



Global Compact

Communication on Progress
(COP)



Highlights 2013

Words from the President

I would like to reiterate my and Whirlpool's commitment to the Global Compact, through our participation in the Brazilian Global Compact Committee (CBPG) and in initiatives focused on four action areas: Human Rights, Labor Rights, Environmental Protection and Anti-Corruption Practices. We proudly realize that every single day our employees continuously help to make Whirlpool one of the best companies to work for, focusing on the pursuit of what we call our strategic journey, which can be summarized by the phrase: "Leading sustainable innovation by turning consumers into fans". This idea summarizes the message that will guide our journey for the next few years. When we look to our performance in 2013, we can see that we continue to work with this spirit, which places us as a company that is highly competitive and at the same time contemporary. In addition, we have leaders in the Organization acting in CBPG's thematic groups, focusing on Women Empowerment and developing the theme for the entire Whirlpool.

Enrico Zito

*Whirlpool President for Latin America
Appliances Unity*

Human Rights

Consulate of Women / *Consulado da Mulher*

The scope of the *Consulado da Mulher* Institute is to assist popular enterprises led by women and generate income, with the allocation of knowhow and funds that make possible the development of the business and the quality of life of these women, stimulating their contribution and participation in the community. The *Consulado da Mulher* has a presence in 17 Brazilian states and assists popular enterprises through two programs:

Mulher Empreendedora (Enterprising Woman): On-site action with its own team of Social Educators, offering direct consultancy to enterprises in the cities of Manaus (AM), Joinville (SC), Rio Claro (SP) and São Paulo (SP).

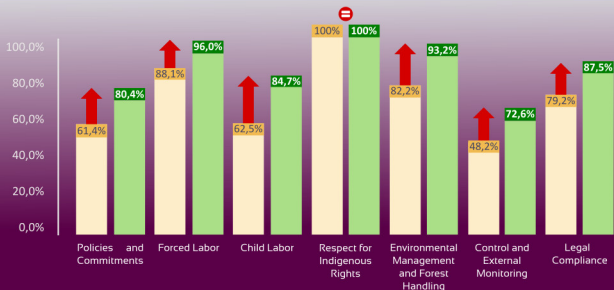
Usinas do Trabalho (Work Units): Remote action through partner institutions, with the capability to benefit initiatives for the generation of income to women nationwide. In both programs, the management methodology is used to benefit both the enterprises as well as the partners of the social network. We have allocated funds and Consul appliances that will be used as production tools for the development of the enterprise and the generation of income. The actions of the Institute *Consulado da Mulher* attempt to qualify low-income and low education women to manage popular enterprises in the crafts, food, laundry, beauty, sewing and recycling segments. The main objective of the methodology applied during the consulting process is to make possible the generation of income and a better quality of life for entrepreneurial women and their families, as well as to insure the perpetuity of the enterprise,

even after the monitoring stage. We act in partnership with several entities from the social network, stimulating the relevance of the community and allocating the knowhow and the funds that are necessary for the development of popular enterprises; our methodology monitors all the stages of the business, from the conception of the product, production, commercialization and generation of income. The *Consulado da Mulher* ended 2013 providing assistance to 122 popular enterprises, directly benefitting 1,596 people, plus their families. In total, more than 6 thousand people were benefited, either directly or indirectly. Since its foundation, the *Consulado* has benefited more than 32 thousand people. Significant improvements on working conditions and on items referring to Environmental Responsibility occurred in 2013 – the increase in these development indicators was of 43%, in addition to the increase of income, which was higher than 62%. The 122 assisted enterprises had a combined revenue of R\$ 7.8 million and the investment of the *Consulado da Mulher* was of R\$ 3.8 million; in other words, for every R\$ 1.00 invested to the *Consulado da Mulher* it was created R\$ 2.00 in wealth for the communities. In 2013, the *Consulado* promoted the Work Units Prize, with the goal to identify and strengthen successful entrepreneurship practices by women and generate income in all Brazilian states. Ten enterprises led by women that followed self-management principles, solidarity and cooperativism were awarded, in a ceremony held in São Paulo. The *Consulado* was also selected to receive investments from the government of the United States through the Program We Americas. In addition, the *Consulado* concluded the construction of a Community Laundry in Guarujá - SP, implementing the project for the generation of income and strengthening popular entrepreneurship, as an alternative for the social-economic inclusion of low-income families that were moved from risk areas to housing projects at Vila Nova Esperança.

Steel Chain Program

Whirlpool in Brazil, a company that has more than 15,000 employees, constantly ties to its values actions of intense social and environmental responsibility that are incorporated to its routine through practices and projects related to the theme. As the largest manufacturer of appliances in Latin America, the purchase of steel has an important place to company's products portfolio. Last year, Brazil was ranked among the 100 worst countries in evidence of slave labor. Although the country is not aware of the issue, the situation is critical. Child labor, combined to this problem, has been reduced, but very slowly, and it is extremely important for all levels involved to work together to get to a solution. By its contribution to the social development, in addition to the commitment assumed by suppliers through the code of conduct that the company demands, the Steel Chain Program has the objective to eliminate any risks related to allegations of labor crimes, the environmental devastation of the Steel Chain and the involvement of the companies in the production of illegal coal produced in the Amazon. Within the project, for the main purchased raw materials volumes, the following inputs were evaluated: vegetable charcoal, chrome iron, limestone, silicon iron, iron ore and pellet. The auditing program included mandatory and recommended items for the topics: forced labor, child labor, Indigenous rights, environmental management and forest administration. The items evaluated for each theme were the policies and the commitments, the specific requirements for internal performance and external control and monitoring. Faced problems involved policies out of balance with the commitment to eliminate slave and child labor, and respect to Indigenous rights, in addition to the lack of sensitivity of the employees referring to these themes as well as overdue environmental licenses and the requirements associated to a better control of the management of solid wastes. Action plans were developed for each one of the topics that had lower than expected marks. From 2010 to 2013, the developed action plans generated results in all analyzed aspects, as can be verified in Graph 1. In addition, no critical problems at the audited sub-suppliers were found during the validation audit in 2013. None of the audits found evidence of slave labor, child labor, deforestation or disrespect to Indigenous rights.

Graph 1 – Evolution of the actions where were developed plans from 2010 to 2013.



Labor rights

Legal Requirements

The company complies with all laws and requirements related to work relationships and applies the same conditions to all collaborators, without any discrimination. In order to guarantee this compliance, we have a system to evaluate legal requirements, where on a regular basis meetings are held with the leadership and an information statement for labor responsibilities checklist is presented. During these forums, the department for Labor Relationships makes recommendations about eventual vulnerabilities that will generate action plans that are rigorously monitored. In addition, Collective Agreements and Covenants negotiated with the workers' union cover all employees and normally establish more beneficial conditions that are not even demanded by law, such as: pre-retirement stability, permission to miss work to take children to the doctor or to school, wedding bonus, among others. Another differential is the extended Maternity Leave, considering that the law guarantees a license of 120 days and, as result of Whirlpool's adhesion to the Government's program Citizen Company, the license is extended to another 60 days, totaling 180 days of license. Whirlpool believes that in view of impasses in its relationship with the union, dialogue, common sense negotiations that are beneficial for everybody, agreements that address the needs of our collaborators but that also sustain our business reality and market context, should be prioritized.

Diversity & Inclusion Program

As a signatory of the Global Compact, Whirlpool is part of the Working Group on Human Rights that discusses with other companies the several issues referring to the theme. After 2013, when studies and research about the theme were conducted, the Diversity & Inclusion Program was re-launched on a corporate level in 2014, which has as objective to resume the discussion about diversity and inclusion, updating it to the reality today. The goal is to strengthen the singularities of diversity and the inclusion by the means of projects and debates, strengthening the culture and the practice of the Diversity & Inclusion Value. In 2014, three projects began to be implemented within the program:

- Gender Equality – the main goal is to understand gender issues and, particularly, those issues related to women (according to WEPs* Principles – Women's Empowerment). An internal survey was conducted in June/July that will help to define the company's action plan. We have participated in the 1st WEPs Brazil award, an initiative from Itaipu Binacional and we have an Honorable Mention on the first principle (Establish a high-level corporate leadership for gender equality). We also have participated in other discussion groups that deal with the topic women, such as *Aliança*, which includes several large companies;
- LGBT Issue** in companies – in the second semester we will launch an educational project to prepare the leadership to deal with LGBT issues inside the companies. We are in the process to review the Diversity policy to consider several issues and define the actions to be implemented, particularly those referring to internal norms and regulations and how to deal with the dilemmas related to the theme;
- LAR Diversity (Latin America Region) – we have units throughout Latin America. The main goal of the project is to identify issues related to cultural, behavioral and linguistic differences and create an inclusive environment that is relevant for business and for people;

*WEPs = Women Empowerment Principles

**LGBT = Lesbians, Gays, Bisexuals and Transvestites

Occupational Health and Work Safety

Environmental, Occupational Health and Work Safety management is jointly and corporately carried out at Whirlpool, by a department called EHS (Environment, Health and Safety). The responsibility for local actions is shared with the leadership and the technical teams at each unit. EHS indicators are presented on a monthly basis to the company's top leadership, next to financial indicators. In addition, EHS performance is accounted for when salary bonuses are paid to executives. Whenever the performance does not meet the goals, compensation is reduced. In 2013, the number of work incidents at Whirlpool continued to drop in a consistent manner. The frequency of incidents with and without days away from work (metric standardized by OSHA norm) dropped 12% in 2013 over the previous year, reaching the annual goal of 0.47. As compared to 2010, the drop was of 62%. The frequency of incidents that resulted in absences did not drop over the previous year (in 2013 the Frequency Rate was 0.10 and in 2012 it was 0.08, same Rate goal for 2013). However, it represents a significant reduction when compared against 2010, namely, a reduction of 50%. Another positive aspect was the care to the Occupational Health of our employees. All of them have periodic occupational health checkups, and there are broad ergonomics programs in all plants. Another point is that no hearing loss has been





diagnosed as result of noise exposure, which proves the effectiveness of the Hearing Conservation Program in all areas. All the Units are Certified in accordance to the Requirements of norms ISO 9001:2008 – quality management; ISO 14001:2004 – environmental management and OHSAS 18001:2007 – occupational health and safety management. These results demonstrate the company's concern about the Health and Safety of its employees and the concern and care with the Environment.

Environmental Protection

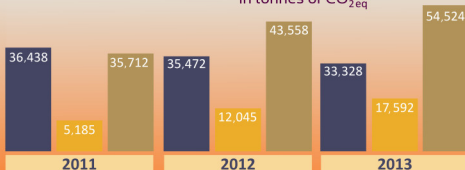
Emissions

The strategy for the theme remains: Whirlpool prepares the inventory on an annual basis, reporting it to the Emissions Public Register of Fundação Getúlio Vargas (FGV), which coordinates the program in Brazil. The inventory numbers reflect the continuous efforts to optimize operations and reduce losses, consequently minimizing the emissions. From 2012 to 2013, in absolute numbers (as result of a higher production), the inventory increased by 15%, taking into account the three scopes, according to GHG Protocol's methodology. If only the results of Scope 1 are analyzed (internal emissions, from the burning of fossil fuels) by produced product, there was a reduction of emissions around 12% (eco-efficiency). As far as Scope 2 is concerned (purchase of electricity), even if we consider that the governmental conversion factor increased by 47%, these emissions increased 46% (less than the factor increase and with increased production and internalization of processes – once again, eco-efficiency). Now, the emissions of Scope 3 (activities from third parties that provide services to Whirlpool) are responsible for 51% of the emissions of the inventory and their source is almost entirely due to the distribution of products from the plants and warehouses to the large retailers (first section). The increase in 2013 (+27%) is due not only because of the number of distributed products but also because we increased the coverage of the scope this year, including the distance for the transference of parts and products between units.



Emission trends GRI EN16

in tonnes of CO_{2eq}



Scope 1: emissions from the burning of fossil fuels

Scope 2: emissions derived from the use of electricity

Scope 3: emissions from partners working for Whirlpool

Note : The coefficient of energy conversion to CO_{2eq}, defined by the government, is the main cause of the variations from one year to another in scope 2 emissions

Energy

For the EN3 GRI indicator, which measures the direct consumption of energy categorized by the source of primary energy, directly related to the burning of fossil fuels for the generation of heat for industrial processes, in 2013 the organization significantly reduced its consumption. As a general result in all its units and operations, consumption reduced 19% in Giga Joules, in absolute numbers, attesting the efforts for continuous improvement and eco-efficiency, when it is considered that from 2012 to 2013 there was an increase of production. The reduction in the use of energy inputs was possible due to changes and substitutions of processes, such as the deactivation of part of the liquid painting line at Plant III of Joinville Unit and to alterations implemented in one of the enameling lines of Rio Claro Unit. For the consumption of indirect energy categorized by primary source, the EN4 GRI indicator, which basically refers to the consumption of electrical energy at the units, displayed a reduction of 1%, which is in fact relevant because of the statement from the previous paragraph, where it is reported the increase of production that took place from one year to another, in addition to the internalization processes themselves, bringing them inside productive sites. These achievements are a result of the modernization of the industrial park, new processes, new equipment, lighting saving programs, automation of pumping systems, implementation of frequency inverters, as well as the monitoring and the elimination of leakages using air scan tracking in pipes and utility distribution systems.

Total Consumption of Direct Energy in GJ (EN3)

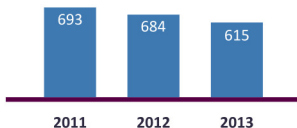
2011	2012	2013
393,020	390,507	316,706

Water

As far as the total consumption of water from hydric sources that were significantly affected by the drawing of water, referring to the EN8/EN9 GRI indicator, considering the general average among all the units, the result in 2013 was 10% lower against 2012 as a result of savings initiatives focused on the people awareness and substitution of processes, such as in Rio Claro, changing the process from liquid enameling to powder enameling. In some sites these numbers were higher, as result of increases on production volumes. But, generally speaking, the increase in the consumption of water was smaller than the increase of the production volume, confirming that our efforts are justified as we transform production units into reference locations in terms of eco-efficiency and optimization in the use of natural resources. We cannot fail to mention the effort and the investment of all sites in the reuse of effluents, from an improvement of its quality, after treatment at the Waste Water Treatment Station, which allows the reutilization in their own productive processes. There is also the use of rain water, whose volumes are becoming increasingly more representative in each one of the sites where the original project for the utilization of rain water was implemented over previous years. This is verified by the result of ENIO GRI indicator, which shows the percentage and the total volume of recycled and reused water, where these initiatives are measured, going from a total of 17.78% of recycled and reused water in 2012 to a total of 26.38% in 2013.

Consumption Drop

Evolution of water consumption in Whirlpool
- in thousand m³



Wastes

The organization continues to be focused on the Project Zero Waste to Landfill, although some difficulties were faced, both of a technical as well as of an economics nature. In 2012, two sites, Manaus Unit and Rio Claro Unit, reached the target before schedule. Now, the Joinville Unit is working to achieve the goal within the scheduled timeframe, which is December 2014. The EN22 GRI indicator, which refers to the total weight of waste, by type and method of disposal, displays the results of these efforts. From 2012 to 2013 there was a reduction of 27% to the amount of waste sent to the landfill. Since the total amount of waste (recyclable and non-recyclable) did not change in a significant way from one year to the other, this means that a large quantity of waste that was not recyclable and that was going to the landfill, began to be recycled or co-processed. This is the result of the development of new techniques, new suppliers of recycling services, and overall, the institution of a new alternatives market that did not exist before for these materials. It represents the company's commitment with the National Policy of Solid Wastes and its principles for the non-generation, minimized generation, and recycling of byproducts generated by the production process. Our Sustainability Reports have demonstrated a continuous improvement to this and other GRI indicators during the last years, and it was not different from 2012 to 2013.

GRI EN22	Total weight of waste by type and disposal method - (Tonnes)			
		2013	2012	2011
Waste to landfill	Hazardous- Class I	60	44	112
	NonHazardous- Class II	998	1,457	1,525
Co-processing waste	Hazardous- Class I	514	517	224
	NonHazardous- Class II	139	48	*no division by class
Waste Recycling	Hazardous- Class I	1,052	980	1,081
	NonHazardous- Class II	3,613	611	224
Scrap	NonHazardous- Class II	29,043	31,852	34,490
Incineration	Hazardous- Class I	22	13	321
	NonHazardous- Class II	313	323	119
TOTAL	Hazardous- Class I	1,647	1,554	1,739
	NonHazardous- Class II	34,106	34,292	36,358

Anti-Corruption Practices

In 2013, the Company implemented a refresh to its Compliance Program with the objective to strengthen all its 15 Global Compliance Policies in existence since 2009 as well as its Code of Ethics. In this Project, which continues in 2014, we work with a more direct and didactic communication of Global Policies and we have prepared online trainings for the Company's entire monthly-paid staff and classroom training for the leaders. Along these lines, an online anti-corruption training was provided to the entire monthly-paid audience, which comprises more than 99% of the target audience. Several actions are planned for the second semester of 2014, in addition to the entire planning for the next few years.

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Layout and Review



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