationship makes the company generate more value in the short, medium and long term. 	<p>In 2022, WEG worked on advances such as:</p> <ul style="list-style-type: none"> The establishment of Supplier Improvement Programs, such as Six Sigma and WMS Light training for selected suppliers. Intensification of the global presence of suppliers through expansion of production capacity in units abroad and search for new strategic partnerships, generating new partnerships. <p>CLICK HERE FOR MORE DETAILS</p>	 <p>Goal: 8.7</p>  <p>Goal: 17.16</p>
<p>DIVERSITY AND INCLUSION</p>	<p>The promotion of diversity and inclusion is a continuous and priority journey for society and companies. Disrespecting diversity violates human rights and has negative impacts not only on the environment but also on the evolution of a company. Because promoting diversity and inclusion contributes to a transformation in the culture of a company, resulting in a high level of creativity and performance, since people with different experiences, cultures and realities bring a broader and more diverse perspective on a given topic.</p>	<ul style="list-style-type: none"> Employees are affected by a company's positioning and management on the subject, as they are in an environment where they do not feel any type of prejudice and discrimination, while being able to build a broader and more creative point of view for decision-making. Diversity and inclusion can be worked on and encouraged by the company in projects focused on local communities, as well as by hiring people from the community with different profiles and characteristics. Aware of the relevance that the application of the subject has for the company, the management of the subject affects the assessment that investors will have about the company, which may influence investment decision-making. 	<ul style="list-style-type: none"> Creation of the Occupational Inclusion Committee. Creation of a basic Brazilian Sign Language course. Hiring of Brazilian Sign Language interpreter. Improvements in the Person with Disability Working Group. Improvements in the hiring process of people with disabilities. Ongoing work on communication and awareness-raising and engagement on the subject. <p>CLICK HERE FOR MORE DETAILS</p>	 <p>Goals: 5.1/5.5</p>  <p>Goal: 8.5</p>  <p>Goal: 10.2</p>

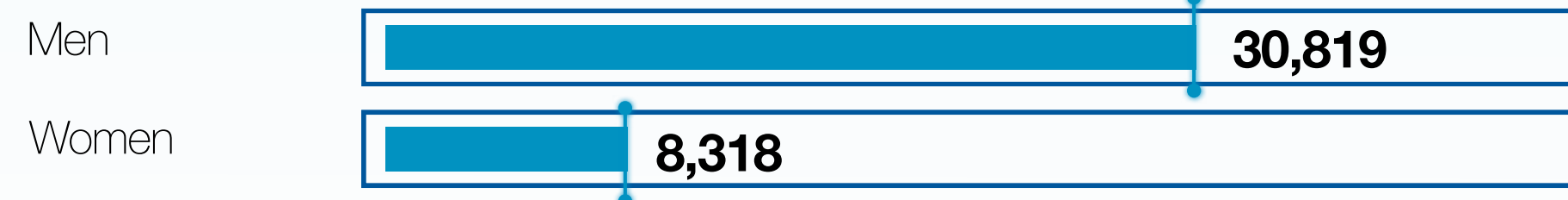
MATERIAL SUBJECT	IMPACTS	RELEVANCE	ADVANCES IN 2022	CORRELATION WITH ODS
<p>SUSTAINABLE PRODUCTS</p>	<p>The global situation produces a urgency to reduce impacts on climate change, since the non-management on the subject can cause negative effects for the environment, people’s quality of life and human rights. One of the ways to contribute in this situation is to seek to carry out the transition to a low-carbon economy in a consistent manner. The industry has an important role in this matter, and the promotion of sustainable products and solutions is fundamental to help with this issue. WEG has a business model aligned with this need and can contribute to customers and society through different solutions. Sustainable products have real potential positive impacts in the short, medium and long term, which are related to the reduction of emissions for industries, the countryside, cities and communities where WEG operates. Potential negative impacts may only occur if, hypothetically, the company stops making this type of product, which will reduce this impact in reducing emissions from these stakeholders and the result would be felt in the medium to long term. Because it is related to the business model. These type of impact is generally systemic.</p>	<ul style="list-style-type: none"> • The subject is related to WEG's business model and strategy, having an impact at a strategic, tactical and operational level. • With its products and solutions, WEG can help its customers obtain processes with less impact on their emissions. • A company's sustainable products can positively affect the places and communities where these products are applied. 	<p>Development of new products and sustainable solutions for different segments, such as:</p> <ul style="list-style-type: none"> • Line of BLDC (Brushless DC) motors for use in front load washing machines, - W51 HD (High Density) line, industrial motor. • Release of a new wind turbine platform with power of 7 MW and 172 meters in diameter, • Use of ULB (Ultra Low Bake) technology for coatings, which reduces the environmental impact. • Transformers developed with new technologies focused on increasing energy efficiency. • Release of the CFW900, a high-tech frequency inverter for driving and controlling three-phase induction motors and permanent magnets motors. • Smart and sustainable systems through solutions offered by the new business unit, WEG Digital System. <p style="text-align: center;">CLICK HERE FOR MORE DETAILS</p>	 <p>Goals: 7.2/7.3/7.a</p>  <p>Goal: 8.2</p>  <p>Goal: 9.4</p>  <p>Goal: 11.4</p>  <p>Goal: 13.2</p>  <p>Goal: 17.16</p>

MATERIAL SUBJECT	IMPACTS	RELEVANCE	ADVANCES IN 2022	CORRELATION WITH ODS
<p>SUSTAINABLE GROWTH OF THE COMMUNITIES</p>	<p>A company generates impacts on society, especially on the local communities, and has responsibilities in this regard. Real and potential financial positive impacts, such as job creation and the local economy, in addition to positive environmental impacts, due to the presence of the company and its productive activities, and social impacts, due to the impact on the lives of its employees and their families. These impacts are systemic and short, medium and long term. Potential negative impacts on local communities are associated with physical and environmental impacts, as well as social impacts if the company does not consider this important stakeholder in its management.</p>	<ul style="list-style-type: none"> • Employees are part of the communities surrounding the company, therefore, a good relationship between the company and the local community affects the quality of life of employees and their families. • An unhealthy relationship with the surrounding community may lead, for example, to reputational risks, which can impact WEG customers depending on the context of a possible negative situation. • Within the supply chain, WEG values the relationship with local suppliers, who are part of these local communities. Therefore, any risks and relationship problems can directly and indirectly affect suppliers. • Occasional problems with local communities affect the company's long-term value creation, which consequently may financially impact the company's investors. • A good relationship makes the company a positive transforming agent for these communities. 	<ul style="list-style-type: none"> • Update of the Social Investment Policy. • Participation of 781 employees in 137 volunteer actions, impacting almost 70 thousand people. 271 social projects supported all over the world. <div data-bbox="2395 1217 2735 1292" style="border: 1px solid black; padding: 5px; text-align: center;"> <p>CLICK HERE FOR MORE DETAILS</p> </div>	<div data-bbox="2925 602 3068 765" style="border: 1px solid black; padding: 5px; text-align: center;">  <p>Goal: 17.16</p> </div>

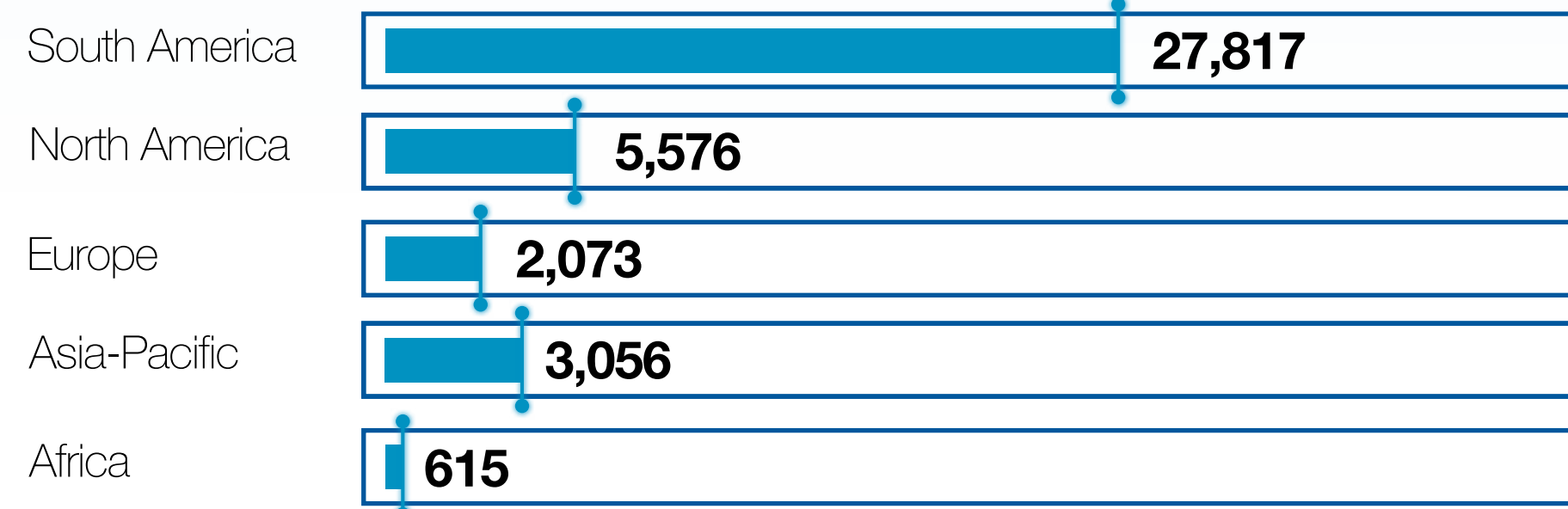
OUR WORKFORCE

GRI 2-7

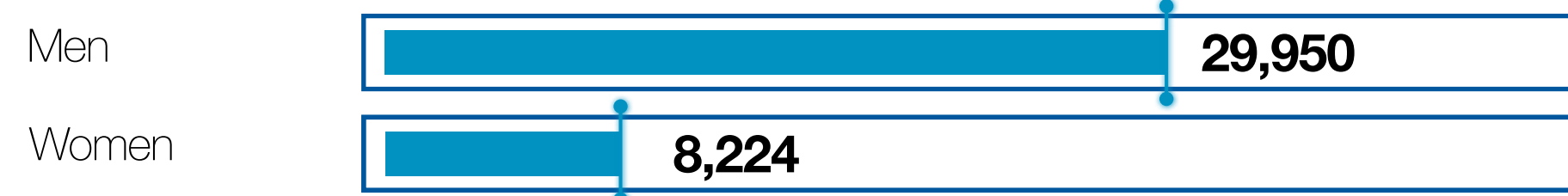
TOTAL EMPLOYEES BY GENDER



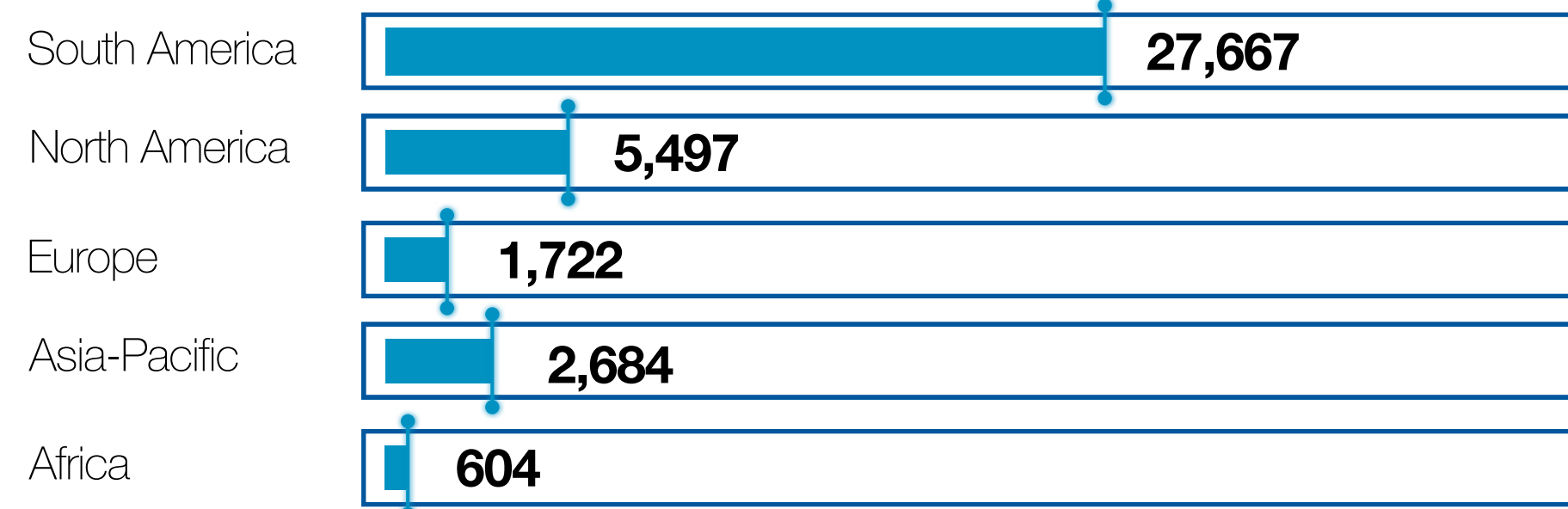
TOTAL EMPLOYEES BY REGION



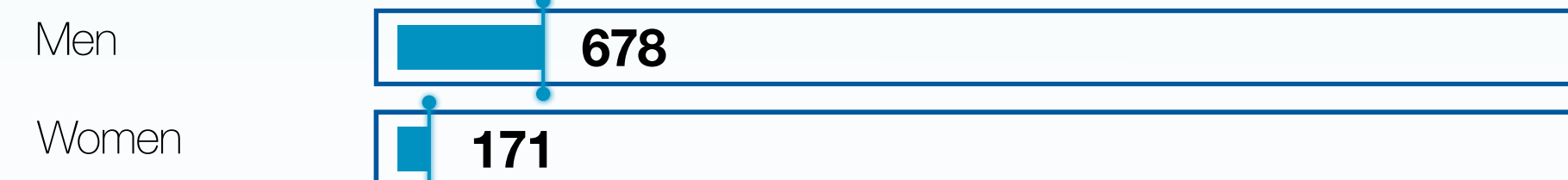
PERMANENT EMPLOYEES BY GENDER



PERMANENT EMPLOYEES BY REGION

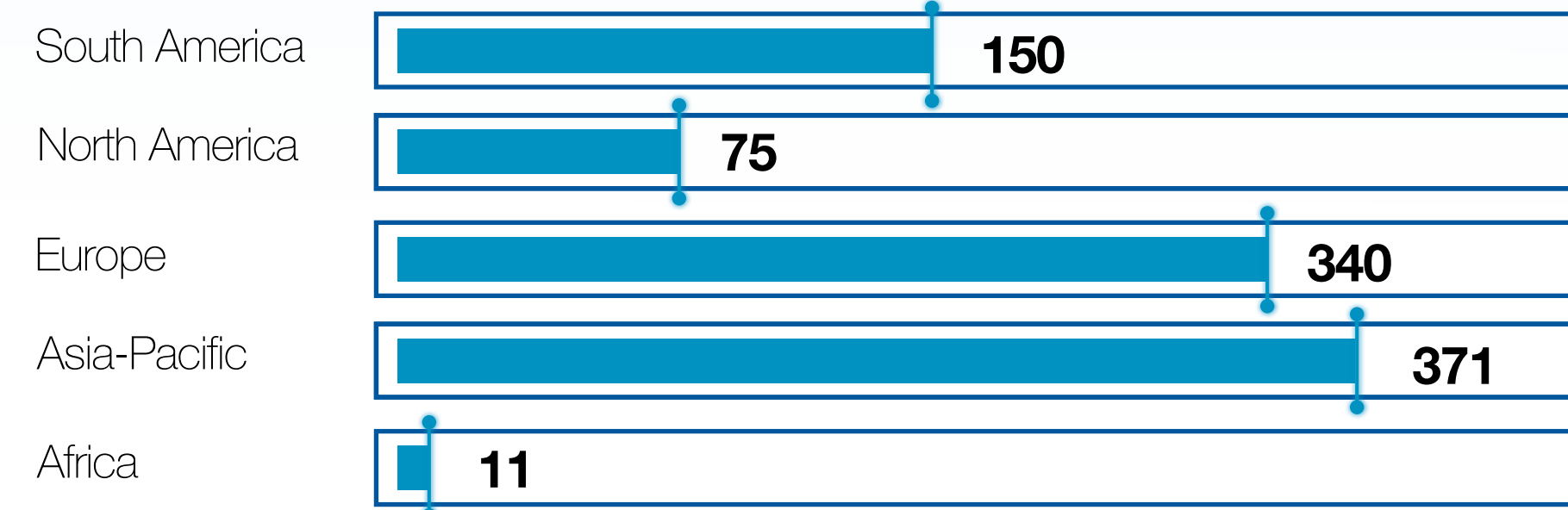


TEMPORARY EMPLOYEES BY GENDER

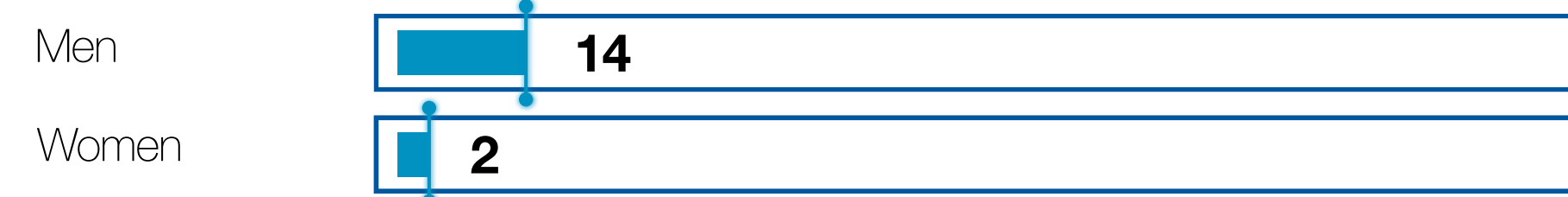


Note: this indicator does not consider units in Brazil

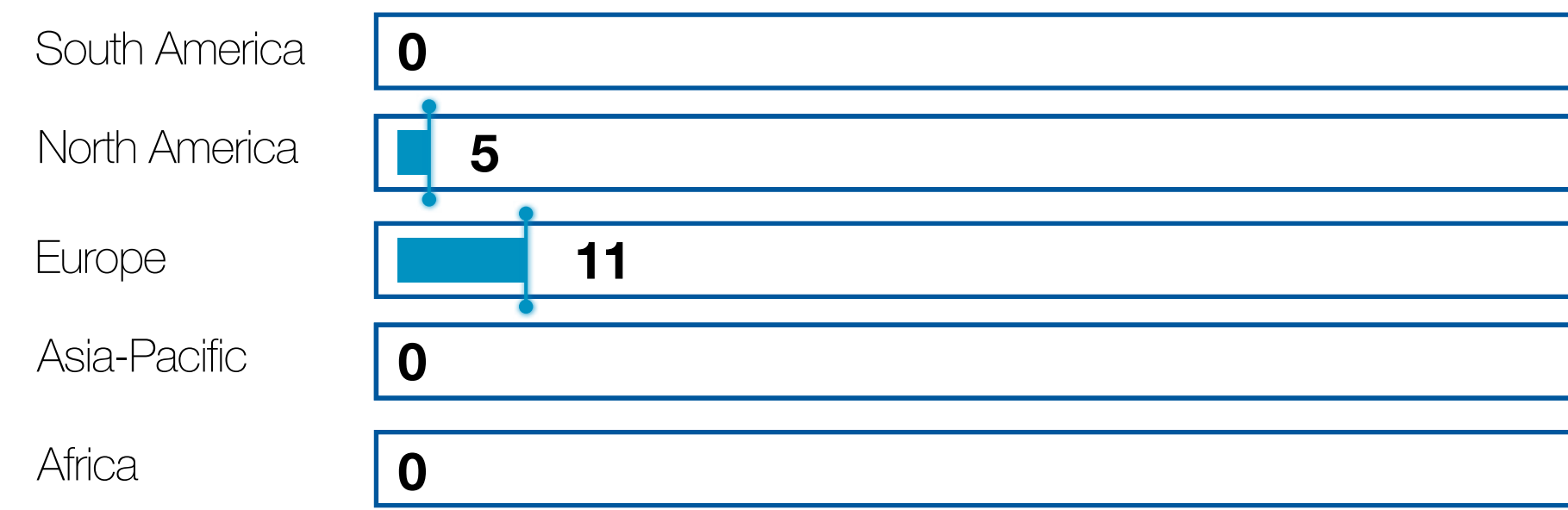
TEMPORARY EMPLOYEES BY REGION



EMPLOYEES WITHOUT GUARANTEED WORKLOAD BY GENDER

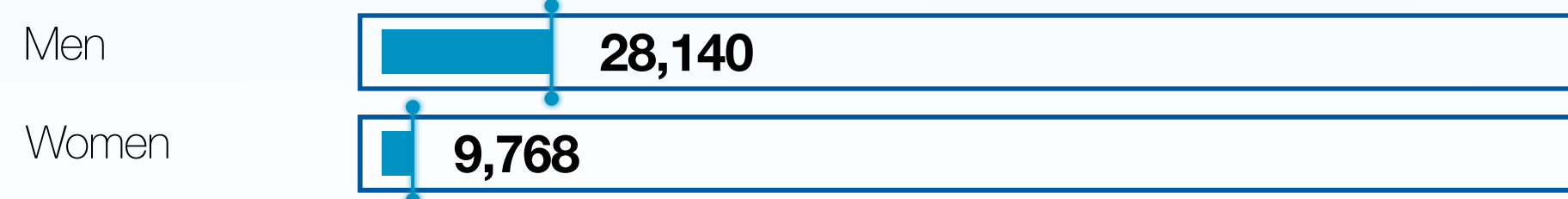


EMPLOYEES WITHOUT GUARANTEED WORKLOAD BY REGION

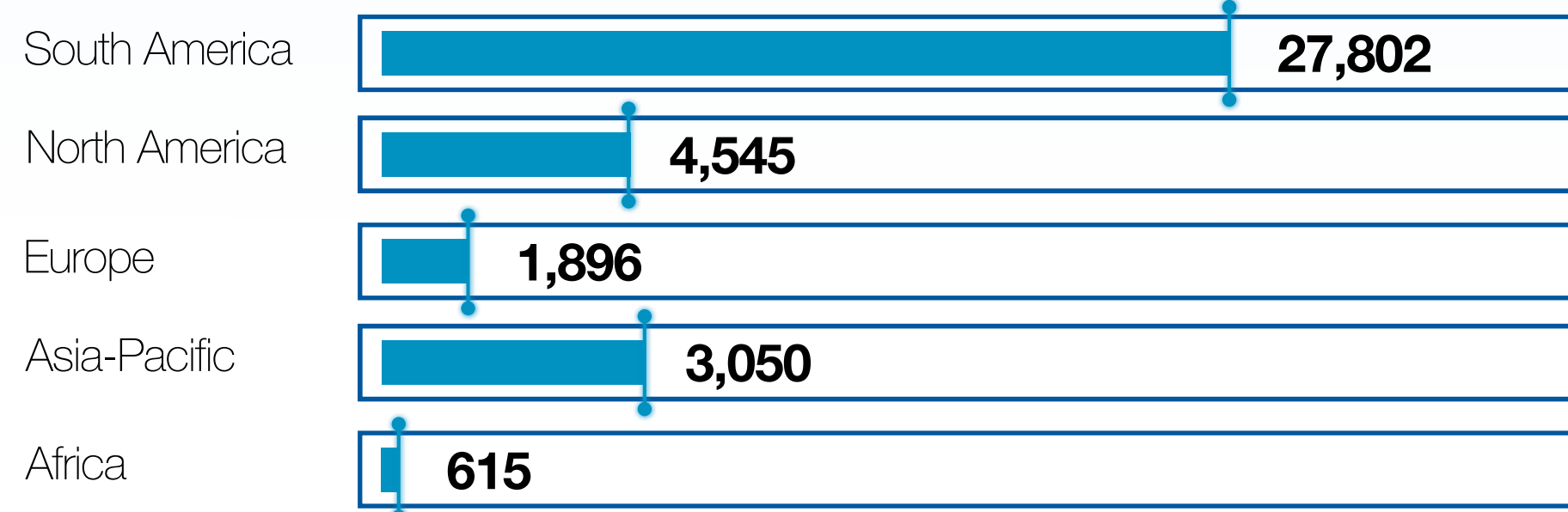


GRI 2-7

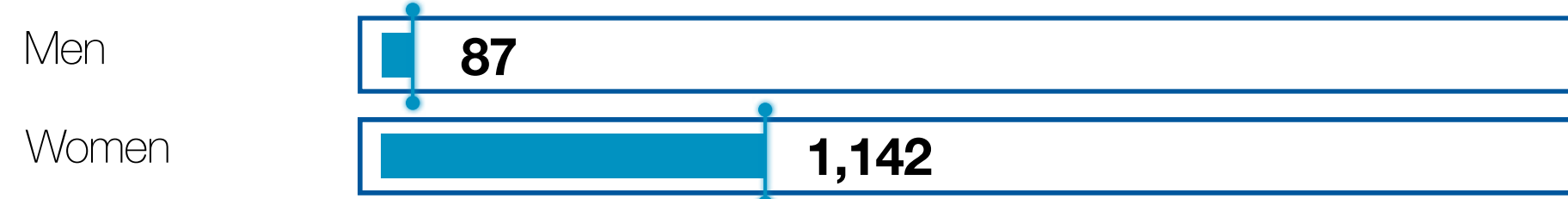
FULL-TIME EMPLOYEES BY GENDER



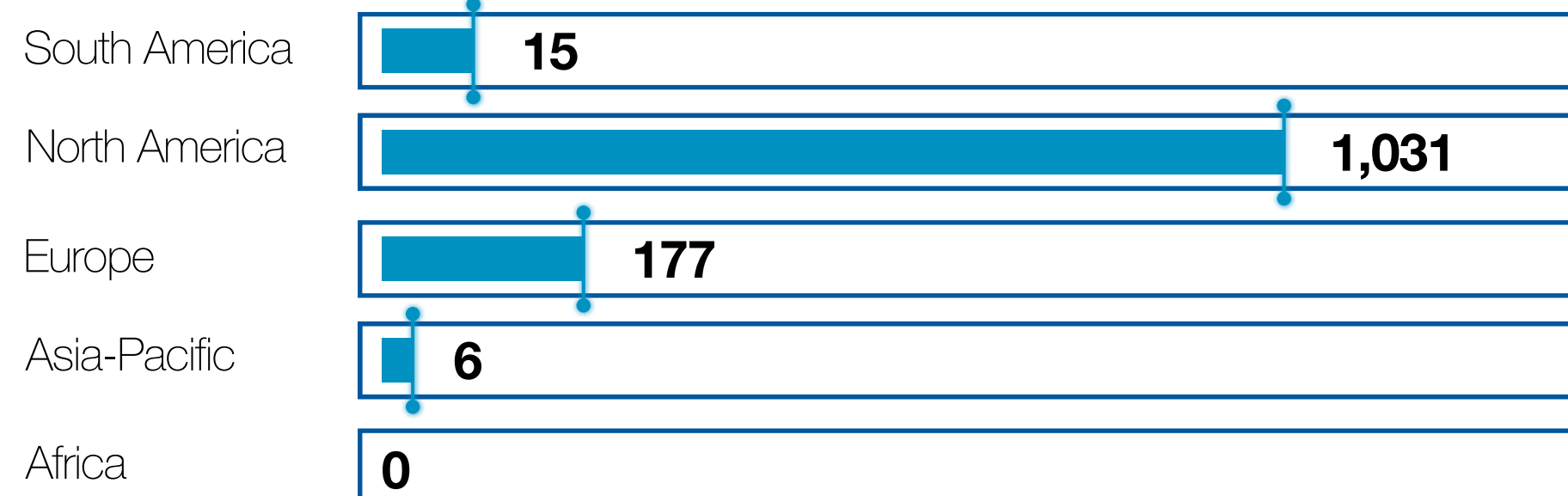
FULL-TIME EMPLOYEES BY REGION



PART-TIME EMPLOYEES BY GENDER



PART-TIME EMPLOYEES BY REGION



DATA COMPILATION

DATA COMPILATION IS CONDUCTED USING THE INTERNAL SYSTEMS ADOPTED BY EACH LOCALITY. THEN, THE DATA ARE CONSOLIDATED CORPORATELY TO OBTAIN THE INDICATORS GLOBALLY.



PARTICIPATION IN ASSOCIATIONS

GRI 2-28

Currently, WEG is a member of more than 40 trade associations in Brazil and more than 100 abroad.

The most representative trade associations for WEG, or those in which we participate with a more significant role, are those that are already listed in the current Integrated Annual Report, that is:

- **ABDIB** - Brazilian Association of Infrastructure and Basic Industries
- **ABEEÓLICA** - Brazilian Wind Energy Association
- **ABIMAQ** - Brazilian Association of Machinery and Equipment Industry
- **ABINEE** - Brazilian Association of Electrical and Electronic Industry
- **ABNT** - Brazilian Association of Technical Standards
- **ABRAFATI** - Brazilian Coatings Manufacturers Association
- **ABSOLAR** - Brazilian Solar Photovoltaic Energy Association
- **ABVE** - Brazilian Electric Vehicle Association
- **ACIJS** - Business Association of Jaraguá do Sul
- **ANPEI** - National Association of R&D of the Innovative Companies
- **CEMEP** - European Committee of Manufacturers of Electrical Machines and Power Electronics
- **COBEI** - Brazilian Committee of Electricity, Electronics, Lighting and Telecommunications
- **NEMA** - National Electrical Manufacturers Association of USA
- **P&D BRASIL** - Association of National Technological Development and Innovation Companies
- **SINDIPEÇAS** - National Trade Union of the Components Industry for Motor Vehicles
- **SMEMS** - Small & Medium Electric Machine Sub Association of China Electrical Equipment Industrial Association

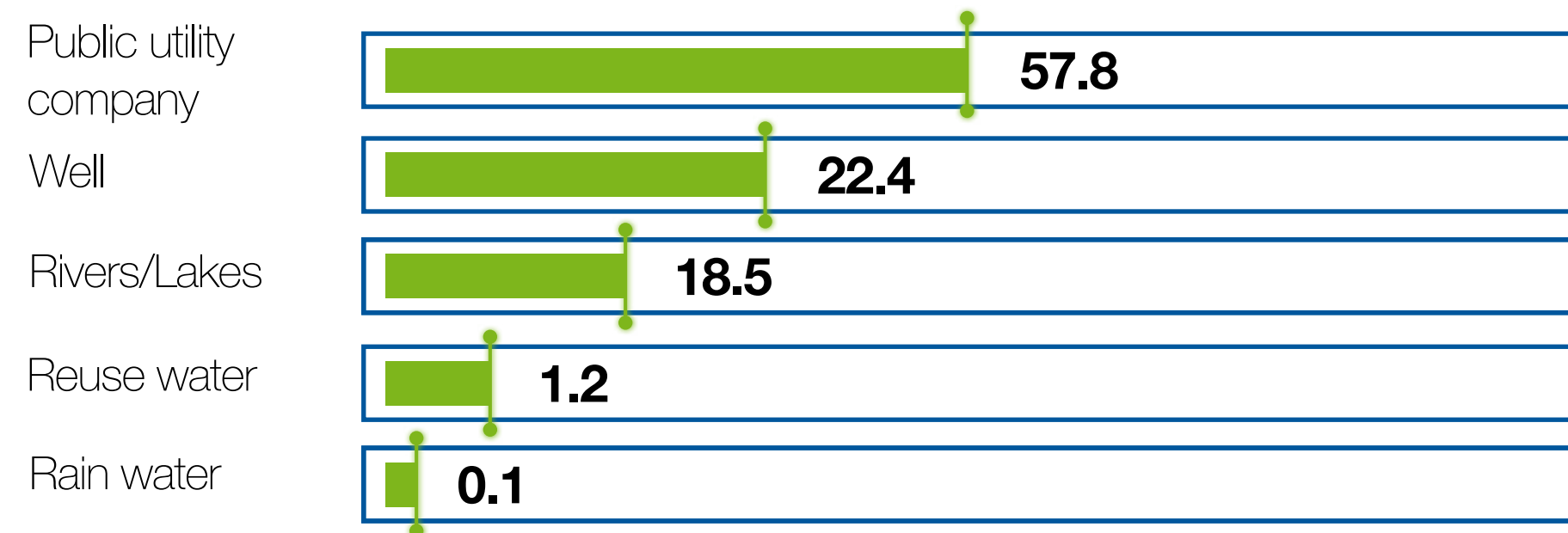
ENVIRONMENTAL INDICATORS

WATER

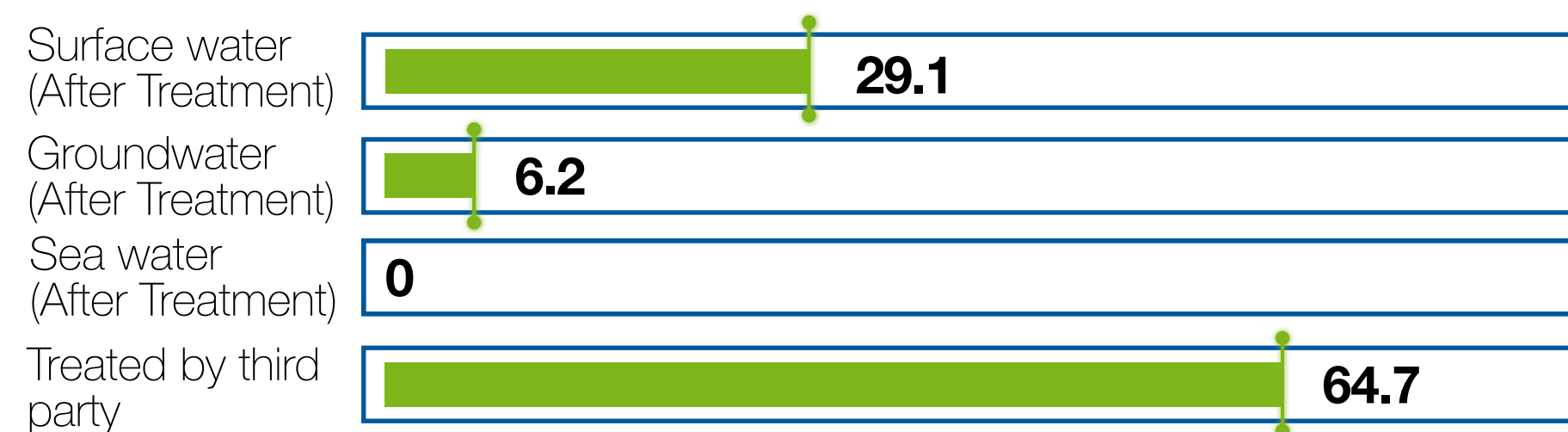
WATER CONSUMPTION - ABSOLUTE (m³/year)



WATER CONSUMPTION - BY SOURCE (%)

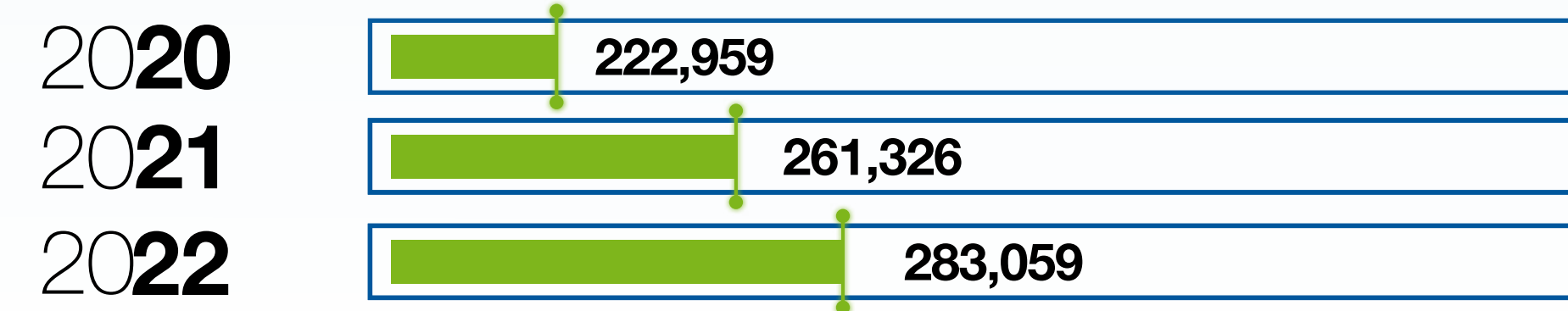


EFFLUENTS - BY TYPE OF DISPOSAL (%)

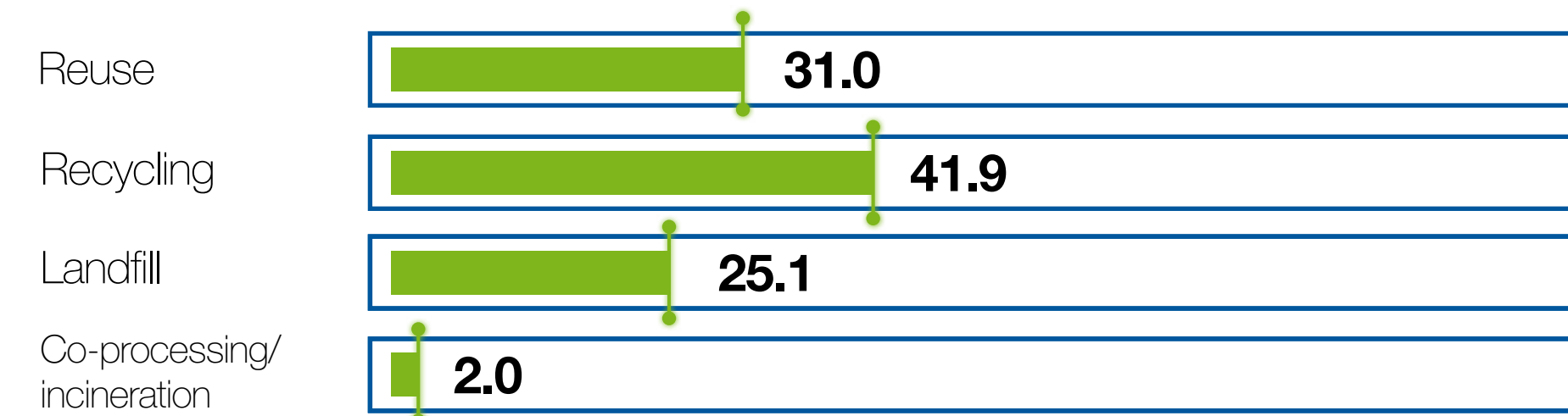


WASTE

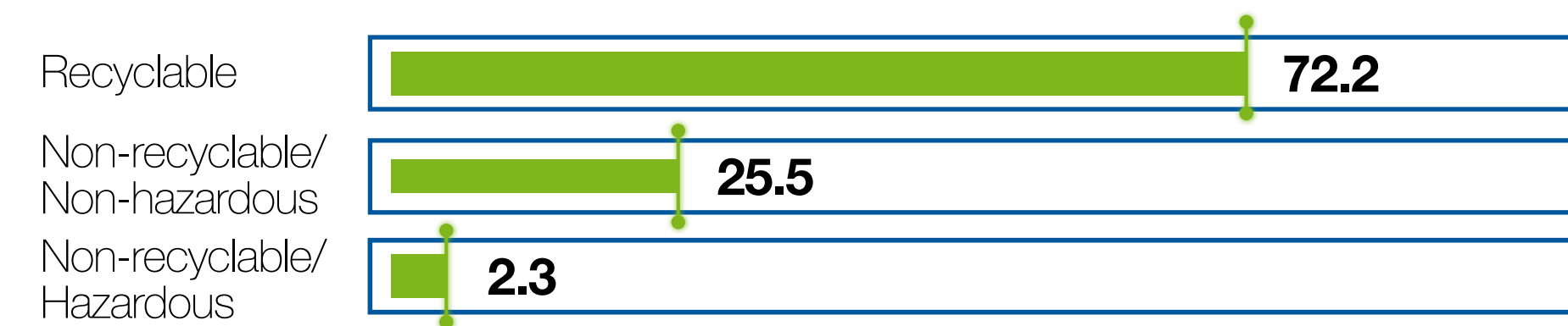
WASTE GENERATION - ABSOLUTE (ton/year)



TYPE OF DISPOSAL (%)

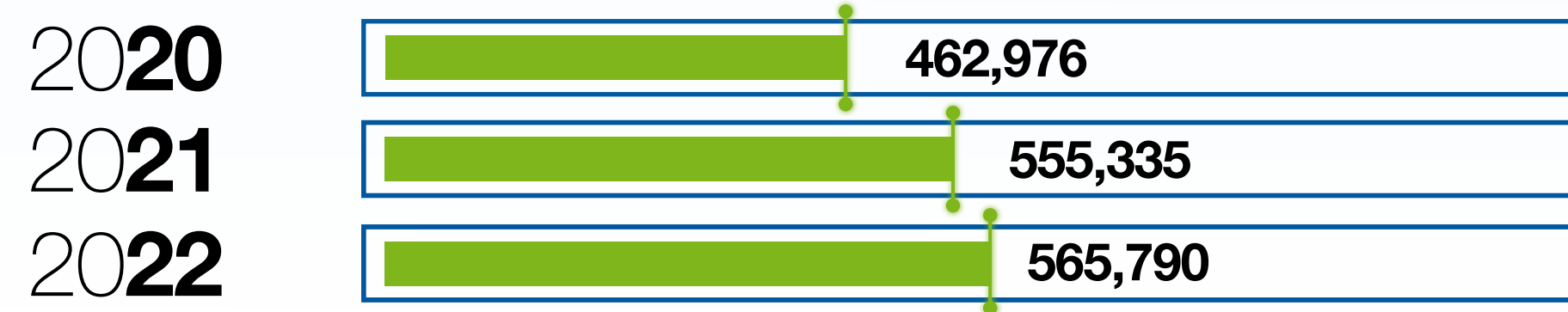


GENERATION BY TYPE (%)



ENERGY

ABSOLUTE CONSUMPTION (MWh/year)



BIODIVERSITY

BIODIVERSITY	
AREAS	HECTARES (ha)
Reforestation	5,135.97
Natural Forests	2,810.78
Legal Reserve	2,445.54 ¹
Permanent preservation areas	818.43 ²

Notes: 1) Legal Forest Reserve Area not considered in the “Natural Forests” item.

2) Permanent Preservation Areas not considered in the item “Natural Forests”.

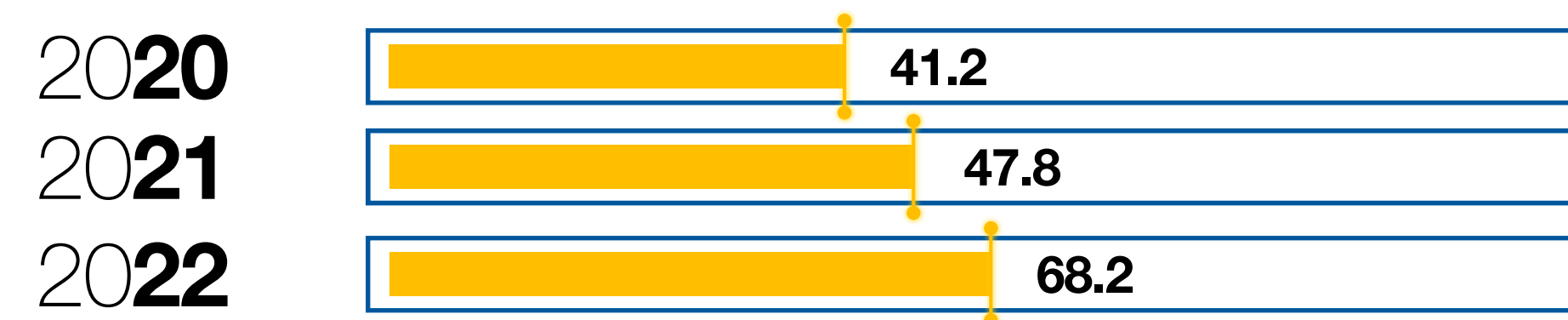
SOCIAL INDICATORS:

TRAINING

AVERAGE HOURS OF TRAINING BY EMPLOYEE¹⁾



INVESTMENT IN TRAINING (BRL THOUSAND)²⁾



Notes: 1) For comparative purposes, if you consider the Brazil scope of 2022, the indicator was: 139 hours.

2) For comparative purposes, if you consider the Brazil scope of 2022, the indicator was: 64.3.

In 2022, data began to be reported considering the global scope. Until then, Brazil-scope data were reported.

ASSURANCE LETTER

GRI 2-5

KPMG Auditores Independentes Ltda.

Rua Verbo Divino, 1400 - Parte, Chácara Santo Antônio,

CEP 04719-911, São Paulo - SP

Caixa Postal 79518 - CEP 04707-970 - São Paulo - SP - Brasil

Phone 55 (11) 3940-1500

kpmg.com.br

Independent auditors' limited assurance report on non-financial information included in the Integrated Report

(A free translation of the original report in Portuguese, containing the Assurance Report.)

To the Board of Directors and Shareholders

WEG S.A.

São Paulo - SP

INTRODUCTION

We have been engaged by WEG S.A. ("Company") to present our limited assurance report on the non-financial information included in the "Integrated Report 2022" of WEG, for the year ended December 31, 2022.

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Our limited assurance does not extend to prior period information or to any other information disclosed in conjunction with the Integrated Report 2022, including any embedded images, audio files or videos.

RESPONSIBILITIES OF WEG'S MANAGEMENT

The management of WEG is responsible for:

- select and establish appropriate criteria for the elaboration of the information contained in the Integrated Report 2022;
- prepare the information in accordance with the criteria and guidelines of the Global Reporting Initiative (GRI - Standards), with the Sustainability Accounting Standard - Engineering & Construction Services, Professional & Commercial Services and Road Transportation, of the Sustainability Accounting Standards Board (SASB) and the CPC 09 Guidance - Integrated Reporting, correlated with the Basic Conceptual Framework of Integrated Reporting, prepared by the International Integrated Reporting Council (IIRC);
- design, implement, and maintain internal control over information relevant to the preparation of Integrated Report 2022 that is free from material misstatement, whether due to fraud or error.

RESPONSIBILITY OF THE INDEPENDENT AUDITORS

Our responsibility is to express a conclusion on the non-financial information included in the Integrated Report 2022, based on the limited assurance engagement conducted in accordance with Technical Communication CTO 07/2022 issued by the CFC, and based on NBC TO 3000 - Assurance Engagements other than Audits and Reviews, also issued by the CFC, which is equivalent to international standard ISAE 3000 - Assurance engagements other than audits or reviews of historical financial information, issued by the International Auditing and Assurance Standards Board (IAASB).

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These standards require compliance by the auditor with ethical requirements, independence, and other responsibilities relating to it, including the application of the Brazilian Quality Control Standard (NBC PA 01) and, therefore, the maintenance of a comprehensive quality control system, including documented policies and procedures on compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Additionally, the standards require that the work be planned and performed with the objective of obtaining limited assurance that the non-financial information in the Integrated Report 2022, taken as a whole, is free from material misstatement.

A limited assurance engagement conducted in accordance with NBC TO 3000 (ISAE 3000) mainly consists of inquiries to WEG's management and other WEG's professionals who are involved in the preparation of information, as well as the application of analytical procedures to obtain evidence that enables us to conclude, in a limited assurance manner, on the information taken as a whole. A limited assurance engagement also requires the performance of additional procedures when the independent auditor becomes aware of matters that lead him to believe that the information disclosed in the Integrated Report 2022, taken as a whole, may present material misstatements.

The procedures selected were based on our understanding of the aspects relating to the compilation, materiality and presentation of the information contained in the Integrated Report 2022, other circumstances of the engagement and our consideration of areas and the processes associated with the material information disclosed in the Integrated Report 2022 where material misstatements could exist. The procedures comprised, among others:

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- a.** planning the work, considering the materiality of the aspects for WEG's activities, the relevance of the information disclosed, the volume of quantitative and qualitative information and the operating and internal control systems that served as a basis for the preparation of the information contained in the Integrated Report 2022.
- b.** the understanding of the calculation methodology and the procedures for the compilation of the indicators through inquiries with the managers responsible for the preparation of the information;
- c.** the application of analytical procedures on the quantitative information and inquiries on the qualitative information and its correlation with the indicators disclosed in the information contained in the Integrated Report 2022; and
- d.** for the cases in which the non-financial data correlate with indicators of a financial nature, the confrontation of these indicators with the accounting statements and/or accounting records.
- e.** analysis of the processes for preparing the Report and its structure and content, based on the Content and Quality Principles of the Sustainability Reporting Standards of the Global Reporting Initiative - GRI, with the Sustainability Accounting Standard - Engineering & Construction Services, Professional & Commercial Services and Road Transportation, of the Sustainability Accounting Standards Board (SASB), with the CPC 09 Guidance - Integrated Reporting (which correlates to the Basic Conceptual Framework of Integrated Reporting, prepared by the International Integrated Reporting Council - IIRC);

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- f. evaluation of the sampled non-financial indicators;
- g. understanding the calculation methodology and the procedures for the compilation of the indicators through interviews with the managers responsible for the preparation of the information;
- h. analysis of the reasonableness of the justifications for the omission of performance indicators associated with aspects and topics indicated as material in the Company's materiality analysis.

The limited assurance work also comprised adherence to the guidelines and criteria of the GRI - Standards elaboration framework applicable in the preparation of the information included in the Integrated Report 2022.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

SCOPE AND LIMITATIONS

The procedures performed in limited assurance work vary in nature and timing, and are smaller in extent than in reasonable assurance work. Consequently, the level of assurance obtained in limited assurance work is substantially lower than that which would be obtained if reasonable assurance work had been performed. If we had performed reasonable assurance work, we could have identified other issues and possible distortions that may exist in the information contained in the Report. Therefore, we do not express an opinion on this information.

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Non-financial data are subject to more inherent limitations than financial data, given the nature and diversity of the methods used to determine, calculate or estimate these data. Qualitative interpretations of materiality, relevance, and accuracy of the data are subject to individual assumptions and judgments. Additionally, we did not perform any work on data reported for prior periods, nor in relation to future projections and targets.

The preparation and presentation of sustainability indicators followed the GRI - Standards criteria and, therefore, are not intended to ensure compliance with social, economic, environmental or engineering laws and regulations. These standards do, however, provide for the presentation and disclosure of any non-compliance with such regulations when significant sanctions or fines are incurred. Our assurance report must be read and understood in this context, inherent to the selected criteria (GRI - Standards).

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CONCLUSION

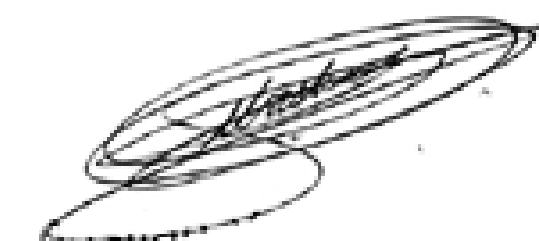
Based on the procedures performed, described in this report and the evidence obtained, nothing has come to our attention that causes us to believe that the non-financial information included in the Integrated Report 2022 for the year ended December 31, 2022 of WEG, have not been prepared, in all material respects, in accordance with the Sustainability Reporting Standards of the Global Reporting Initiative - GRI, the Sustainability Accounting Standard - Engineering & Construction Services, Professional & Commercial Services and Road Transportation, of the Sustainability Accounting Standards Board (SASB) and with the Guidance CPC 09 - Integrated Reporting (which correlates to the Integrated Reporting Framework prepared by the International Integrated Reporting Council - IIRC).

São Paulo, April 28th, 2023

KPMG Auditores Independentes Ltda.

CRC 2SP-014428/O-6

Original report in portuguese signed by



Sebastian Yoshizato Soares

Contador CRC 1SP257710/O-4

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Driving efficiency and sustainability

