

IT'S TIME TO TRANSFORM

SUSTAINABILITY
REPORT
2014

embraco POWER IN.
CHANGE ON.



COLD THAT TRANSFORMS

Advancing further by leading the future

For over 44 years we've been part of thousands of people's everyday life around the world, bringing the cold that preserves as well as transforms.

Preserves, because our products keep refrigerated food fresher longer and transforms, because we understand our customers' needs, we drive the global market by creating innovative products that offer people a better quality of life and more time to enjoy what they like.

Likewise we work every day to lessen our impacts on the environment, creating more compact products that consume less energy. We also focus on the compressors' post-consumption, so that they once again become raw material input and feed a circular economy as well as benefit society.

For us, leadership is to transform, to drive, to engage. It's to build a better company for ourselves and for the world. It's to be leader in the markets where we operate by 2020. We look at all the possibilities and their consequences, always. We direct the market.

**Here we're leading the future and have
the responsibility to transform the present.**

SUMMARY

Our principles.....	page 04	How we produce our products.....	page 24	Social investment.....	page 52
Message from management.....	page 05	Relationship with suppliers.....	page 25	Embraco Ecology Award.....	page 53
About this report.....	page 07	Our way of producing.....	page 27	Global Volunteer Day.....	page 54
Our products and technologies.....	page 10	Customers.....	page 29	Environmental Network.....	page 55
Profile and strategy.....	page 14	Post-consumption.....	page 31	Social investment in Slovakia.....	page 55
About us.....	page 15	Innovation is our trademark.....	page 33	Adjacent information.....	page 56
Our business strategy.....	page 16	Doing more with less.....	page 35	GRI Index.....	page 61
Principles that unite and define us.....	page 17	Our employees.....	page 40	Credits.....	page 67
Awards and recognitions.....	page 19	New leadership model.....	page 41		
Corporate governance.....	page 20	Profile of our workforce.....	page 42		
		Multiculturalism.....	page 43		
		Attraction and retention.....	page 45		
		Professional development.....	page 47		
		Health & Safety.....	page 50		

OUR PRINCIPLES

GRI G4-56

MISSION

Offer innovative solutions for a better quality of life.

VALUES

- Diversity with inclusion
- Spirit of winning
- Integrity
- Respect
- Team work

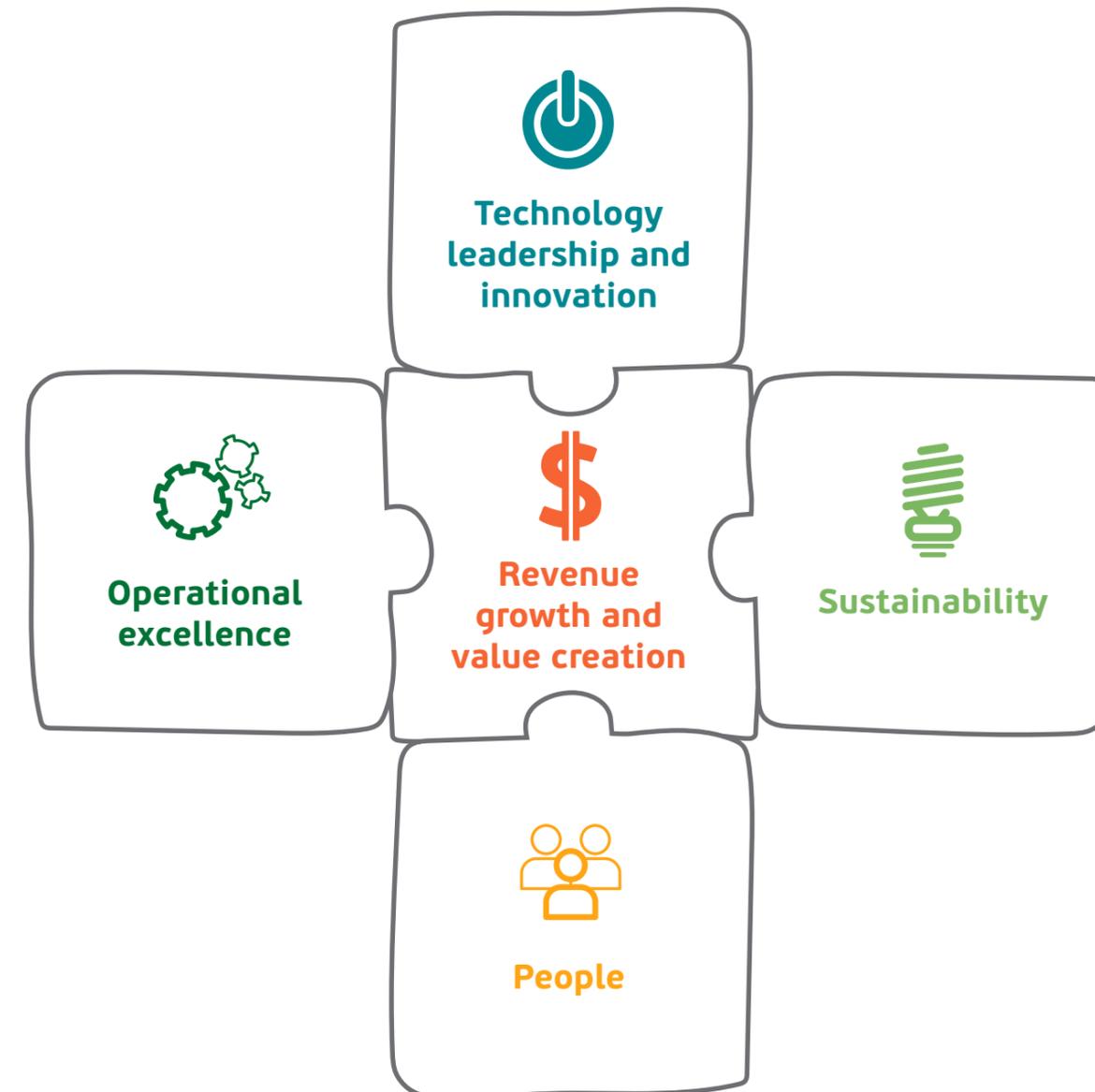
VISION

Be leader everywhere by 2020, and recognized by customers as the preferred partner.

BRAND ATTRIBUTES

- Delivering intelligent performance
- Cultivating passion
- Shaping the global scenario
- Transcending the future

PILLARS



our principles
doing more with less

message from management
our employees

about this report
social investment

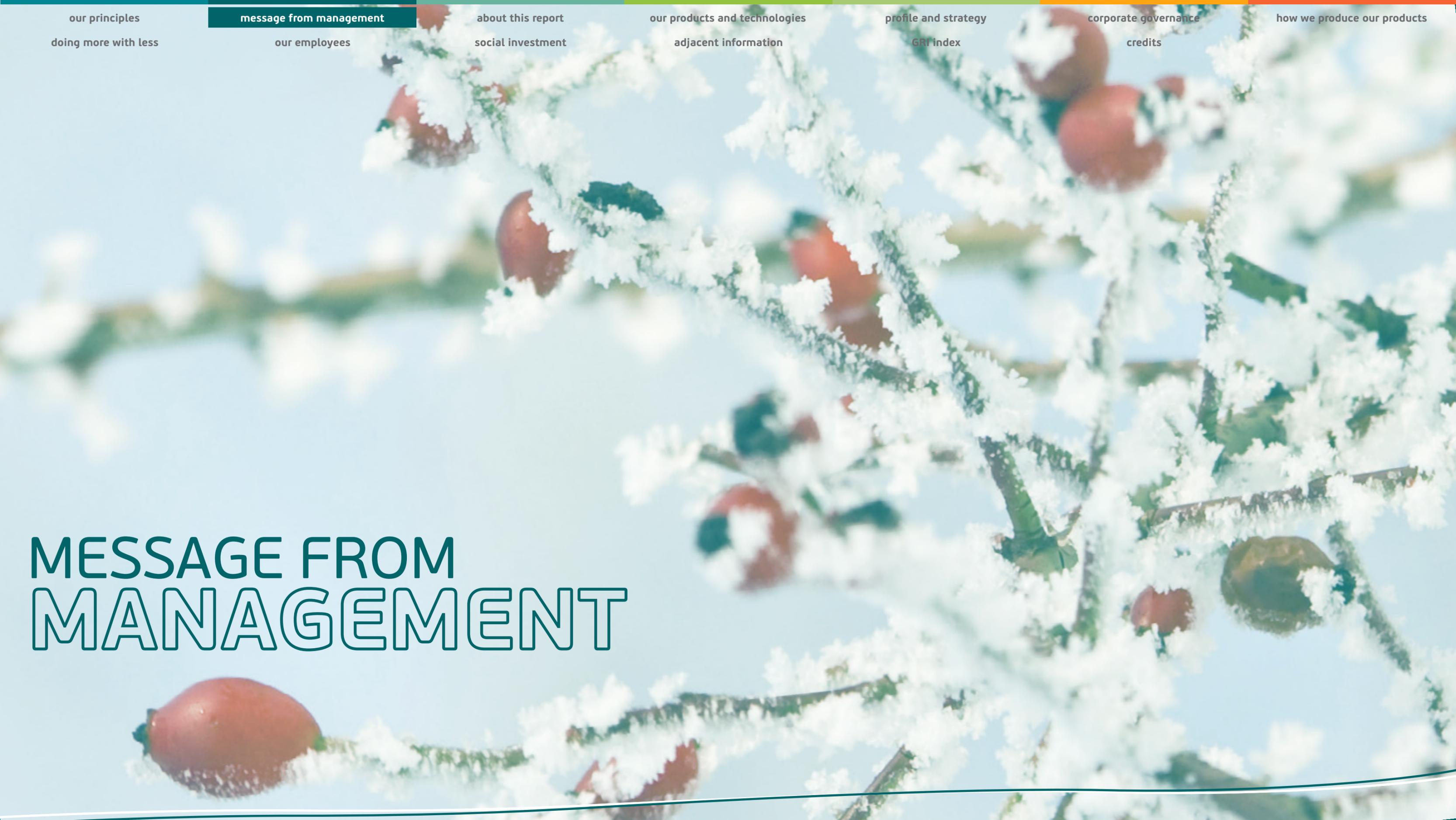
our products and technologies
adjacent information

profile and strategy
GRI index

corporate governance
credits

how we produce our products

MESSAGE FROM MANAGEMENT



We are all leaders of the transformation! GRI G4-1

Every year, we've reinforced our commitment to share with you Embraco's main economic, social and environmental results, transparently and consistently.

In this Sustainability Report, we'll talk about important and recent achievements along with our challenges and strategies to build an **even better Embraco - simpler, more innovative and customer centric.**

Throughout the year 2014, social, environmental and especially economic issues impacted the world. We faced a challenging market scenario, with the stagnation of China's growth, crisis in Europe, reduced credit lines and tax incentives in Brazil and slow recovery of the US economy.

For us, this was the moment to begin a transformation and build a bridge to the future, guided by Vision 2020, which reaffirms our commitment to customers, shareholders and society: **we want to be leaders everywhere by 2020, and recognized by customers as the preferred partner.**

As part of this transformation, we launched the Manifesto "We are all leading the future", which is about our identity – who we are and what we want to be – and about a company that drives the global scenario and recognizes the responsibility of its market position.

To remain competitive in the global marketplace, we continuously invest in research and innovation with a focus on sustainability. One of the main results is Embraco Wisemotion technology, which is already revolutionizing the refrigeration market. Without the use of oil and using half the raw materials, Wisemotion enables the development of more versatile, energy efficient and silent refrigerators.

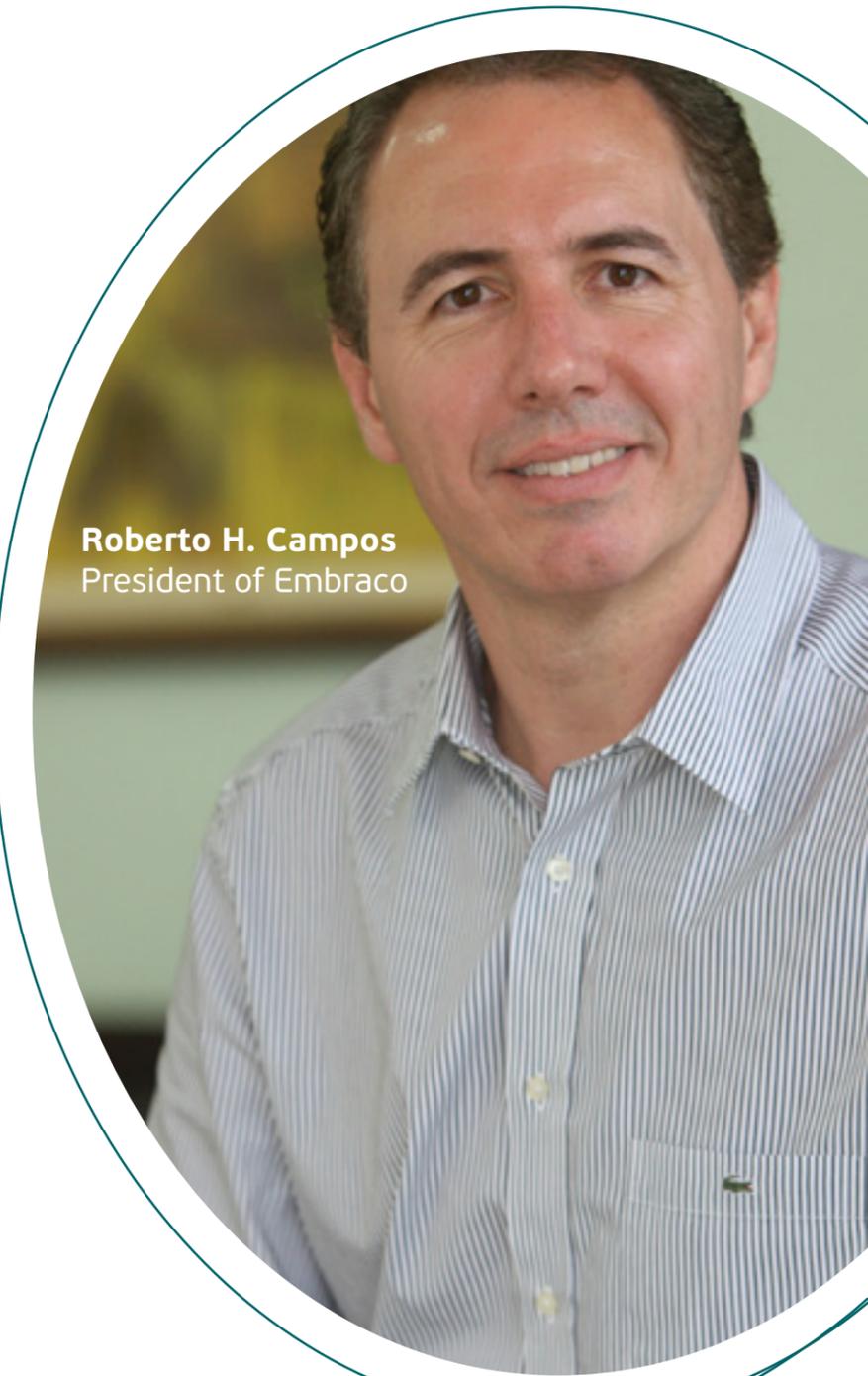
We know that as important as developing appropriate solutions for our customers' needs, is the way we produce them: we have sustainability as our business' guiding strategy and we value each one of our 12,000 people.

We transformed our production processes by consolidating World Class Manufacturing (WCM) methodology, which is making Embraco even more efficient, agile, ensuring a high level of operational excellence in all our units.

Furthermore, aligning business needs with environmental care, we strengthened Nat.Genius by opening a second operations unit. This shows the consistency of our commitment to reverse logistics.

I hope that this report helps you understand how we develop solutions which guarantee our consumers a better quality of life, in addition to Embraco's 2014 main results and the transformation we aspire for the future.

Good reading.



Roberto H. Campos
President of Embraco

[our principles](#)

[message from management](#)

[about this report](#)

[our products and technologies](#)

[profile and strategy](#)

[corporate governance](#)

[how we produce our products](#)

[doing more with less](#)

[our employees](#)

[social investment](#)

[adjacent information](#)

[GRI index](#)

[credits](#)

ABOUT THIS REPORT



GRI G4-18 | G4-19 | G4-20 | G4-21
| G4-23 | G4-24 | G4-25 | G4-26 |
G4-27 | G4-28 | G4-29 | G4-30

Welcome to our Sustainability Report, an official document which includes the main events and achievements in the period covering January 1 to December 31, 2014, from an economic, social and environmental viewpoint. In addition, the Report tells a little of our history, our culture, the structure under which we work, our management policies and, of course, our actions to ensure the sustainability of our business.

For the 12th consecutive time, our Report follows the reporting guidelines proposed by the Global Reporting Initiative (GRI), a non-governmental organization that proposes a standard multisectoral report and enables, in this way, that companies have their performance assessed by its stakeholders, and also so that they can measure and assess the evolution of their own performance. For the first time, we've developed a Report adhering to the G4, the fourth and latest generation of GRI Guidelines, released in July 2013 in Amsterdam, in the Netherlands. This voluntary adherence reflects our commitment to best management practices relating to our stakeholders.



Main stakeholders:

stockholders, customers, companies from the group, employees, suppliers, communities surrounding our operations, and third parties.



How do we define the Report's content?

Based on both an in-person and online survey conducted with our stakeholders (internal and external), we sought to identify our operation's most relevant issues. The material aspects identified were positioned by the following matrix:

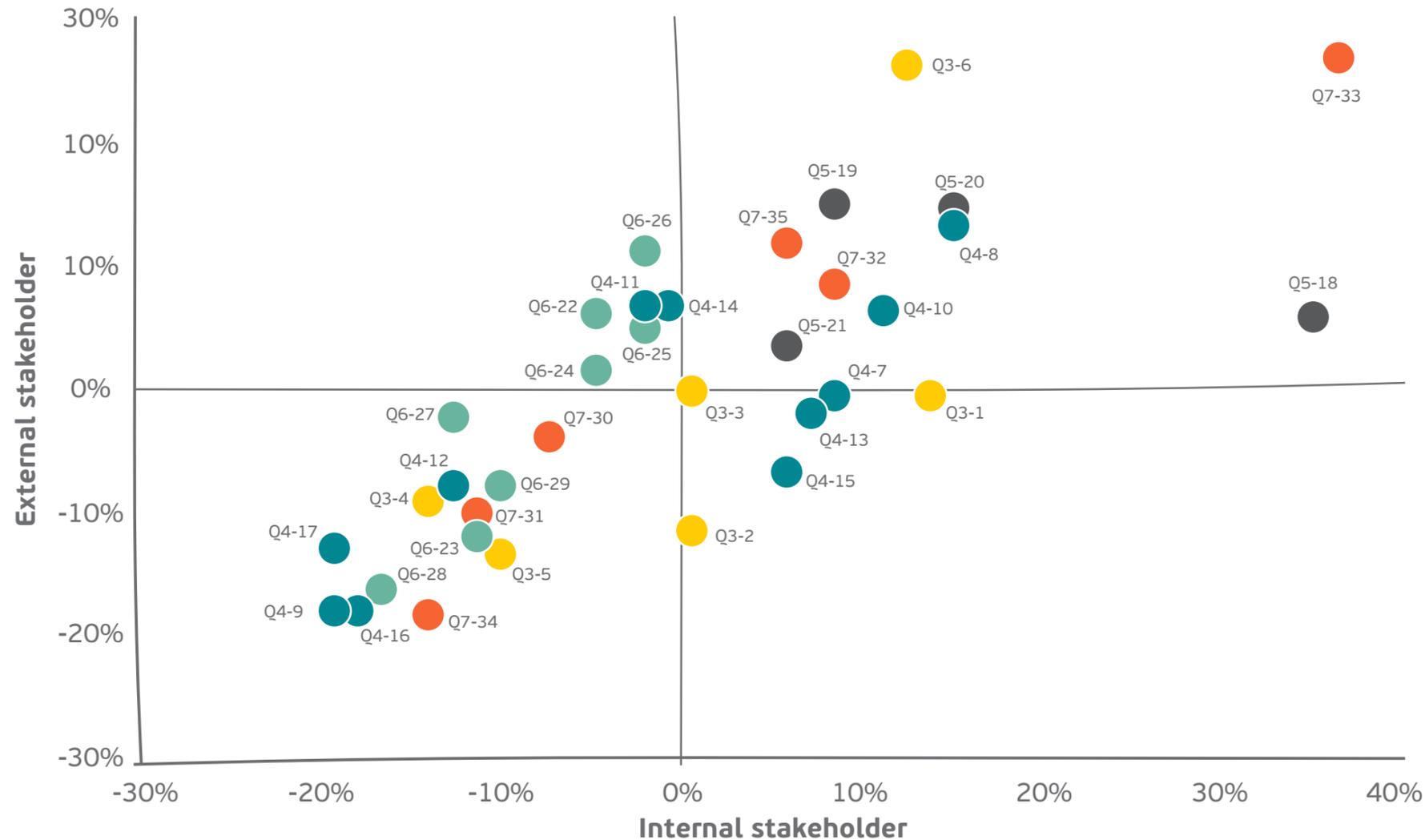
- Environmental
- Society
- Economic and operational
- Employees
- Customers

HERE'S A MATERIAL ASPECT!

To make reading easier, every time that we address a material aspect, we'll use this symbol.



MATERIALITY MATRIX



Material aspects

1. Research and innovation in product development
2. Encouraging best social environmental practices in the supply chain
3. Ability to retain workforce
4. Employee training, education and development
5. Health and Safety Management
6. Process waste and effluent management
7. Financial management of risks and climate change opportunities

GRI indicators

According to the G4 "Core" option, chosen by us as the most suitable to guide the construction of our Report, each material aspect cited has one or more GRI indicators, which must be answered by us throughout the course of this document. To check which GRI indicators we selected to answer, simply access the GRI Index (table) of this publication (page 61).

It's important to state that, performance indicators (see GRI index) report only the year 2014, however, to keep the report updated until the day of its release, some contents of this publication also address 2015 achievements and events – always properly marked.

our principles
doing more with less

message from management
our employees

about this report
social investment

our products and technologies
adjacent information

profile and strategy
GRI index

corporate governance
credits

how we produce our products



OUR PRODUCTS AND TECHNOLOGIES

Wisemotion



RESIDENCIAL

Designed to revolutionize the market, Wisemotion is the world's first oil-free hermetic compressor intended for household refrigeration. Among its main benefits include reducing the environmental impact and new refrigerator design possibilities, since Wisemotion can be placed in various positions inside refrigerators, without affecting its cooling capacity.

Creating this technology took ten years of studies for our R&D team, involved close to 100 engineers and researchers and generated more than 80 patents. Wisemotion was inspired by Swiss watches, recognized worldwide for their accuracy and quality.

Main benefits

Energy savings: Embraco Wisemotion technology works on demand and therefore can achieve energy savings of over 20% when compared to the most sold energy-efficient compressors worldwide.

Silent operation: Embraco Wisemotion technology brings the most modern and innovative noise control solutions, making the refrigerator's traditional 'on and off' noise almost imperceptible to the human ear.

Food preservation: Embraco Wisemotion technology automatically adjusts its power according to the refrigerators' demand needs of which it's an integral part – depending on the compartment size to be cooled and the amount of food, the compressor will need to work more or less. For the final consumer, this generates more efficient food preservation; for refrigerator manufacturers, it creates more convenience, to obtain different power level in varied equipment.

More compact: with a height equivalent to a 10 cm smartphone, Wisemotion saves space inside the refrigerator, allowing, for example, an additional 20 liter drawer to store products.

Eco-friendly: Wisemotion uses approximately 50% less raw material than conventional compressors and eliminates the need for lubricant oil. Furthermore, it provides a savings of approximately 20% in refrigerant gas charge, when compared to conventional equipment.

Versatility: compressors with Embraco Wisemotion technology can be installed in different locations of the cooling system and in the future will be able to power – simultaneously – refrigerator, freezer, wine cellar and mini bar. Furthermore, the oil-free solution allows our household refrigeration customers to innovate in their product designs and introduce new concepts in the global market.

In November 2014, the first compressor with Wisemotion technology was produced in Mexico, chosen to begin Wisemotion production because of its strategic geographical location – with easy access to US and European customers. To begin production of this revolutionary technology, Mexico's unit was adapted by purchasing new machinery and by training all employees involved in the operation.

Aberje Award

With the global communication campaign conducted for Wisemotion, we won the Aberje Award, promoted by the Brazilian Corporate Communication Association, one of the most respected in Brazil, in the category "Communication and Press Relations".



Fullmotion



Launched in the 2000s, Embraco Fullmotion technology was an evolution of our variable speed compressors and brought benefits like a reduction of up to 40% in energy consumption, lower noise levels and more efficient food preservation.

By the end of 2015 we will expand, by approximately 140%, global production of Embraco Fullmotion technology compressors. To this end, in 2014, we invested in our factories in China and Italy. Our goal is to ensure faster response to our customers' needs, strengthening our strategic presence in the region.

In 2015, we presented the VESF, the world's most efficient and silent compressor in its category. The product has Embraco Fullmotion technology and can be up to 9% more efficient than the previous model, the VESD. By working at a minimum speed, its noise is only 26 dB, which corresponds to the noise level of a library.

In the China Refrigeration 2015 fair, we launched the VEGT8U compressor. Focusing on 400 – 1000 liter coolers it offers less noise and can be up to 20% more efficient in comparison with conventional compressors. The compressor also uses R-290, natural gas refrigerant that meets stringent energy efficiency standards along with having low impact on the ozone layer. The VEGT8U is the solution that meets all DOE (USA Department of Energy) requirements, planned to take effect in 2017.

On-off



Developed by us over 40 years ago, compressors with on-off technology can be found in more than 100 million refrigerators worldwide.

In 2014, we launched the EME compressor for household refrigeration, which brings an energy efficiency gain of up to 5% compared to its predecessor – the EMD. In addition, this solution uses R600a, a natural refrigerant gas that meets the most stringent environmental regulations such as those from the US and Europe, by offering minimum CO₂ emissions.

Another important launch with on-off technology was the FFU160HAX, one of the market's most modern compressors for commercial refrigeration, with low noise, small size and up to 9% more energy efficient when compared with compressors of the same capacity from competitors.

One of this solution's main differentials is that the same model can be used in applications with different characteristics, such as vertical beverage displays or horizontal freezers with glass lids, achieving maximum performance and reliability.

During the Chillventa fair, we launched the EMX33118Y compressor, developed for commercial applications and adapted for vertical beverage displays. Its distinguishing feature is the use of natural refrigerant isobutane gas, which generates less impact on the ozone layer. Production of this compressor line began in 2015 in Slovakia.



Some big news in 2014 was the Plug-in solution, a sealed unit that has as differentials quick installation and maintenance ease. Designed to attend our commercial refrigeration customers, it's able to cool self-service displays of up to two thousand liters and has the advantage of having its entire system assembled by Embraco itself, which offers reliability and significantly reduces the occurrence of problems in the field. One of the Plug-in's major benefits is that it can be installed by a single operator in less time – when compared to conventional mounting systems. By using the Plug-in, displays that used to take up to an hour to be assembled, now take about 20 minutes. It's produced in Brazil.

With low noise and vibration levels, the NEU compressors are intended for commercial refrigeration. Designed to meet retailers' needs, they stand out for their robustness - which ensures their performance in harsh working conditions along with energy efficiency up to 10% higher compared to its predecessor model, the NEK. The NEU is manufactured in Slovakia and in 2015, its development won second place in the "Innovation Act of the Year" award, under the product innovation category. (see page 19)

B.blend

Launched in 2015 by Brastemp, B.blend is the first all-in-one capsule beverage platform in the world and was created to revolutionize the experience of consuming drinks at home. The solution, which uses the EM family compressor, prepares more than 20 flavors of hot or cold drinks, with or without carbonation, from capsules – besides offering natural water, either cold, icy, warm and with carbonation.

The product was developed by teams from Whirlpool, Embraco and suppliers – including companies from China and Europe – and our biggest challenge was to develop the technology to perform the cooling and heating functions in seconds. For this, we invited 20 professionals from the R&D, Purchasing, Manufacturing and Quality areas to devote themselves to the project, which developed its technology in one year (which can be considered record time).



[our principles](#)
[doing more with less](#)

[message from management](#)
[our employees](#)

[about this report](#)
[social investment](#)

[our products and technologies](#)
[adjacent information](#)

[profile and strategy](#)
[GRI index](#)

[corporate governance](#)
[credits](#)

[how we produce our products](#)



PROFILE AND STRATEGY

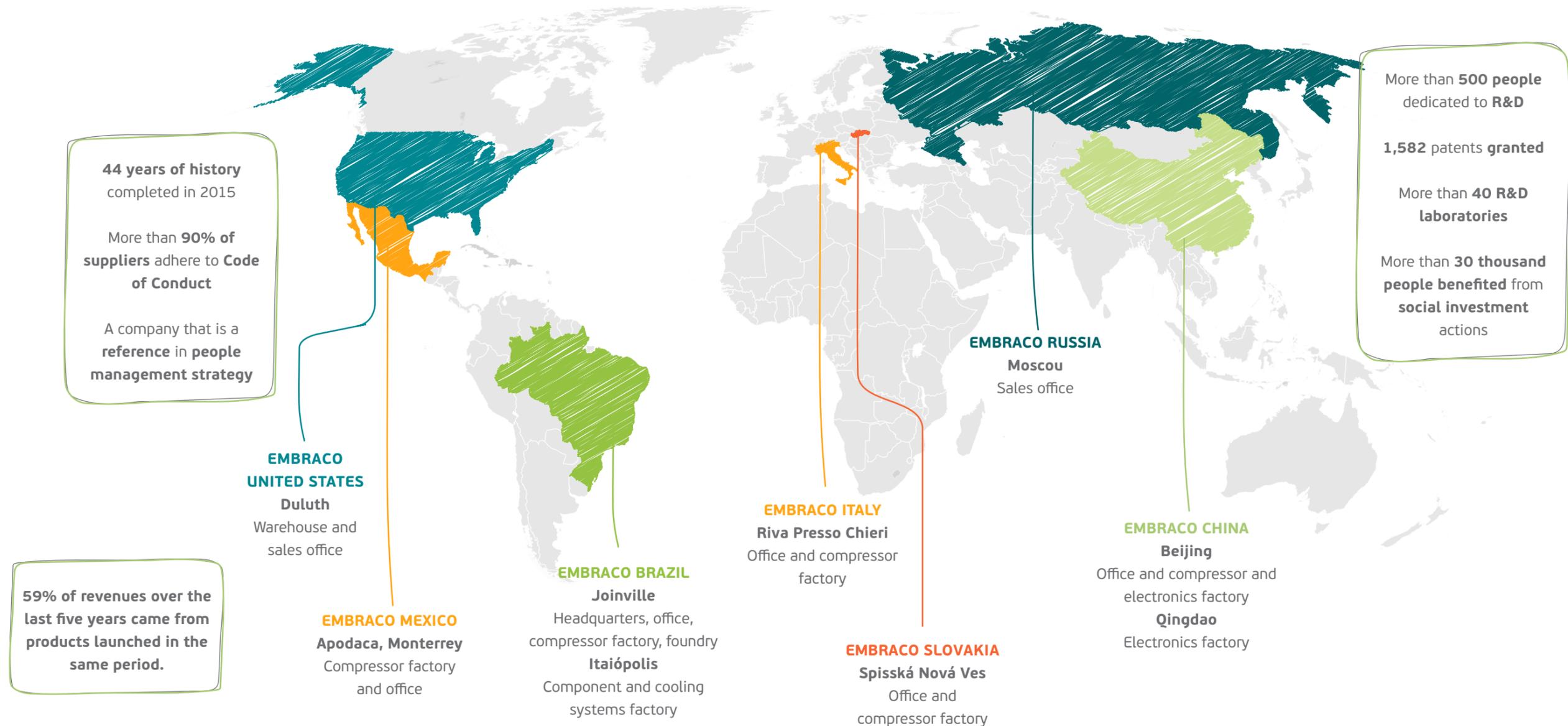
About us

GRI G4-3 | G4-4 | G4-5 | G4-6 | G4-8 | G4-9

We're Embraco, a company founded in 1971, in the city of Joinville (SC) – where we maintain our headquarters – and today is the world technology and innovation leader for hermetic compressors, the main component responsible for producing cold in refrigerators.

We're physically present in Brazil, Mexico, United States, Italy, Slovakia, Russia and China. We have over 12,000 employees, with customers in more than 80 countries and a total annual production capacity of more than 39 million units.

OUR GLOBAL PRESENCE



Change in our structure

GRI G4-13

In March 2015 we announced the transfer of our Electronic Unit in Joinville, Brazil, to the Qingdao plant in China, where we've produced electronic control systems for our compressors since 2007.

The change is part of the measures we've taken to address growing market challenges. We're always attentive and seeking consistent alternatives to remain competitive in the long term, focusing on continuous improvement of our operations worldwide.

Our Electronics Brazil employees had the opportunity to be transferred to the Compressor unit, also in Joinville. For those who opted for termination, we offered a benefits package in line with our strategic people management policy.



Our business strategy

For us to become leaders everywhere by 2020 and gain the position of preferred partner by our customers, we consistently invest in improving our products and processes. Innovation is part of our culture and permeates all our activities. Every day, we look to anticipate market trends, taking the most modern technologies to our customers and end-users to make their life better. In 2014, we operated through three workstreams:

Core business: our compressors

We produce hermetic compressors for refrigeration that preserve food for thousands of families and business establishments around the globe. In 2014, the main cooling solutions that we developed and/or marketed counted on: a revolutionary technology - Embraco Wisemotion, efficient technology - Embraco Fullmotion and traditional on-off technology (as described on page 10).

Distribution and retail

Our distribution and retail process is dedicated to global compressor sales for distributors, retailers and manufacturers who, in turn, sell our products to refrigeration technicians - the professionals who perform maintenance on freezers and refrigerators in homes and commercial establishments. You can learn more about the relationship with this public on page 30.

Growth

The New Business area evolved, and the Growth area was created, in 2014, to pursue growth opportunities both inside and outside our core business. The Growth team reports directly to our president and has as a major highlight Nat.Genius, a new business that focuses on the reverse logistics market as well as brings benefits to the environment. You can learn more about Nat.Genius and its operation on page 31.



Principles that unite and define us

GRI G4-2

Sustainability

Ensuring our business' viability in the short, medium and long term is a goal of all employees, from leadership to those responsible for the operational side of our production. All decisions – including the choice of materials that make up compressors, selection criteria of suppliers, training of employees, among many others – take into account economic, social and environmental criteria.

“Sustainable thinking” guides us, inspires us and challenges us every day because we know the responsibility we have to our investors, customers, employees, communities and other stakeholders.

Sustainability is one of our strategic pillars. We engage it in our daily lives through three workstreams:



Sustainable products

Innovation occupies a central role in the sustainability strategy. In this context, the energy efficiency of our products is an essential aspect. We invest in developing innovative solutions and in reducing the use of raw materials.



People engagement

Externally, our people engagement is reflected in our private social investment policy that guides us to continuously apply resources in the communities in which we operate, through educational and environmental projects. Internally, we engage our employees to value our diversity and seek to ensure the safety of our people.



Sustainable value chain

Our sustainability vision extends throughout our value chain, from supply to post-consumption. In the supply chain, we work in partnership with our suppliers so that they incorporate into their daily practices sustainability requirements, promoting a joint effort in finding solutions. In post-consumption, we have a compressor reverse logistics program which ensures product recycling after its disposal by the end consumer.

Corporate sustainability structure

To ensure that the sustainability strategy permeates throughout our operation, we count on a dedicated internal structure, led by the vice president of Sustainability (Ursula Angeli), who is also responsible for the areas of Human Resources, Communication, Environment, Health and Safety as well as Institutional Relations.



Our commitment to the planet

We're a global company with locations on four continents, more than 12,000 employees and products present in more than 80 countries. We know that for the size and scale of our operation, we generate impacts and have responsibilities to our stakeholders. So, over the years, we've assumed strategically important commitments to global and local entities. They are:

Sustainable Energy for All

In 2012, we became the first company headquartered in Brazil to sign the "Sustainable Energy for All" global commitment. This is an initiative of the United Nations (UN), launched in 2011 aiming to promote the mobilization of governments, companies and civil society to ensure universal access to energy, raise global energy efficiency and increase the participation of renewables in the energy mix.

Global Compact

In 2014, we reinforced our commitment to the Global Compact by signing a Letter of Commitment Against Corruption. We've been signatories to this UN initiative for over 12 years. Its goal is to engage the business community in adopting fundamental and international values that encompass human rights, labor relations, environment and anti-corruption.

Letter of Commitment to Sustainable Solid Waste Management

Created by the Ethos Institute, the Institute's Letter of Commitment to Sustainable Solid Waste Management aims to reinforce the private sector's commitment to sustainable development and implementation of the National Policy on Solid Waste. We signed the Letter in 2013, and reinforced our global goal of sending zero waste to landfills from compressor factories by 2018 and from the foundry by 2022. Anticipating our own goal, we managed to zero out, in 2015, sending waste to landfills from Brazil's compressor factories. The plant was Embraco's first compressor factory in the world to attain this achievement.

Brazilian GHG Protocol

In 2014, we mapped – for the third consecutive year – our greenhouse gas emissions (GHG). In this latest edition, we monitored our operations in China, Brazil, Slovakia, Mexico, Italy and the United States. The results can be found on page 39 of this publication.

Innovation



Innovation is a characteristic inherent to our culture and has been a trait present in products, processes and strategy. Historically we've invested 3% to 4% of annual net revenues in Research & Development (R&D) to create products that use less raw material, which are more energy efficient and offer a lower environmental impact.

The result of this solid performance can be perceived by its built structure – which includes 40 cutting-edge laboratories and over 500 professionals dedicated to R&D –, strategic partnerships with universities and research institutes in various countries, approval of 1,582 patents granted, and also the credibility that our solutions have with our customers.

Innovation is covered in more depth on page 33.



Awards and recognitions

Exame Sustainability Guide 2014

We were voted one of the most sustainable companies in the electro-electronics sector by Exame Sustainability Guide, one of the largest and most respected publications on sustainability and corporate responsibility in Brazil. The publication is annual and uses a methodology developed by the Center for Sustainability Studies of the Getulio Vargas Foundation (GVCes) – reference institution on the subject in the country.

ABERJE 2014 Award

We won the national phase of the ABERJE Award, promoted by the Brazilian Corporate Communication Association, with the case “WISEMOTION – A story in 12 languages”, in the International Communication and Relations category.

FINEP Award

We’re among three finalists for the FINEP Award, the most important innovation stimulus and recognition tool in Brazil. The award’s results will be announced in 2015.

VOCÊ S/A Guide - The Best Companies to Work 2014

We were elected the best company to work for in the Career category of the 18th edition of the Guia VOCÊ S/A magazine award, one of the most important in Brazil in the Human Resource area.

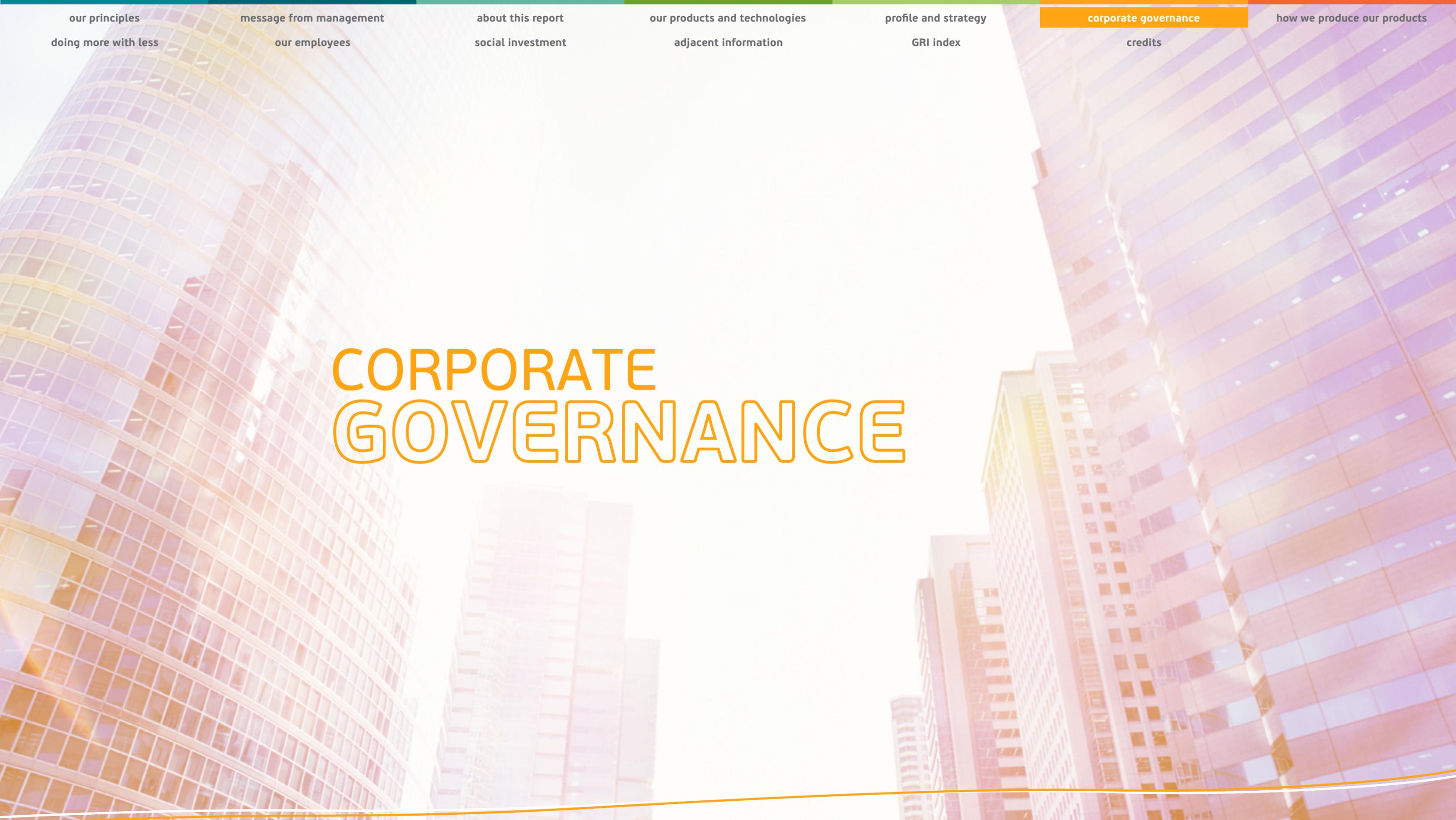
Via Bona Slovakia

In March 2015, we were winners of the Via Bona Slovakia award in the “Good Partner for Community” category. It’s the second time we’ve won the award, which is granted by the Pontis Foundation and is considered one of the most important local recognition of social responsibility.

Innovation Act of the Year 2014 Award

Our Slovakia unit was recognized with second place in the “Product Innovation” category. The award was bestowed for the NEU commercial compressor, which is produced in the country.





[our principles](#)
[doing more with less](#)

[message from management](#)
[our employees](#)

[about this report](#)
[social investment](#)

[our products and technologies](#)
[adjacent information](#)

[profile and strategy](#)
[GRI index](#)

[corporate governance](#)

[credits](#)

[how we produce our products](#)

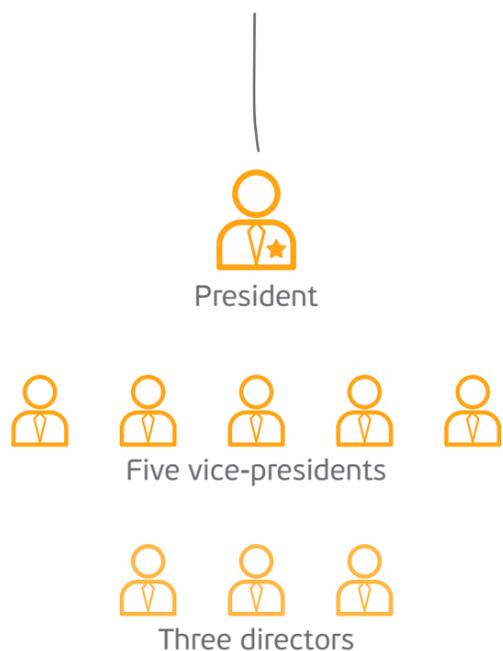
CORPORATE GOVERNANCE

GRI G4-34 | G4-38

In Embraco, our highest corporate governance body is called the president's staff and its main duties are to define and monitor the implementation of the strategy, monitor performance of the organization and executives through quarterly reviews and make key decisions on economic, environmental and social issues.

Another important staff function is to conduct our risk management. For this, the body uses the Enterprise Risk Management (ERM) methodology, which defines those responsible for monitoring risk and opportunity factors, and executes action plans to mitigate monitored risks.

COMPOSITION OF PRESIDENT'S STAFF



Proximity to leadership

To connect Embraco's day-to-day management and operation, aligning them with its strategy and objectives, we hold events such as the Annual Leadership Meeting and Strategic Dialogues, which include participation of directors who are part of the company's staff.

Controller

In 2006, after a shareholder reorganization, the company joined with Multibrás – a home appliance producer – forming, in Brazil, Whirlpool S.A., controlled by the American Whirlpool Corporation, which is today the largest home appliance manufacturer in the world.

Since it provides cooling solutions to the entire market, Embraco maintains an independent management, with a strong shield policy that ensures the confidentiality of information, protecting its business as well as that of its customers.

Vision change

In 2014 we changed our vision, which is now: **be the leader everywhere by 2020, and recognized by customers as the preferred partner.** This change reaffirms our commitment to deliver innovative solutions for a better quality of life and our role as leaders and drivers of global market trends.

Along with the vision, we also launched the Manifesto "We are all leading the future", which is about our identity – who we are and what we want to be. The Manifesto speaks about our people, who are engaged, talented and passionate about what they do. It speaks about a company that leads the transformation, drives the global market and recognizes the responsibility of its market position.



Ethics and transparency

GRI G4-41

To manage questions about the conduct expected from our employees and suppliers as well as maintain the communication channels that receive complaints or claims, we have an Ethics Committee.

Additionally, we count on a Code of Ethics, Global Compliance Policies and the Letter of Organizational Values, which are adhered by all employees. For our suppliers, we have the Code of Conduct, aimed at 100% of this public.

Combating corruption

We adhere to the requirements of the American Sarbanes-Oxley Act (SOX), a North American law created to reduce the risk of financial fraud. Following SOX rules, all internal controls over significant financial reports are documented and tested by the internal audit area, and are subsequently validated and certified by an external audit, on an annual basis. **During 2014, 301 controls were audited in 71% of Embraco's plants.**

In addition to SOX, to ensure the integrity of our operation, we conducted operational audits in our units - 100% of them are subject to periodic review of all processes therein performed and documented. **In 2014, six operational audits were carried out in order to check the internal control environment.**

Our employees' participation

So as to engage employees in our anti-corruption policy, we conducted presential training, with Embraco professionals, based on our Code of Ethics and Global Compliance Policies, covering topics such as corruption, money laundering and antitrust actions. In addition, we have 15 global internal ethics and compliance policies.

Training in anti-corruption policies and procedures is offered to 100% of newly hired employees and, from time to time, to those who have been previously trained (in a knowledge updating process).

Reporting channels

Besides conducting trainings, we maintain a channel for anonymous allegations about corruption through a free hotline that is available to employees, customers, suppliers and other stakeholders.

If an allegation is made, a specific committee verifies all allegations received, confidentially.

REPORTING CHANNELS

Brazil: 0800 891 4247

Italy: 800 788 476

Slovakia: 800 961 2419

China: 11 800 711 0475

Mexico: 001 800 961 4262

SOX PROCESSES EVALUATED GRI G4 S03

	Brazil		Italy		Slovakia		United States		China	
	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014
Total	13	13	9	9	9	9	6	6	0	0%
Percentage of operation	45%	45%	24%	24%	24%	24%	16%	16%	11	38%



Fostering our sector's development

GRI G4-15 | G4-16

As global technology leaders, we actively participate in developing public policies that contribute to refrigeration industry development.

Our work is focused on the formulation of guidelines for innovation, energy efficiency, professional development and industry regulations.

In this way, we've also established partnerships with research centers and universities in several countries, and act strategically with government agencies of these different locations. In the list of organizations that rely on our cooperation are:

PARTICIPATION IN ASSOCIATIONS AND ORGANIZATIONS

American Chamber of Commerce in Slovakia;

Brazilian Electrical and Electronic Industry Association (Abinee);

Brazilian Association of Advertisers (ABA);

Brazilian Business Communication Association (Aberje)

Brazilian Foundry Association (Abifa);

Brazilian Association of Technical Standards (ABNT);

Brazilian Human Resources Association (ABRH);

Brazilian Refrigeration, Air Conditioning, Ventilation and Heating Association (Abrava);

Itaiópolis Commercial and Industrial Association (ACII);

Slovakia Electrical Equipment Industry Association;

Brazilian Foreign Trade Association (AEB);

Occupational Health and Safety Professionals Association of Joinville and Region (APSSOJ);

Joinville Business Association (ACIJ);

Latin American Electrical and Electronic Industrial Association (Alainee);

National Association of Manufacturers of Electro-electronic Products (Eletros);

National Research, Development and Engineering Association of Innovative Companies (Anpei)

Human Resource Development Association – Slovakia;

Business Leaders Forum – Slovakia;

Electricity Utility Company of Santa Catarina (Celesc);

Center of Industries of the State of Santa Catarina (Ciesc);

Joinville Architect and Engineer Center (Ceaj);

Joinville – Spisska Nová Ves Sister City Committee;

National Confederation of Industry / Brazilian Business Coalition;

National Council for Scientific and Technological Development (CNPq);

Federation of Industries of Santa Catarina (Fiesc);

Federation of Industries of São Paulo (Fiesp); and

International Electrotechnical Commission (IEC).

our principles

message from management

about this report

our products and technologies

profile and strategy

corporate governance

how we produce our products

doing more with less

our employees

social investment

adjacent information

GRI index

credits

HOW WE PRODUCE OUR PRODUCTS

To ensure the business' sustainability, we analyze globally our products' entire lifecycle – from raw material inputs purchased from suppliers, to recycling the final product after the end of its useful life – to seek efficiency gain opportunities and thus reduce operating costs as well as natural resource use.

Next we describe the initiatives developed together with suppliers – from where a large part of inputs comes from – manufacturing process, relationship with customers and reverse logistics process which we do to reclaim and recycle our compressors after the end of their useful life.



Relationship with suppliers

GRI G4-12 | HR1 | HR10

In 2014, we worked with more than five thousand suppliers, in 35 countries and the main products acquired were steel, copper and engineering parts. Once a company qualifies in our bank and goes on to supply products and/or services, it's received as a partner and has Embraco's support to become increasingly sustainable.

This work is carried out through the Supplier Excellence Program, developed since 2012, aiming to improve the performance of our supply chain regarding aspects related to service, quality and costs, through workshops and multidisciplinary works, among other actions.

In 2014, 20 workshops were held with suppliers in Slovakia, Italy, China and Brazil.

SUCCESS STORY ARYLUX

In 2014 our Supplier Excellence Program worked with Arylux, a manufacturer of electrical and mechanical components, located in Hungary, with which we've had a relationship since 2004.

We took our Supply team to our partner's facilities to learn more about manufacturing processes as well as to map and select the main ideas for improvement.

In this way, we suggested solutions to optimize costs, product quality, improve logistics processes along with interaction and communication processes with Embraco, seeking continuous growth and maintaining Arylux business' sustainability.

As an example of the initiatives raised, we exchanged cardboard boxes used for transport for wooden ones, which are more robust, flexible (since the size of the products are different), sustainable and cost less.





Adherence to the code of conduct



To be an Embraco supplier, the applicant company must be aligned with the principles that govern our actions, explicit in the code of conduct. This means that neither the supplier nor the third parties contracted by it, can – under any circumstances – condone corruption, child labor, slave labor, discrimination, deforestation or other environmental violations, as well as comply with all their country’s labor laws.

Since 2009, we’ve sent our code of conduct to our suppliers. In 2014, this document was sent to 100% of direct suppliers globally and received 91% adherence

Biennial self-assessment

Aiming to assess the suppliers’ adherence to our ethical principles, every two years we invite this public to complete a self-assessment questionnaire that includes questions regarding profile, labor relation rights, environmental impact management and production chain control. In 2013, we carried out this process and received feedback from 90% of our supplier base. In 2015, the survey will be done again.

SUPPLIER’S ADHERENCE TO THE CODE OF CONDUCT IN 2014				
Plant	Adherence	In progress	Nº of processes	%
Brazil	152	12	164	93
China	132	0	132	100
Europe	133	20	153	87
Mexico	44	12	56	79
Total	461	44	505	91

SELF-ASSESSMENT FEEDBACKS IN 2013			
Plant	Received	Nº of processes	%
Brazil	117	158	74
China	135	140	99
Europe	267	276	68
Mexico	32	36	88
Total	551	610	90

Our way of producing

World Class Manufacturing

To become increasingly more efficient in our production process, since 2013 we began implementing a complete system for continuous improvement focused on safety, quality and cost reduction, based on the World Class Manufacturing (WCM) methodology in all our operations.

Part of WCM is the simplification and organization of our work routine, to ensure ZERO accidents, ZERO waste, as well as productivity gains in all units and countries where we operate. Because we're a global company, adoption of this methodology becomes even more important, as it allows us to replicate the best practices carried out in a particular plant in others, always considering and respecting each region's particularities.

At the end of 2014, the plants in Italy, Slovakia, Brazil and Mexico were operating within the methodology. Consequently, according to the WCM's base pillars, we can highlight the following results:



Costs

For the duration of the reporting period, we managed a significant cost reduction in Italy, Slovakia and Brazil.

Focused improvement

We were able to evolve significantly in applying basic and intermediate tools to improve safety, quality and cost. We successfully applied 101 tools in Italy, 72 in Slovakia and 77 in Brazil.

Autonomous and professional maintenance activities & Logistics

We managed to have ZERO breakdowns on pilot machines in Italy during the last 24 months with 8% efficiency increase. In Slovakia we recorded a

4% efficiency increase in 3 months, and in Brazil 8% efficiency increase in less than 5 months.

Quality

We managed to have ZERO defects on the problems addressed in Italy, Slovakia and Brazil.

Early management

Structuring the pillar focused mainly on reducing losses in machinery and equipment implementation during the early production stages.

People development

Structuring the pillar focused on improving knowledge management in applying WCM methods and tools. Indicators monitored in this pillar are

people absenteeism and turnover, and our goal is to reduce, close to 20% and 5%, respectively, in 2015.

Environment & energy

We managed to reduce electricity consumption by 1% in Italy and waste sent to landfills has been reduced by 46% in Slovakia and 40% in Brazil.

In 2014, we had three WCM internal audits and four external audits, globally.



Certifications

To attend the most diverse markets, we adhere to global certification standards which give their stamp of approval to our monitoring and operationalization practices regarding different aspects of our business.

Product safety

GRI G4 PR1

The care regarding safety is present from projects that will result in new products to internal and external tests (made with our partners) conducted to ensure transparency and quality in the manufacturing process. This evaluation is performed on 100% of compressor families, following a representative statistical sampling.

Moreover, we monitor 655 harmful substances in order to avoid that they are present in processes and products. Our work is certified by the QC080000 standard.



Foundry | compressors | refrigeration components and systems | electronics

Compressors | electronics

Compressors

Compressors

Compressors

Quality | ISO 9001

Occupation Safety and Health Management System | OHSAS 18001

Occupation Safety and Health Management System | OHSAS 18001

Occupation Safety and Health Management System | OHSAS 18001

Occupation Safety and Health Management System | OHSAS 18001

Management of harmful products to the environment and RoHS (Restriction of Hazardous Substances) | IECQ QC 080.000

Management of harmful products to the environment and RoHS (Restriction of Hazardous Substances) | IECQ QC 080.000

Management of harmful products to the environment and RoHS (Restriction of Hazardous Substances) | IECQ QC 080.000

Environmental Management System | ISO 14001

Customers

GRI G4 PR5

We continuously seek to stay close to our customers, monitoring and understanding how they carry out their activities and, in this way, offer the best solutions to meet their demands quickly and completely.

To know the customers' satisfaction levels in relation to our brand and the main factors that influence their purchasing decisions, since 2012, we've conducted an annual survey whose results have helped us better understand this public each time more.

In 2014, we conducted a survey with 233 respondents in 12 languages, covering over 30 countries. In addition, we consolidated the survey's results in an unprecedented way and created a site with refrigeration industry trends – which will be available to customers participating in the survey.

Additionally, in 2014 we included in our sample potential Embraco customers and thus expanded our survey scope to better understand what our customers (current and potential) are looking for and how we can create more value for them. These data are used in strategic meetings and help us to increasingly focus on this public.

For 2015 we'll use the same methodology (with even more refinement) and we can continue measuring how well we meet the needs of this strategic public and, consequently, anticipate market trends.

PARTICIPATION IN TRADE FAIRS AND BUSINESS EVENTS

ASHRAE

United States (2014 and 2015)

We participated, for the 36th and 37th consecutive time, in AHR Expo, the world's largest trade show on cooling, air-conditioning and heating. During the event, we presented differentiated commercial refrigeration solutions, such as the Plug-in and VEGT8U.

ATMOSPHERE

United States and Europe (2014 and 2015)

Every year, we participate in discussions on the use of natural refrigerants and energy efficiency during Atmosphere, an important event to exchange experience and best practices with groups that are committed to innovation and sustainability.

CHINA REFRIGERATION

China (2015)

In Asia's most important event for the commercial refrigeration and aftermarket segment, we presented the NEU product line, focused on commercial refrigeration and the CHR 2015 compressor, equipped with Fullmotion technology and designed for 400-1000 liter coolers.

CHILLVENTA

Germany (2014)

We were present at the 4th edition of Chillventa, where we presented to the market the EMX3118Y compressor – created for commercial applications and tailored especially for small and medium-sized vertical beverage displays. The product is manufactured in Slovakia.

APPLIANCE WORLD EXPO

China (2015)

In this fair, we showcased to the market two new models for household application: VESF, the most efficient and silent compressor in the world (at minimum speed), and the EME, the EM family's most efficient compressor – a market benchmark.



Relationship with contractors

Since 1984, we've produced a magazine to contractors, retail owners and technical assistants from the refrigeration segment. The Refrigeration Club – which until 2012 was called *Revista Bola Preta* –, is one of the most important publications in the industry, and brings technical content, interviews, opinion of recognized market professionals, sustainability aspects, among others, always in a didactic and detailed manner.

Refrigeration Club is published in Portuguese and Spanish, is quarterly and has a circulation of 14,000 copies distributed, free of charge, in different Latin American countries.

Training

Just as we've done in recent decades, during the reporting period, we invested in training these professionals so that they're able to provide increasingly qualified service to users and to keep themselves informed about our major launches.

In 2014, we traveled more than 38,000 kilometers to offer 14 technical lectures in Latin America impacting more than 1,700 refrigeration technicians.

CARBON FREE SEAL

In June 2014 the Refrigeration Club received the Carbon Free seal, a certification that recognizes 100% neutralization of greenhouse gas emissions generated by the publication's printing processes and distribution.

To neutralize the emissions, we promote the planting of more than 80 tree species per hectare in Areas of Permanent Preservation (APPs), offsetting 7.9 tons of emissions.



Loyalty Program

Aiming to strengthen the relationship with retailers and contractors, at the end of 2014, we launched a benefit and reward program for specialized stores, their counter sales and contractors: 100% Embraco Advantage Program. Through this action, we want to recognize companies and professionals that maintain a partnership with our company, trusting our brand and our product quality.

For this, we created a point system to offer this public benefits such as work tools – office supplies, tool boxes, uniforms, etc. – and consumer goods – such as electronics, housewares and sporting goods. In addition, also part of this initiative is a discount club, which gives access to exclusive offers on products and services.



Product labeling

GRI G4 PR3

To improve consumer and customer safety, we publish on our website the compressors' application manual with information about electrical installation, mounting, handling, storage, good use and solutions to the main technical problems that may occur, along with documents that accompany the purchased products.

On the labels of our products, we divulge the certifications obtained from the regulatory agencies and that certify the models' safety, such as seals from Underwriters Laboratories (UL), Association for Electrical, Electronic & Information Technologies (VDE), Instituto Argentino de Normalización y Certificación (Iram), Rheinland – Technischer Überwachungs-Verein Rheinland (TUV) and China Quality Certification Centre (CQC).



Post-consumption

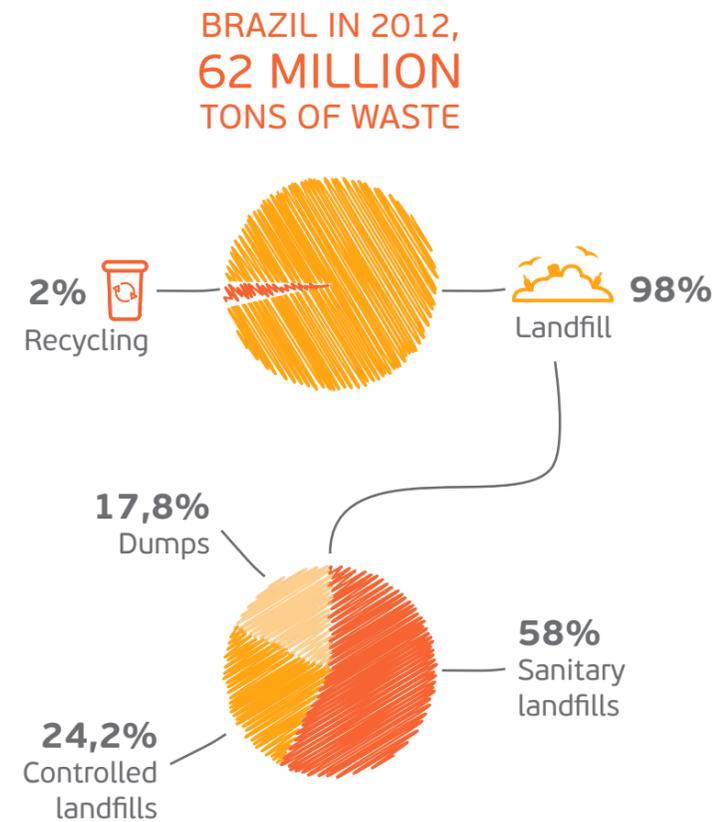
Nat.Genius



In 2014, we launched Nat.Genius, a new operation that uses the expertise gained in over 20 years in which we carried out reverse logistics for our compressors in Brazil to create a new business. Inspired by nature, where all cycles are closed and all elements are reused at the end of their useful life, Nat.Genius seeks to generate positive impacts for the environment and value for Embraco as well as for our stakeholders.

Scenario

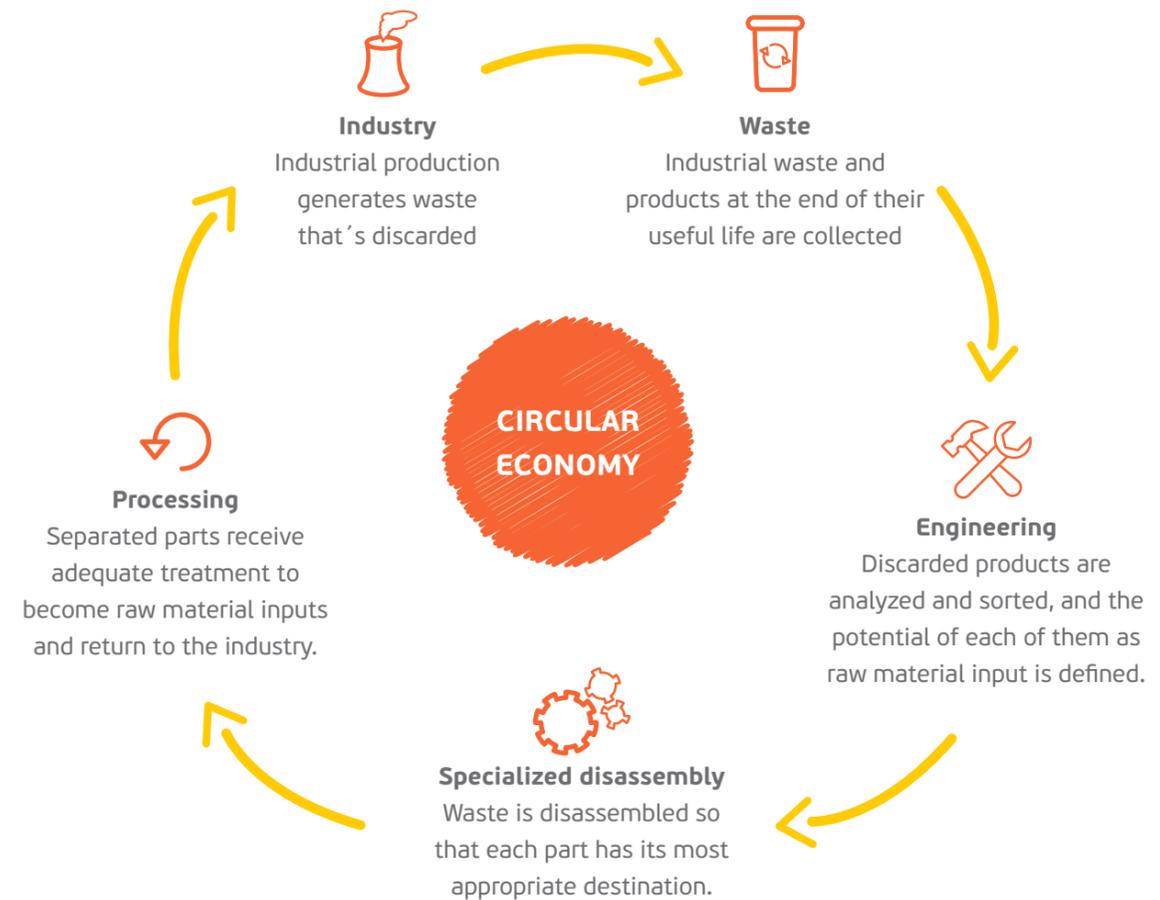
According to Brazil's Ministry of Environment, in 2012, about 64 million tons of solid waste were produced in the Country¹ and only 2% of this material returned to the supply chain through recycling. The remaining 98% ended up in dumps, controlled landfills and sanitary landfills.



Circular economy

Essentially, the circular economy concept is to transform solid waste into inputs to produce new products.

We can better understand this process in the illustration below:



1. Information available at <http://www.mma.gov.br/informma/item/10272-pol%C3%ADtica-de-res%C3%ADduos-s%C3%B3lidos-apresenta-resultados-em-4-anos>

Let's work!

In 2014, we carried forward the reverse logistics work of Embraco compressors (performed for more than 20 years) and also incorporated in its operation compressors from other manufacturers.

Through a logistical plan, waste arrived at the Nat. Genius plants and there received a nobler destination, being disassembled and recycled. The core of the compressors' motor, for example, could be reused in the ventilation industry – after passing through industrial processes.

At the end of 2014, Nat.Genius' two units and sales office had nearly 100 employees.

Results**GRI EN28**

In 2014, through Nat.Genius we recycled 698,000 Embraco compressors, 103,000 compressors from other manufacturers, which generated:

- 4.6 thousand tons of steel
- 1.8 thousand tons of iron
- 94 tons of aluminum
- 562 tons of copper
- 131,000 liters of oil

Pilot project with collectors

To increase the reach and be able to collect more waste to supply our factories, we carried out projects with collectors of recyclable materials.

Through this pilot project, besides contributing to the environment, Nat.Genius plays a deeper social role, fostering this market and generating income for the collectors and their families.

Recognition

In 2014, Nat.Genius became part of the Ellen Macarthur Foundation map, the foremost authority on World Circular Economy – in Brazil, only two initiatives have obtained recognition by the Institution. You can learn more by clicking [here](#).

Future

From 2015 on, Nat.Genius' plans are focused on geographic expansion, that is, increase both its reach to capture more waste, as well as its infrastructure to attend other regions and increasingly foster circular economy.

NAT.GENIUS UNITS

In 2014, we also opened a second unit of Nat.Genius beside our Foundry in Joinville (Brazil), which focuses on disassembling refrigerators and white goods. The other unit continues operating with Embraco's compressor factory, focused on dismantling and recycling compressors.



Innovation is our trademark

We're leaders in technology and drivers of the global scenario. For us, that means we have the constant challenge of being at the forefront in developing new technologies and solutions that meet our customers' demands.

For this, we have a Research & Development (R&D) area composed of more than 500 professionals distributed in five countries, a professional development framework (W Career, more information on page 48) designed to attract the best talents and a 3% to 4% investment of our annual revenue.

Currently, our R&D area is divided into three departments:

- **Product Engineering:** dedicated to creating new solutions that surpass market needs and/or bring new possibilities for the refrigerator industry.
- **Commercial and Household Refrigeration:** dedicated to developing new projects that use Embraco technology. This sector is subdivided to give differentiated focus on commercial and residential applications.
- **Technology and Innovation:** responsible for all innovation management of products and processes in R&D.

Our main drivers

Every time our professionals and partners come together to think about new technologies and compressors, the main driver of their creations is product development that meets the needs of customers and end users, anticipating trends and overcoming innovation barriers. A reflection of this is our technology leadership in the markets where we operate. One way to identify whether we're on track is the Customer Satisfaction Survey, conducted annually (more information on page 29). Besides these, there are other drivers that direct our development. They are:

Energy efficiency GRI G4 EN7

Produce compressors that consume each time less energy is one of the focuses of our R&D team. As main benefits, energy efficient compressors reduce their environmental impact and consumer spending on energy.

As an example we mention the Fullmotion technology, which allows the final consumer to save up to 40% on the electricity bill. Since its launch, more than 19 million compressors with this technology have already been sold, and due to their low energy consumption when compared to other compressors, we've already generated savings of 8,552 million kWh around the world – which would be enough to power the city of San Francisco, in the United States, for more than four years.

Natural refrigerant gases

We pioneered the use of refrigerant gases that don't harm the planet's ozone layer and we continue seeking solutions that offer less and less environmental impact.

For over two decades we've prioritized using natural refrigerants that, in addition to being harmless to the ozone layer, have a global warming potential contribution that's almost nil compared to the main refrigerants used in the market.

Besides this important benefit, natural refrigerant gases are significant factors in reducing energy consumption. To position ourselves externally and strategically influence the market on the subject, we have also launched the [Natural Refrigerants](#) website.

In 2014, miniaturization of our compressors provided savings of 2,977 tons of raw materials compared to the previous year.



Miniaturization GRI G4 EN27

Our compressors weigh, on average, 5.8 kilos, however, in the past, this average has already been equivalent to 7.2 kilos. This considerable difference is the result of intense research and development. The fact that products are increasingly smaller and lighter implies reduced use of raw material – in the last five years we were able to save 10.8 tons of material – and generate a gain in internal space for refrigerators that have our compressors, generating a great benefit for the final consumer.

Cost reduction

Produce our products with increasingly lower cost is an important driver to remain competitive around the globe. For this, we try to be attentive to the market demands and invest in improving our operational and administrative processes, as well as use fewer natural resources – water, energy and materials.

Partnerships with universities and customers i

Besides having our internal team, our innovation is also the result of strategic relationships we have with universities and customers.

We've maintained a partnership with the Federal University of Santa Catarina (UFSC) – in Brazil – since 1982 and in recent decades, we've expanded partnerships with other universities in order to join expertises to discover new solutions.

In 2014, we celebrated the 30th anniversary of the first paper we presented in the International Compressor Engineering Conference, a major industry conference that's been held for 42 years from Purdue University, in the United States. During this time, we've presented more than 100 articles and have made significant contribution to researches on Refrigeration.

With our customers, the partnership focuses on more practical issues, because they're the ones who make use of the products. Therefore, we try to bring them into the laboratories to develop – together – solutions that are aligned to their demands (co-development).

Besides this, to make sure we're meeting the customers' main demands by creating new technologies, we've included in our Customer Satisfaction Survey (more information on page 29) questions about innovation and, in this way, learn more about their real needs.

PURDUE UNIVERSITY

Located in West Lafayette, Indiana (USA), Purdue University was founded in 1869 with a donation made by John Purdue, a businessman and philanthropist from the region. Currently, the university has more than 18,000 faculty and staff and its students have already registered more than 15,000 US patents.

The Purdue University College of Engineering was founded in 1874 and has already trained 22 astronauts, including Neil Armstrong and Eugene Cernan, who were, respectively, the first and the last astronaut to walk on the moon. The University is ninth among all the country's engineering schools that grant doctoral degrees according to the News & World Report ranking.

Embraco Innovation Award

Created to encourage Chinese students and researchers, since 2011, we've conducted the Embraco Innovation Award, a contest that rewards projects that prioritize developing cooling solutions with high energy efficiency. In 2015, the 3rd edition of the award received 61 projects from Chinese universities and research institutes, which competed in four main categories. The criteria that defined the awards were: level of originality and innovation; impacts and results of the project in terms of energy efficiency; technical quality; real market feasibility potential; and socio-environmental impacts.

The event that presented the grand prize winners was held in April 2015, in the city of Shanghai, in China, and the project that received the US\$ 40,000 incentive for its development which proposed a cooling system driven by energy generated from ocean fishing waste.



[our principles](#)

[message from management](#)

[about this report](#)

[our products and technologies](#)

[profile and strategy](#)

[corporate governance](#)

[how we produce our products](#)

[doing more with less](#)

[our employees](#)

[social investment](#)

[adjacent information](#)

[GRI index](#)

[credits](#)

DOING MORE WITH LESS

As part of our sustainability strategy, we constantly evaluate the processes that make up our operation in pursuit of lean thinking, that is, produce products with each time fewer natural resources. This way of thinking implies both a well defined environmental responsibility policy, as well as a significant cost reduction for Embraco.

This means that our teams are always focused on avoiding waste of all inputs used in the operation, such as water, energy, materials, among others. To do this, we rely mainly on two principles: production process studies – to eliminate bottlenecks, reprocesses and find the most efficient way to produce – and always maintain production adjusted to our demand – so there are neither excess inventories nor loss of our production.

Alongside the robust lean thinking strategy, which has permeated the production process for more than 30 years, we began, in 2013, implementation of the World Class Manufacturing (WCM) methodology in all our plants, which has enhanced the gains in operations. You can learn more about WCM on page 27.

Also within our strategy is the goal of constantly reducing greenhouse gas emissions (GHG). In addition to environmental responsibility, reducing emissions means being able to meet any environmental legislation, avoiding any penalties and fines as well as contributing to more effective risk management (you can learn more on page 39).



Doing more with less energy

GRI G4 EN3

Using less and less energy in compressor production is a goal in all our plants. In 2014, we consumed – globally – 1,477,833 GJ, virtually stable with the number consumed in 2013. Analyzing direct and indirect energy consumption, we observed that there was a slight increase of 4% and 2% respectively.

ENERGY CONSUMPTION (GJ)				
	2012	2013	2014	Var. 2014 vs. 2013
Direct	551,004	522,703	541,008	4%
Indirect	1,033,215	946,288	963,825	2%
TOTAL	1,584,219	1,468,991	1,477,833	1%

ENERGY CONSUMPTION IN 2014 (GJ)

Direct energy	
Natural gas	492,082
GLP	13,380
Methanol	862
Diesel oil	2,760
Gasoline	166
Propane	4,545
Ethanol	32
Kerosene	181
Total direct energy consumption	541,008
Indirect energy	
Electricity	963,825
Total indirect energy consumption	963,825
TOTAL ENERGY CONSUMPTION	1,477,833

ENERGY INTENSITY RATE IN 2014

GRI G4 EN5

Energy intensity rate (Kwh/unit)	Energy consumption in kWh per compressor
Electricity	8.58
Natural Gas	4.781
Methanol	0.009
Propane	0.001
GLP	0
Diesel	0.026
Gasoline	0.001

Efficiency in offices and production process GRI G4 EN6

As in previous years, in 2014, we had, globally, several initiatives to reduce our energy consumption in different plants.

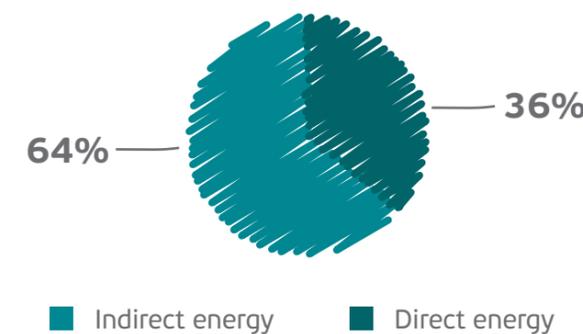
Brazil: in the compressor factory's administrative area – located in Joinville, Santa Catarina (Brazil) – we exchanged conventional fluorescent lamps and lighting fixtures for a set of highly reflective lighting fixtures and fluorescent lamps with individual switches. As a result, we have reduced by 65% our electrical energy consumption in the area. In the production process, repairing leaks in the compressed air circuit represented a 20% savings in electricity use.

Italy: we installed solar panels and began using this energy source to heat our canteen's water. Additionally, we had energy efficiency gains in compressor production due to a new air compression system, which generated a reduction of 727,200 kWh per year.

China: we introduced a system that recycles heat from air compressors, resulting in a 2,533,609 kWh per year savings.

ENERGY CONSUMPTION										
Energy Ration (Kwh/unit)	China (compressors)	Italy (compressors)	Slovakia (compressors)	Brazil (compressors)	Mexico (compressors)	United States	Brazil (electronics)	China (electronics)	Foundry	Itaiópolis
Electricity	4,819	6,737	7,26	6,527	6,614	2,204	1,314	0,487	798,979	0,082
Natural Gas	3,076	8,716	7,106	3,892	5,689	6,535	0	0	41,663	0,000
Methanol	0	0	0	0,009	0	0	0	0	0	0,002
Propane	0	0	0,001	0	0	0,332	0	0	0	0
GLP	0	0	0	0	0	0	0	0	0	0
Diesel	0	0,004	0,044	0,038	0	0	0	0	0	0
Gasoline	0	0	0	0,003	0	0	0	0	0	0

Energy consumption



Doing more with less water

GRI G4 EN8 | EN10

In 2014 globally we reduced our water consumption by 6%, with emphasis on reduction coming from wells, which decreased 24%.

Water reuse GRI G4-22

Globally, 28% of all water that enters our units, either from internal or external sources, is treated and recirculated, and subsequently used in toilets, cooling towers and for washing containers and floors.

Water discharge GRI G4 EN22

In 2014, we discarded 549,085 m³ of water, a number 13% higher than in 2013.



WATER CONSUMPTION (M³) – EMBRACO GLOBAL

	2012	2013	2014	Var. 2014 vs. 2013
Wells	332,195	273,448	207,198	-24%
Water supply networks	396,616	385,735	410,832	6%
Total	728,811	659,183	618,029	-6%

WATER REUSE – EMBRACO GLOBAL

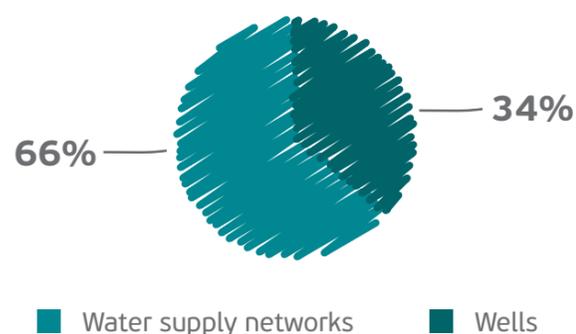
	2012	2013	2014
Total volume (m3)	225,511*	241,569*	243,697
Recirculation rate (%)	31	27	28

* Number updated with new formulas for calculation aimed at greater information accuracy.

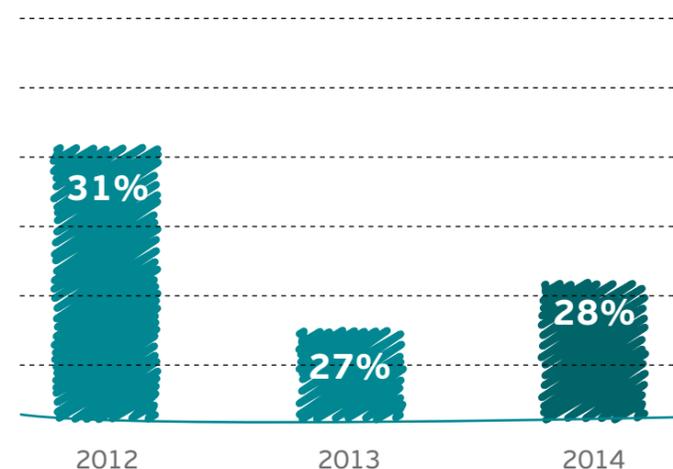
DISCHARGE OF EFFLUENTS (M³) - EMBRACO GLOBAL

	2012	2013	2014	Var. 2014 vs. 2013
Return to collection point	337,155	394,360	236,492	-40%
Public sewage system	0	0	109,765	-
Evaporation	50,254	44,781	83,617	87%
Irrigation	219	46,233	119,211	158%
Total	387,628	485,374	549,085	13%

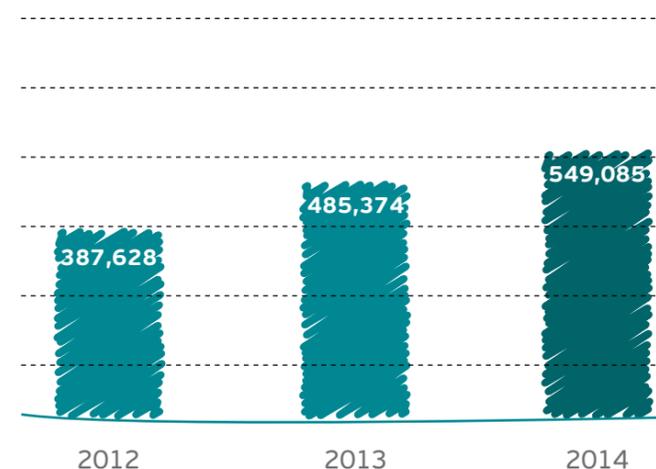
Water consumption



Recirculated and reused water



Water discharge (m³)



More information on page 58.



Doing more with less waste

GRI G4 EN23 | EN25



In 2014, we produced 111,000 tons of waste, being: 108,000 tons considered non-hazardous and 3,000 tons considered hazardous. The variation of the total waste in comparison with 2013 shows that there was a 0.5% reduction in the production of these materials.

TOTAL WASTE - EMBRACO GLOBAL				
	2012	2013	2014	Var. 2014 vs. 2013
Non-hazardous waste (t)				
Economic recycling	107,896	89,790	89,376	7%
Environmental recycling	1,042	1,625	2,126	31%
Incineration	0	0.1	0	-100%
Landfill	18,511	16,702	16,505	-1%
Construction/remedial waste	0	0	0	0%
Subtotal	127,449	108,117	108,008	0%
Hazardous waste (t)				
Economic recycling	306	308	312,279	1%
Environmental recycling	1,992	1,973	1,842	-7%
Incineration	844	784	702	-11%
Landfill	967	704	549	-22%
Subtotal	4109	3,868	3,405	-12%
Total	131,558	111,985	111,413	-0.5%



Goals

We have a goal to send zero waste to industrial landfills from our compressor plants by the end of 2018 and from the Foundry plant until 2022.

97% of waste generated globally in our compressor plants is recycled.

More information on page 60.

Doing more with less emissions

GRI G4 EN16



Together our operations around the globe, in 2014, emitted, 100,936.21 tons of CO₂, 64% of them considered direct – or scope 1 –, and 36% considered indirect – Scope 2 – which are due to electrical energy consumption.



In 2014, we reduced our greenhouse gas emissions by 7.9%.

If we analyze the emissions generated by compressor plants and from other units (Electronics, Foundry, Components), we observe the following relationship:

Emissions by unit around the globe



Looking more closely at our direct emissions (Scope 1), we observed that:

- 75% of them were stationary, that is, the result of burning fuel to generate electricity;
- 21% of them were fugitive, that is, the result of burning fuel for transportation vehicles such as cars, trucks, trains, aircraft, ships, etc; and
- 4% of them were mobile, emissions that aren't physically controlled but that result from GHG release due to production, processing, transmission, storage and use of fuels and other chemicals.

More information on page 58.

our principles
doing more with less

message from management
our employees

about this report
social investment

our products and technologies
adjacent information

profile and strategy
GRI index

corporate governance
credits

how we produce our products

OUR EMPLOYEES



Essential for the sustainability and consistency of the business, our employees are our most valuable asset. We count on a talented team, passionate for what they do and that's why, we understand that our role is to provide these professionals all the tools necessary for them to achieve extraordinary results.

We're a global company, composed of professionals with different nationalities, genders, languages and cultures. We value diversity and believe that this characteristic is a strong competitive differential and drives us to always innovate.

Therefore, our strategic human resource management is based on the pillars:



Extraordinary performance

Highly effective organization that consistently produces above expected results.



Great people

Diverse and prepared talents to be future leaders.



Winning culture

Internally and externally recognized as a great place to work.



New Leadership Model

Our business is transforming, as well as behaviors, actions and strategies that we need to put in place to continue shaping our market. These changes led us to review our strategic architecture and vision, also reflecting on the current Leadership Model.

For us, leadership is a key factor in the transformation, a privilege that must be earned every day. All our employees are considered in the new model, since we believe that we are all leaders – whether of the company, an area, other people or ourselves.

The Leadership Model is a guide that permeates all actions and indicates how to behave and act to have differentiated performance. Our belief is based on a group of people acting with courage and passion for what they do, playing to win, developing their talents and leading with speed. All these factors are important to leverage the results of our business.

Our Leadership Model is based on:

- **Live and Lead Embraco Values:** our values are the base for what we do every day. They sustain the other attributes.
- **Create an engaging and inspiring strategy:** reinforce that our work is connected with the business strategy, with a positive and innovative attitude.
- **Attract and cultivate followers:** reinforce the commitment to developing the team and overcoming challenges.
- **Deliver differentiated results:** reinforce ownership, decide with speed and responsibility.

The strategic connection of the Leadership Model with our business leads to People Excellence, ensuring competitive advantage and creating value.

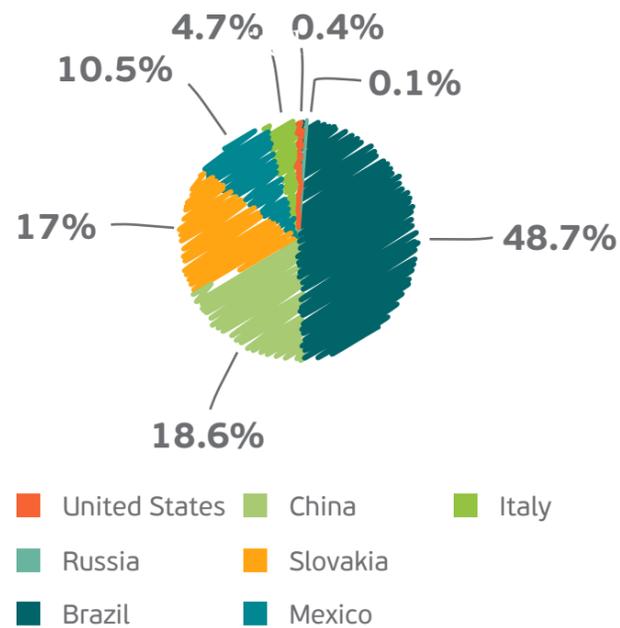
Profile of our workforce

GRI G4-10

On December 31, 2014, we had 12,678 employees, distributed in seven countries as follows:

Employees Embraco global

China – 2,352 United States – 57
Italy – 594 Mexico – 1,336
Brazil – 6,176 Russia – 8
Slovakia – 2,155



EMPLOYEES BY EMPLOYMENT CONTRACT

	China		United States		Italy		Mexico		Slovakia		Brazil		Russia	
	F	M	F	M	F	M	F	M	F	M	F	M	F	M
Definite time (temporary)	88	316	0	0	0	0	0	0	18	107	10	20	0	0
Indefinite time (permanent)	561	1,387	28	29	179	405	394	916	683	1,347	1,566	4,479	4	4
Interns	0	0	4	6	4	6	14	12	0	0	29	72	0	0
Total	649	1,703	28	29	183	411	408	928	701	1,454	1,605	4,571	4	4

EMPLOYEES BY EMPLOYMENT TYPE

	China		United States		Italy		Mexico		Slovakia		Brazil		Russia	
	F	M	F	M	F	M	F	M	F	M	F	M	F	M
Full workday (8h)	648	1,687	28	29	170	373	394	916	701	1,454	1,470	4,195	4	4
Without workday control	1	16	0	0	13	38	14	12	0	0	135	376	0	0
Total	649	1,703	28	29	183	411	408	928	701	1,454	1,605	4,571	4	4

EMPLOYEES BY JOB CATEGORY

	China		United States		Italy		Mexico		Slovakia		Brazil		Russia	
	F	M	F	M	F	M	F	M	F	M	F	M	F	M
President and Vice-presidents	0	1	0	0	0	0	0	0	0	0	1	6	0	0
Executive Board	0	1	0	0	0	3	0	1	0	1	1	21	0	0
Management	6	8	1	3	2	8	1	6	0	6	6	45	0	2
Leaders	22	30	3	6	6	13	10	21	5	25	21	70	1	1
Administrative	150	283	22	13	35	62	31	123	95	206	310	852	0	0
Operational	444	1,342	2	7	136	319	353	765	601	1,216	1,266	3,577	0	0
Others	27	38	0	0	4	6	14	12	0	0	0	0	3	1
Total	649	1,703	28	29	183	411	408	928	701	1,454	1,605	4,571	4	4

Respecting labor relations

As a global company, we're always vigilant to and comply with all local laws of the countries where we have plants and/or sales offices.

EMPLOYEES COVERED BY COLLECTIVE BARGAINING AGREEMENTS GRI G4-11

Unit	Percentage of employees covered
Brazil	100%
China	79%
United States	Not applicable*
Italy	100%
Slovakia	100%
Mexico	73%

* Our United States operation is run through a sales office and a warehouse, which – according to US legislation – doesn't require a collective bargaining agreement.

Multiculturalism

GRI G4-10

We're a global company, with operations in seven countries on four continents. We believe that people who bring different experiences add new knowledge and different ways of seeing and understanding our business. Therefore, we understand that this plurality establishes an important competitive differential, whether internally, to transform our business, or externally, because we understand and attend our customers' diverse needs in different parts of the world.

We value and celebrate Diversity in all our interactions, where the synergy between the differences around common goals makes the company each time more prepared to act as an organization that's in transformation, thinking and acting globally.

Diversity permeates our entire business, culture and relationships and is seen as a management model, fundamental for making decisions about people, processes, products and markets. In practice, this means more leadership involvement, building a diverse environment and accessible to all.

We also believe that only transmitting and encouraging the idea of multiculturalism within the company isn't enough. Diversity management implies eliminating labels and prejudices, encouraging our professionals so they know and learn other languages, exchanging experiences with employees from other countries, among other initiatives to eliminate the idea of a dominant culture and encourage interaction and the exchange of know-how among people of different nationalities.

Disabled people

Since 2008 we've had the Talents of Diversity Program, which offers vacancies in different sectors of Embraco and training courses for people with disabilities, accelerating integration and employability. So far, close to 250 people have been through the program, with an average of 60% of them being hired.

In addition to attracting and preparing disabled people for the labor market, we seek to offer independence to this public, creating accessible physical spaces, sign language courses and translation along with internal awareness-raising.

In 2015, in line with our human resources strategy and with this already established program, we had an important evolution in hiring people with disabilities: now these people are allocated directly into the areas of the company, according to the availability of vacancies as well as jobs and salaries compatible with the position. The goal is to ensure process flow, encourage their qualification inside and outside Embraco and ensure their development.



Oliembraco

The traditional games of Embraco Internal Olympics (Oliembraco) arrived at its 27th edition in 2014. Held since 1988, Oliembraco is an event that encourages interaction and team spirit among our professionals and this year featured 23 male and 12 female sporting events - twice the modalities disputed for in the competition's first edition.

For nine months, 4,500 employees participated in sports tournaments such as soccer, volleyball, athletics, basketball and cycling, along with table games and even fishing.

Disabled people

GRI LA12

Paraoliembraco

In 2014, the 8th edition of Paraoliembraco also took place, one of our pioneering initiatives for professionals with disabilities. According to the Brazilian Paralympics Committee, Embraco is the only company in Brazil that holds a dedicated Paralympics for its internal public.

In May 2014, 150 employees competed in futsal games for the deaf, basketball and field tennis for people in wheelchairs, as well as bowling and table games. One of this edition's differential was an accessibility fair that offered support services for people with disabilities.

EMBRACO EMPLOYEES WITH DISABILITIES							
	Brazil*	China	Italy	Slovakia	United States	Mexico	Russia
Vice presidents, directors and managers	1	0	0	0	0	0	0
Leaders	2	0	0	0	0	0	0
Team	318	5	15	43	0	0	0

* Embraco Brazil plants don't monitor diversity indicators for temporary employees.

BREAKDOWN OF VICE PRESIDENTS AND DIRECTORS BY AGE							
	Brazil	China	Italy	Slovakia	United States	Mexico	Russia
Up to 30 years	0	0	0	0	0	0	0
31 to 50 years	5	2	3	1	0	0	0
51 years and over	2	0	0	0	0	1	0
Total	7	2	3	1	0	1	0

PARTICIPATION OF WOMEN IN THE WORKFORCE								
	Brazil	Pequim	Qingdao	Italy	Slovakia	United States	Mexico	Russia
Vice presidents, directors and managers	10%	43%	0%	15%	0%	3%	0%	0%
Leaders	23%	42%	1%	32%	17%	17%	31%	50%
Team	26%	18%	82%	31%	34%	20%	31%	75%



Attraction and retention



Our primary people retention strategy is to analyze the potential of internal talents and invest in their development for more strategic positions. For this, we have a structured Succession Committee process, composed of leadership, which assesses employees with the potential to take on leadership positions within the company.

The Succession Committee's process is constantly evolving and uses 9box methodology, recognized by the market. Also, we have a similar process for technical talents, who pass through a committee called Technical Talent Pool which identifies potential researchers who the company will invest in.

In 2014, globally we hired 3,091 people and dismissed 2,796. Hirings were made as follows:

HIRINGS IN 2014 BY GENDER GRI G4 LA1														
	Brazil		China		United States		Italy		Mexico		Slovakia		Russia	
	F	M	F	M	F	M	F	M	F	M	F	M	F	M
	594	1,412	89	158	2	2	1	5	202	476	45	105	1	1
Total	2006	247	4	6	678	150	2							

HIRINGS IN 2014 BY AGE GROUP							
	Brazil	China	Estados Unidos	Italy	Mexico	Slovakia	Russia
< 30 years	1,416	163	2	2	288	62	2
30 and 50 years	568	83	2	4	382	78	0
> 50 years	22	1	0	0	8	10	0
Total	2,006	247	4	6	678	150	2

Dismissals were performed as follows:

DISMISSALS IN 2014 BY GENDER														
	Brazil		China		United States		Italy		Mexico		Slovakia		Russia	
	F	M	F	M	F	M	F	M	F	M	F	M	F	M
	533	1,369	168	275	9	7	3	10	101	472	41	116	1	0
Total	1,902	443	16	13	573	157	1							

DISMISSALS IN 2014 BY AGE GROUP							
	Brazil	China	United States	Italy	Mexico	Slovakia	Russia
< 30 years	1,168	278	0	1	104	42	1
30 and 50 years	668	132	12	6	152	79	0
> 50 years	66	33	4	6	9	36	0
Total	1,902	443	16	13	265	157	1



Trainee program

To ensure our business' sustainability, part of the strategy includes preparing leaders for the future. Accordingly, we have a global trainee program, carried out once a year in Brazil, Slovakia and China. Upon being selected, trainees have the opportunity to know different sectors and aspects of our business so that, throughout their career, are able to take on challenges in different areas.

Local hiring GRI G4 EC6

Because of our culture of valuing diversity, we have a strong participation of local leaders in the operation, which gives us a cultural wealth for the teams.

LOCAL HIRING (LEADERSHIP POSITIONS*)			
Plant	2012	2013	2014
Brazil	100%	100%	100%
China (compressors)	86%	91%	100%
China (electronics)	83%	60%	81%
Italy	77%	91%	80%
Slovakia	88%	100%	86%
Mexico	2%	84%	63%
United States	66%	91%	0%
Russia	N/D	N/D	100%

*Leadership positions include: president, vice president, administrative, executive board and leaders.

Compensation

Our remuneration policy is to compensate people according to their performance and their potential. To offer attractive remuneration, we have the support of consultants to know the latest market practices with regard to remuneration and benefits offered. To identify wage growth opportunities for our professionals, we use internal performance measurement tools and steer all leaders to look for internal promotion so as to, in this way, value the careers of all talents.

RATIO OF THE LOWEST WAGE COMPARED TO LOCAL MINIMUM WAGE GRI G4 EC5

Unit	%
Brazil	132%
China (compressors)	100%
China (electronics)	120%
United States	186%
Italy	104%
Slovakia	122%
Mexico	157%



Profit sharing program

Since 1996 we've had a Profit Sharing Program (PPR), created to motivate our employees to achieve extraordinary results and to constantly develop themselves.

To remain updated, this program was revised in 2013 and, from that year on, in addition to the overall company goals, each area has to choose two specific goals aligned with Embraco's strategy.

Additionally, our PPR program includes an individual portion – called Performance Award – that rewards employees according to their performance.

Benefits

Our benefits policy expresses the care we take with employees and the mission to provide them and their dependents a better quality of life.

In addition to strictly complying with local labor laws in all the countries where we operate, we also have a Sports Association, in Joinville (Brazil) – where our largest flow of workers is located – which is a local reference for leisure and sport, offering several activities for both employees as well as the community.

We also invest in developing our people through scholarships. This is a benefit for employees from operational and administrative levels, which offers financial assistance to those wishing to take technical and post-graduate courses. Thinking strategically, scholarships always focus on the employee's next hierarchical level, so he can be ready for his next step in Embraco. In 2014, we granted 94 scholarships, globally, which contribute to high performance.

In addition, we continually invest in on-the-job training and job rotation for employees from all our units, stimulating interaction among different cultures and ensuring professional development aligned to the company's needs.

Pension plan GRI G4 EC3

Plants in Brazil, Italy and China offer a pension plan for their employees. In other countries where we operate there is no such benefit.

- **Brazil:** benefit based on the employee's nominal salary, who contributes 1%, while we contribute with the other part (varying according to the professional's age): for employees with up to 44 years we offer 1%; from the age group 45-54 years old, we offer 1.5%; and for those between 55-60 years we offer 2%. At 60, the employee receives his pension – it can be anticipated at 55 years of age or by disability at any time. In case of death, the pension is paid to dependents.
- **Italy:** joining the pension plan is voluntary and is foreseen in collective agreements. The contribution is 1.4% (employees) and 4% (managers). We contribute with the same value.
- **China:** has a statutory pension insurance for all employees, and the contribution is 8% by the employee and 20% by us.

Professional development

Performance appraisal

We believe that as important as achieving the goals, is understanding how to achieve them, so, we evaluate our professionals through Extraordinary Performance & Results (EP&R), an evaluation model structured in five dimensions:

- Results x goals
- Work scope
- Leadership practices
- Adherence to Embraco's culture
- Personal and talent development

In some cases, we use – in addition to EP&R – 180 degree appraisal, which consists of the employee's self-assessment, his/her manager's assessment and his/her direct subordinate's assessment.

EMPLOYEES THAT RECEIVE PERFORMANCE ANALYSIS

GRI G4-22 | LA11

Plant	2013		2014	
	F	M	F	M
Brazil	100%	100%	100%	100%
China (compressors)	100%	100%	100%	100%
China (electronics)	44%	56%	42%	58%
Italy	30%	70%	30%	70%
Slovakia	100%	100%	100%	100%
Mexico	76%	24%	22%	78%
United States	100%*	100%*	100%	100%
Russia	100%	100%	100%	100%

* Different numbers of those reported in the 2013 Sustainability Report due to an interpretation error of the indicator occurred in that year.

Career compass

For us, improving our employees' professional growth is very important. That's why, in 2014, we developed and shared with our administrative public the Career compass, a plan that centralizes, stimulates and directs all individual development.

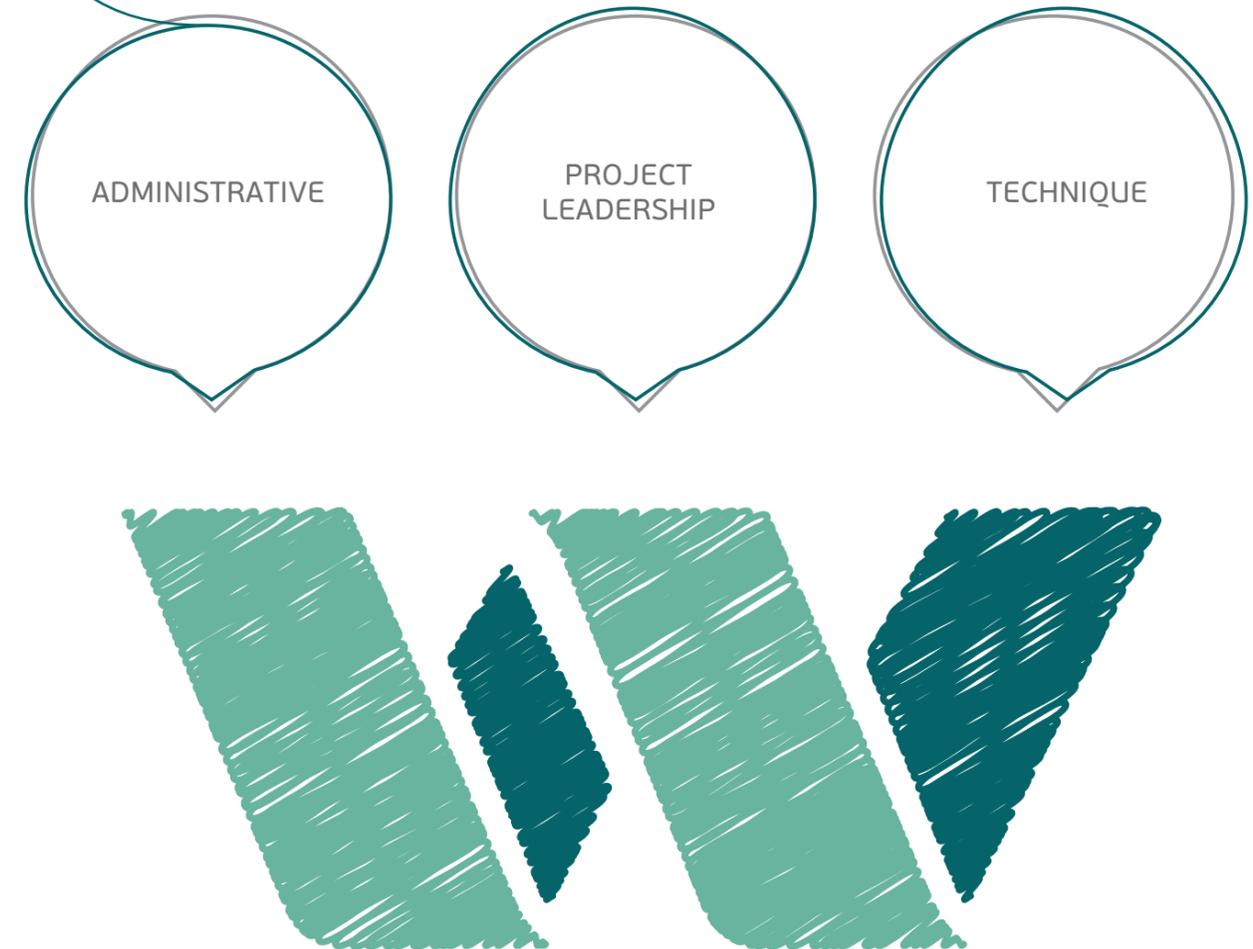
Each one of our employees is responsible for his/her Career compass, in partnership with his/her manager. With it, it's possible to establish specific plans to: ensure professional development; build important competences needed for the current position and/or future positions; identify passions and strengths as well as plan ways to use them at work; create specific plans to achieve career goals, defining the desired position and then direct future and specific positions and/or experiences to achieve them; put the development plan into action.

W Career

Our career process is the driving thread that identifies people with the potential to take on greater responsibilities within our company.

In addition, we enable our employees to develop the technical side (specific competences) along with the behavioral side (see Leadership Model). Both impact on their performance and growth potential.

People who have a greater focus on specific competences can follow the technical career. While those who opt for behavioral development, follow the administrative career (leadership development). If our employees desire both of them, their path within Embraco will be project leadership or technical leadership. We call the set of these three options - W Career.



Corporate education

After the restructuring process of our Corporate Education model in 2013, when we began working more focused on a People Training Strategic Model and engaging leadership, in 2014, we focus on developing our people through the following ways:

- **Technology:** use tools such as internet, podcasting, videos, e-learning to take corporate education to our employees;
- **Relationship:** employ practices such as coaching, feedback, mentoring, among others, to bring our employees to our culture;
- **Classroom:** offer scholarships, classes, seminars and trainings in a classroom setting to develop our talents; and
- **Practice:** conduct workshops, benchmark studies, job rotations to bring more references to our professionals.

Leadership Academy

After mapping the skills desired in each leadership position, in 2014, we began providing – through the people development model – the necessary tools so that our leaders can lead their teams to great results.

The Leadership Academy, a long term global development program designed to offer solutions to our leaders at different levels.

In 2014, 338 employees participated in the Leadership Academy, which offered more than 5,000 hours of training.

Engagement research

Conducted annually, our Engagement Survey brings many contributions to our leadership’s development, who has their strengths and weaknesses mapped and received individual feedback on their skills and on how to contribute so that Embraco has better results. It also helps us to measure the level of engagement that our employees possess.



AVERAGE NUMBER OF TRAINING HOURS GRI LA9

	China (Qingdao)		China (Beijing)		United States		Italy		Mexico		Slovakia		Brazil	
	F	M	F	M	F	M	F	M	F	M	F	M	F	M
Executives	0	5	48	49	24	24	187	70	57	57	127	994	0.19	0.73
Middle management	10	10	66	79	0	0	56	61	45	45	496	3,259	0.23	0.57
Team	22	5	36	44	0	0	46	46	36	36	6,812	22,787	2.82	6.25
By employee	20	5	38	44	0	0	96	57	36	36	11	18	2.31	4.91

Health and safety

Our employees' safety is a very relevant issue for us. Therefore, in 2014 and 2015, we reaffirmed our commitment to zero accidents by updating and strengthening communication about our Safety Golden Rules, globally. In addition to making them broader, we simplified them, and brought them closer to employees' daily lives, ensuring their understanding and adoption of safe behaviors.

The Golden Rules have existed since 2010 and are based on the leading practices, legal requirements, global procedures and knowledge acquired by us, defined to guide daily behavior in all activities performed by our employees, suppliers and visitors.



Behavior-Based Safety

To avoid accidents we've adopted globally the use of the tool Behavior-Based Safety (BBS), a program that seeks to build a safe environment in the workplace through observation of the professionals' behavior and feedbacks.

BBS is based on three main elements:

Observations and conversations proposed by BBS allow us to observe best safe behavior practices and also listen to our professionals and understand the cause of risky behavior. This way we can give positive feedback to reinforce the importance of working safely and guide employees to have increasingly safe behavior.

In 2014, through BBS, more than 390,000 positive feedbacks were given to our employees.

GLOBAL BBS NUMBERS		
Region	Feedbacks received by employees in 2013	Feedbacks received by employees in 2014
Brazil	214,134	164,940
China	115,798	88,397
Italy	10,165	2,653
Slovakia	119,649	95,876
Mexico	26,206	28,461
United States	755	428
EECON BR	2,223	530
EECON CN	17,438	14,485
TOTAL	506,368	395,770

We also developed a global assessment project of all installed machinery in order to increase the safety of our manufacturing processes. Besides enabling the exchange of best practices among plants to find a solution to any eventual problems, this initiative seeks to standardize best practices in Health and Safety management.

CIPA

Our units in Brazil count on – besides BBS – the Internal Commission for Accident Prevention (CIPA), composed of Embraco employees and which comply with the Regulatory Standard 5 (NR-5) of the Brazilian Ministry of Labor.

In 2014, we had 32 “cipeiros” –as the accident prevention commission members are called – who carry out procedures focused on safety such as monthly meetings, inspections, participation in improvement groups, running campaigns, internal work accident prevention week and the environment (SIPATMA), among other activities.

Other health and safety initiatives

In addition to the initiatives described above, we carried out other efforts to reduce the number of incidents. They are:

- Campaigns on safety, health and environment focused on awareness of professionals working in our operations, addressing topics such as: World Day for Safety and Health at Work and World No Smoking Day;
- Continuity and consolidation of machinery protection project (machine guarding);
- Participation of the EHS area in all project development stages and machinery purchases in all units, establishing the necessary deliveries for proper risk management as well as seeking an environment free of injuries and environmental harm.
- Creation/revision of global standards for various elements of the EHS system such as Working at Heights, Preparedness and Response to Emergencies and Confined Spaces.

For 2015, EHS’ goal remains, to avoid accidents and ensure the safety of all our employees.

Indicators

In 2014, we maintained our injury rate, reduced our occupational illness rate and increased our days away for accident rate, as shown in the following table:

HEALTH AND SAFETY GRI G4 LA6						
	Injury rate		Occupational illness rate		Days away rate for accidents	
	2013	2014	2013	2014	2013	2014
Brazil (compressors and offices)	1.18	1.17	0.04	0.00	2.28	2.76
China (compressors)	0.37	0.32	0.00	0.00	0.00	4.75
China (electronics)	0.00	0.00	0.00	0.00	0.00	0.00
Italy (compressors)	0.51	0.00	0.00	0.00	17.67	0.00
Slovakia (compressors)	2.49	0.21	0.00	0.00	6.21	7.45
United States	0.00	0.00	0.00	0.00	0.00	0.00
Mexico (compressors)	0.75	0.61	0.00	0.00	2.67	3.41
Brazil (electronics)	0.00	0.00	0.00	0.00	0.00	0.00
Components	0.70	0.8	0.00	0.00	0.00	0.00
Foundry	3.11	0.48	0.00	0.00	7.76	0.00
Total Embraco global	0.72	0.72	0.02	0.00	2.69	3.68

[our principles](#)
doing more with less

[message from management](#)
our employees

[about this report](#)
social investment

[our products and technologies](#)
adjacent information

[profile and strategy](#)
GRI index

[corporate governance](#)
credits

[how we produce our products](#)

SOCIAL INVESTMENT



GRI G4 EC8 | SO1

We believe that we have an important role in all the communities where we operate, because together we're able to transform realities. Accordingly, we make every effort to engage our employees in social projects that bring benefits to people that live near our plants and offices around the globe.

In 2014, aligned to our global social investment policy, we planned and executed various social projects that contributed to the well-being of more than 37,000 people in the community. During this period, we invested US\$ 245,008 and offered 10,294 hours of community service, with actions such as Embraco Ecology Award – which this year reached its 22nd edition – the Embraco Volunteer program and Global Volunteer Day. Actions like this generate competitive advantage for us and contribute to build a better business and a better world.

PRIVATE SOCIAL INVESTMENT (US\$)

Unit	2012	2013	2014
Brazil	241,402	190,710	149,858
United States	2,550	8,700	2,025
Slovakia	52,198	62,173	59,034
China	7,103	6,600	7,403
Mexico	1,500	14,500	15,544
Italy	91,228	2,533	11,144
TOTAL	395,982	285,216	245,008

Embraco Ecology Award

In 2014, we held the 22nd edition of the Embraco Ecology Award, which aims at fostering environmental education between public and private schools in the city of Joinville, Santa Catarina (Brazil). Through this award, we seek to stimulate the municipality's community to think of ways to use less water and energy, improve acoustic comfort, among other solutions that benefit the environment.

The award is divided into the categories Action and Transformation, with the winners receiving, respectively, R\$ 8,000 and R\$ 24,000 to develop their project. In the last edition five institutions were awarded:

Action category:

- CEI Amandos Finder
- CEI Infantil Estrelinha Brilhante
- CEI Meu Pequeno Mundo
- CEI Miosótis

Transformation category:

- CEI Espinheiros

In addition to the monetary value, the Embraco Ecology Award offers support to the winners' activities, such as monthly monitoring of projects by consultants specialized in Environmental Education, training workshops for the projects' coordinating team in schools, visits by Embraco to check the projects' progress and to publish the bimonthly magazine called Ambiente-se, which aims to disseminate the actions that are being implemented by schools.

For more information on the Award access the blog www.premioembracoecologia.wordpress.com or our [site](#).



Global Volunteer Day

Global Volunteer Day is a global event that seeks to value the beauty of the communities and, through volunteer work, aims to transform reality by constructing a dream. Using the Oasis methodology, we try to understand what the main needs of the communities in which we operate are, assessing what actions can be carried out.

The program encourages our employees to set aside one or two days a year to work in a specific place, doing different activities that directly benefit the population. In 2014, the activities carried out included:

Joinville

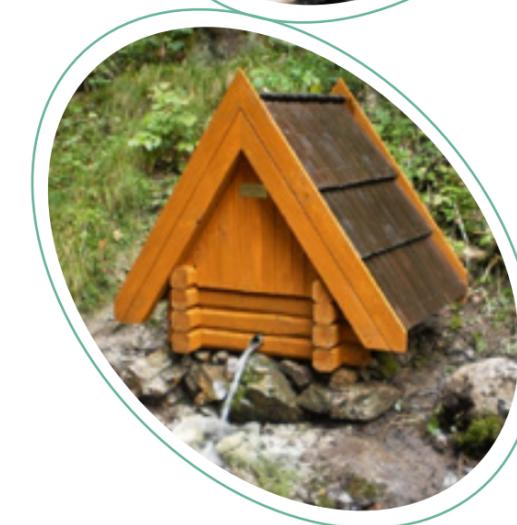
Held at the Mayor Luiz Gomes Municipal School, volunteers built an educational garden in the shape of a Mandala, painted the facade, the walls, pillars, benches, handrails, among other things, cleaned up the facades and interior spaces, and revitalized green spaces such as gardens, playgrounds and parking lot.

The action counted on 120 people on the first day and 180 the second, the vast majority of them Embraco employees – which together with the school personnel, parents and students carried out the proposed activities. In addition to volunteers, the event had the support of government agencies and companies which provided supplies and equipment.

Itaiópolis

About 70 people (of these, 52 are our employees) participated in actions in Angels of Tomorrow Municipal School. The volunteers' activities included gardening, garden and fence maintenance along with painting different items, building a doll house, cleaning the school internally and externally, creating a TV and reading room from recyclable materials, building a storage area for scrap materials.

- **China:** more than 50 volunteers helped the local community paint and renovate walls and organize inventory.
- **Slovakia:** our more than 60 volunteers made improvements in the Slovak Paradise National Park, such as renovating the water spring and garbage collection. The goal is to make it a more attractive and comfortable place for tourists. In 2013, it was visited by approximately 3400 people.
- **Mexico:** we worked in the Guadalupe Zuno Arce elementary school, by restoring benches and concrete tables, restoring water drains, water pumps and lighting, among other activities. Also, we conducted 5S training for teachers. Approximately 30 employees participated in the action.



Environmental Network

In 2014, we were part of, for the second consecutive year, the Embraco Environmental Network, a shared initiative with the government, public schools and private entities, and developed for children and youths from the municipality of Itaiópolis (SC, Brazil), to create actions that contribute to building a more sustainable world.

In this second edition, more than 3,500 students from 17 institutions were involved in the project, which had as themes School Gardens As Educating Spaces and Consumer Awareness. Students participated in educational activities and were involved in programs such as Health in Schools and Selective Trash Collection (both of government origin). To support the children and youths, consultants specialized in environmental education were appointed and learning meetings and training activities were conducted – such as lectures and workshops.

During the work, the schools sent a monthly report with the activities developed – published in the blog <https://redeambientalitaioipolis.wordpress.com> – and at the end of the year, there was a closing event, which aimed to share experiences and integrate participants, and a recipe book was released on the Network, published and made available by us to all Network participating educational institutions.

Social Investment in Slovakia

In Slovakia, four elementary schools and four kindergartens from the Spisska Nova Ves district received financial support for their projects carried out which had as the theme Ideas for Volunteering (the projects from these schools received the Embraco Ecology Award).

Among the projects that stood out is the “eco-handcrafts” – which included traditional farming, beekeeping and soap production – a project that aims to eliminate the plants that cause allergies from a particular neighborhood, and an initiative to restore a chapel.

“OUR CITY”

During two days in June, 192 volunteers (among them 40 Embraco employees) carried out several actions to benefit 13 cities in Slovakia. Among the voluntary actions conducted by Our City's 4th edition – event of voluntary actions that has Embraco's support – fences were painted and trees planted by people with disabilities.



our principles
doing more with less

message from management
our employees

about this report
social investment

our products and technologies
adjacent information

profile and strategy
GRI index

corporate governance
credits

how we produce our products

ADJACENT INFORMATION

Direct and indirect global energy consumption

GRI G4 EN3 EN4



ENERGY CONSUMPTION (GJ) - COMPRESSOR UNITS												
	China		Italy		Slovakia		Brazil		Mexico		Total	
Direct energy	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014
Natural gas	68,606	57,028,93	52,841	43,025	114,796	112,255	206,330	205,662	39,276	60,286	481,849	478,256
LPG	0	0	0	0	0	0	5,880	5,286	0	0	5,880	5,286
Methanol	0	0	0	0	0	0	0	444	0	0	0	444
Diesel oil	220	0	0	20	2,006	651	1,926	1,849	37	37	4,189	2,556
Gasoline	1,449	0	0	0	1,801	0	131	164	2	2	3,383	166
Propane	0	0	0	0	0	22	0	0	0	0	0	22
Ethanol	0	11,0143	0	0	0	21	0	0	0	0	0	32
Kerosene	0	70,686	0	0	0	27	0	82	0	0	0	181
Subtotal	70,275	57,111	52,841	43,044	118,603	112,975	214,267	213,486	39,315	60,326	495,301	486,941
Indirect energy	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014
Electricity	110,224	97,660	43,412	36,358	126,749	125,372	361,046	377,045	56,451	76,613	697,883	713,047
TOTAL	110,224	97,660	43,412	36,358	126,749	125,372	361,046	377,045	56,451	76,613	697,883	713,047

ENERGY CONSUMPTION (GJ) - OTHER UNITS												
	Components		Foundry		Brazil (electronics)		China (electronics)		United States		Total	
Direct energy	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014
Natural gas	0	0	12,105	11,572	0	0	0	0	2,003	2,254	14,108	13,826
LPG	4,235	4,447	3,367	3,647	0	0	0	0	0	0	7,602	8,094
Methanol	393	418	0	0	0	0	0	0	0	0	393	418
Diesel oil	22	30	1,168	175	0	0	0	0	0	0	1,190	204
Gasoline		0	0	0	0	0	0	0	0	0	0	0
Propane	4,109	4,258	0	0	0	0	0	0	0	266	4,109	4,524
Ethanol		0	0	0	0	0	0	0	0	0	0	0
Kerosene		0	0	0	0	0	0	0	0	0	0	0
Subtotal	8,759	9,153	16,640	15,393	0	0	0	0	2,003	2,520	27,402	27,066
Indirect energy	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014
Electricity	14,971	16,864	218,836	220,485	6,733	6,050	6,044	6,186	1,822	1,192	248,405	250,778
TOTAL	14,971	16,864	218,836	220,485	6,733	6,050	6,044	6,186	1,822	1,192	248,405	250,778

Emissions

GHG EMISSIONS (tCO₂)* – COMPRESSOR UNITS

	China		Italy		Slovakia		Brazil		Mexico		Total	
	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014
Direct emissions	5,408	4,300	2,954	2,366	7,213	6,214	17,335	18,102	2,143	3,324	35,053	34,306
Indirect emissions	30,682	16,277	5,831	4,878	8,872	8,776	9,650	14,122	9,408	10,619	64,444	54,672
Total	36,091	20,577	8,785	7,224	16,085	14,990	26,985	32,224	11,551	13,944	99,497	88,958

GHG EMISSIONS (tCO₂)* – OTHER UNITS

	Components		Foundry		China (electronics)		United States		Total	
	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014
Direct emissions	563	576	1,009	920	0	69	0	4	1,619	1,568
Indirect emissions	400	637	5,856	8,287	1,683	1,258	316	207	8,436	10,389
Total	964	1,214	6,865	9,207	1,683	1,327	316	211	10,056	11,958

Water consumption GRI G4 EN8

WATER CONSUMPTION (M³) - COMPRESSOR UNITS

	China		Brazil		Italy		Slovakia		Mexico		Total	
	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014
Wells	0	0	139,631	106,907	30,298	17,481	0	0	0	0	169,929	124,388
Water supply networks	118,336	109,108	73,037	92,837	10,743	7,318	86,688	84,430	76,282	85,583	365,085	379,276
Total	118,336	109,108	212,668	199,744	41,041	24,799	86,688	84,430	76,282	85,583	535,014	503,664

WATER CONSUMPTION (M³) - OTHER UNITS

	Components		Foundry		Brazil (electronics)		China (electronics)		United States		Total	
	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014
Wells	11,238	5,196	88,524	77,614	0	0	3,757	0	0	0	103,519	82,810
Water supply networks	4,040	7,257	11,126	19,286	2,240	1,447	0	3,566	3,243	0,05	20,649	31,556
Total	15,278	12,453	99,650	96,900	2,240	1,447	3,757	3,566	3,243	0,05	124,168	114,366



Water discharge GRI G4 EN22

DISCHARGE OF EFFLUENTS (M₃) - COMPRESSOR UNITS

	Brazil		Italy		Mexico		Slovakia		China		Total	
	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014
	Return to collection point	146,782	105,868	38,989	0	0	0	79,345	79,392	50,869	0	315,985
Public sewage system	0	0	0	0	0	52,231	0	0	0	52,521	0	104,752
Evaporation	28,343	28,145	2,052	0	1,086	27,471	0	0	0	14,996	31,481	70,612
Irrigation	38,972	38,702	0	0	217	24,968	0	0	0	29,486	39,189	93,156
Total	214,097	172,715	41,041	0	1,303	104,670	79,345	79,392	50,869	97,003	386,655	453,780

DISCHARGE OF EFFLUENTS (M₃) - OTHER UNITS

	Components		Foundry		Brazil (electronics)		China (electronics)		Total		Total	
	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014
	Return to collection point	8,601	8,498	63,777	42,734	2,240	0	3,757	0	78,375	51,232	315,985
Public sewage system	0	0	0	0	0	1,447	0	3,566	0	5,013	0	104,752
Evaporation	1,035	996	12,265	12,009	0	0	0	0	13,300	13,005	31,481	70,612
Irrigation	3,364	3,237	3,679	22,818	0	0	0	0	7,044	26,055	39,189	93,156
Total	13,001	12,731	79,721	77,561	2,240	1,447	3,757	3,566	98,719	95,305	386,655	453,780

Water reuse GRI G4

WATER REUSE IN 2014 (M₃) - COMPRESSORS UNITS

	China	Brazil	Italy	Slovakia	Mexico	Total
Total volume	29,486	152,091	0	0	38,935	220,512
% reused	21.28	43.23	0	0	31.27	30.45

WATER REUSE IN 2014 (M₃) - OTHER UNITS

	Components	Foundry	Brazil (electronics)	China (electronics)	United States	Total
Total volume	0	23,185	0	0	0	23,185
% reused	0	19.31	0	0	0	16.83



Non-hazardous and hazardous waste GRI G4 EN23 | EN25

TOTAL WASTE (t) - COMPRESSOR UNITS												
Non-hazardous waste	China		Brazil		Italy		Slovakia		Mexico		Total	
	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014
Economic recycling	7,914	5,277	50,168	51,219	5,006	3,443	19,701	19,767	6,150	8,676	88,939	88,382
Environmental recycling	229	168	73	535	544	403	2	139	726	739	1,574	1,984
Incineration	0	0	0	0	0	0	0	0	0	0	0	0
Landfill	842	883	1,317	1,154	7	128	563	513	70	121	2,799	2,799
Construction/remedial waste	0	0	0	0	0	0	0	0	0	0	0	0
Subtotal	8,985	6,328	51,558	52,908	5,557	3,974	20,266	20,418	6,946	9,536	93,312	93,165
Hazardous waste	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014
Economic recycling	23	16	226	226	0	0	52	49	0	0	301	291
Environmental recycling	6	1	61	67	23	49	1,705	1,687	151	33	1,946	1,837
Incineration	32	68	635	550	0	0	0	0	60	52	727	671
Landfill	58	0	78	92	219	89	291	226	58	91	704	499
Subtotal	119	85	1,000	935	242	139	2,048	1,962	269	176	3,678	3,297

TOTAL WASTE (t) - OTHER UNITS												
Non-hazardous waste	Components		Foundry		Brazil (electronics)		China (electronics)		United States		Total	
	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014
Economic recycling	707	753	126	196	0	0	18	46	0	0	851	994
Environmental recycling	48	41	2	0	1	100	0	0	0	1	51	142
Incineration	0	0	0	0	0	0	0	0	0	0	0	0
Landfill	60	33	13,840	13,611	1	7	2	2	0	54	13,903	13,707
Subtotal	815	827	13,968	13,806	2	107	20	48	0	55	14,805	14,843
Hazardous waste	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014
Economic recycling	13	22	3	0	83	0	0	0	0	0	99	22
Environmental recycling	4	4	3	2	0	0	0	0	0	0	7	6
Incineration	6	4	19	13	0	0	2	13	0	0	27	31
Landfill	6	4	51	40	0	5	0	0	0	0	57	50
Subtotal	29	34	76	56	83	5	2	13	0	0	190	108

our principles
doing more with less

message from management
our employees

about this report
social investment

our products and technologies
adjacent information

profile and strategy
GRI index

corporate governance
credits

how we produce our products

GRI INDEX

PROFILE		
Ref.	Description	Direct response or indication on page
PROFILE 1. STRATEGY AND ANALYSIS		
G4-1	Statement from the most senior decision-maker about the relevance of sustainability to the organization	Message from management
G4-2	Description of key impacts, risks and opportunities	Principles that unite and define us
2. ORGANIZATIONAL PROFILE		
G4-3	Name of the organization	Profile and strategy
G4-4	Primary brands, products, and/or services	Profile and strategy
G4-5	Location of organization's headquarters	Profile and strategy
G4-6	Number of countries where the organization operates	Profile and strategy
G4-7	Nature of ownership and legal form	Whirlpool S.A. compressor unit
G4-8	Markets served	Profile and strategy
G4-9	Scale of the organization	Profile and strategy
G4-10	Profile of the workforce	Answered in text
G4-11	Percentage of employees covered by collective bargaining	Respecting labor relations
G4-12	Description of company's supply chain	Suppliers
G4-13	Significant structural changes during the reporting period	Profile and strategy
G4-15	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses	Our commitment to the planet
G4-16	Significant participation in advocacy associations and/or national/international entities in which the organization: has seats in groups responsible for corporate governance; participates in projects or committees; contributes with substantive funding beyond the basic rate as an associated organization	Fostering our sector's development

PROFILE		
Ref.	Description	Direct response or indication on page
3. IDENTIFIED MATERIAL ASPECTS AND LIMITS		
G4-17	List of entities included in the financial statements	Due to strategic reasons, this information is not disclosed
G4-18	Process to define report content and boundary	About this Report
G4-19	List of material aspects identified in the content definition process	About this Report
G4-20	Limit of each material aspect for the organization	About this Report
G4-21	Limit of each material aspect outside the organization	About this Report
G4-22	Explanation of the effect of any re-statements of information provided in earlier reports	Doing more with less / Our employees
G4-23	Significant changes from previous reporting periods in the scope, limit of aspects addressed	About this Report
4. STAKEHOLDER ENGAGEMENT		
G4-24	List of stakeholder groups engaged by the organization	About this Report
G4-25	Basis used to identify and select stakeholders for engagement	About this Report
G4-26	Approach adopted by the company to engage stakeholders and frequency of engagement	About this Report
G4-27	Main topics raised during the stakeholder engagement and measures adopted by the company to address them	About this Report
5. PROFILE OF REPORT		
G4-28	Reporting period	About this Report
G4-29	Date of most recent previous report	About this Report
G4-30	Reporting cycle	About this Report
G4-31	Contact data for questions regarding the report	Credits
G4-32	Option for applying (core or comprehensive) GRI index guidelines and external verification	This report complies with the G4 Core option Guideline

PROFILE		
Ref.	Description	Direct response or indication on page
6. GOVERNANCE		
G4-34	Governance structure, including committees	Corporate Governance
G4-37	Consultation processes used between stakeholders and the highest governance body in regard to economic, environmental and social topics. If the consultation is delegated to other structures, organs or persons, indicating the existing feedback processes to the highest governance body	Whirlpool S.A. holds an annual meeting with its shareholders. Additionally, it also has a permanent communication channel available, which can be accessed by the site, by phone and by email.
G4-38	Composition of the highest governance body and its committees by:	Corporate Governance
G4-39	Indicate whether the president of the highest governance body is also an executive officer	Not applicable
G4-40	Selection and appointment processes to the highest governance body and its committees, including whether factors such as diversity, independence, knowledge and experiences and involvement of stakeholders (including shareholders) are considered	All members of our governance bodies are elected according to the Bylaws and local law. As selection criteria competences and knowledge about the company and its business are taken into account.
G4-41	Processes of the highest governance body to ensure prevention and management of conflicts of interest	Ethics and transparency
G4-48	Organ or position of the highest level that analyzes and formally approves the organization's sustainability report and ensures that all material aspects are addressed	Vice Presidency of Communication and Sustainability
G4-49	Process used to communicate critical concerns to the highest governance body.	Whirlpool S.A. holds an annual meeting with its shareholders. Additionally, this public has a permanent communication channel available, which can be accessed by the site, by phone and by email.

PROFILE		
Ref.	Description	Direct response or indication on page
7. ETHICS AND INTEGRITY		
G4-56	Organizational values, principles, standards and norms of behavior, such as conduct and ethics codes	Mission, vision and values
G4-57	Internal and external mechanisms adopted by the organization to seek guidance on ethical behavior and in accordance with the law, such as relationship channels (ex .: ombudsman)	All our employees can find on the Intranet the Code of Ethics, global compliance policies and a Question and Answer section on the subject. In addition, the Legal office, Human Resources area and managers of each area are always accessible, being a point of reference in providing information about behavior, if and when requested.
G4-58	Internal and external mechanisms adopted by the organization to communicate concerns about unethical behavior or incompatible with the legislation and issues related to organizational integrity, such as routing concerns by the hierarchical pathways, mechanisms to report irregularities and complaint channels	The company establishes different channels to receive any report. Each employee can report their concerns directly to upper management, to HR or legal. In addition, Embraco's units have boxes where information written on a paper can be deposited anonymously. You can learn more information on page 22.

PERFORMANCE		
Ref.	Description	Direct response or indication on page
ECONOMIC PERFORMANCE		
EC3	Coverage of pension plan obligations defined that the organization offers	People who make Embraco
EC5	Variation in proportion of lowest wage compared to local minimum wage in significant operational units.	Answered in text
EC6	Proportion of upper management hired from the local community in significant operating units	Answered in text
EC8	Significant indirect economic impacts, including the extent of impacts	Private Social Investment
ENVIRONMENTAL		
EN3	Energy consumption inside the organization	Doing more with less energy / Direct and indirect global energy consumption
EN4	Energy consumption outside the organization	Doing more with less energy / Direct and indirect global energy consumption
EN5	Energy intensity	Doing more with less energy
EN6	Reduction of energy consumption	Doing more with less energy
EN7	Reductions in energy requirements related to products and services	Energy efficiency
EN8	Total water withdrawal by source	Doing more with less water / Water consumption
EN10	Percentage and total volume of water recycled and reused	Water reuse
EN16	Indirect emissions of greenhouse gases (GHG) from the acquisition of energy (Scope 2)	Doing more with less emissions / Emissions
EN22	Total water discharge, broken down by quality and destination	Water discharge / Water discharge
EN23	Total weight of waste, broken down by type and disposal method	Doing more with less waste / Non-hazardous and hazardous waste
EN25	Weight of waste transported, imported, exported or treated deemed hazardous under the Basel Convention, Annexes I, II, III and VIII, and percentage of waste transported internationally	Doing more with less waste / Non-hazardous and hazardous waste
EN28	Percentage of products and their packaging recovered in relation to the total products sold, by product category	Nat.Genius

PERFORMANCE		
Ref.	Description	Direct response or indication on page
EN29	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations	In 2014 we didn't receive fines for noncompliance with environmental laws and regulations.
EN32	Percentage of new suppliers selected based on environmental criteria	Environmental criteria are contained in our code of conduct. 100% of our suppliers are adhering to the document.
EN34	Number of complaints and grievances related to environmental impacts filed, processed and resolved through a formal mechanism	In 2014 we didn't receive complaints and/or claims related to environmental impacts.
SOCIAL: LABOR PRACTICES AND DECENT WORK		
LA1	Total and rates of new hires of employees and turnover by age group, gender and region	People that make Embraco
LA5	Percentage of workforce represented in formal health and safety committees, consisting of employees from different hierarchical levels, which help monitor and orientate health and safety programs at work	Brazil units have 92 CIPA members, 40 in the compressor unit, 14 in the foundry, 22 in the component plant and 16 in the electronics plant. More information on page 50.
LA6	Rates of injury, occupational illnesses, days away, absenteeism and work-related fatalities by region and gender	Indicators

PERFORMANCE		
Ref.	Description	Direct response or indication on page
LA8	Themes related to health and safety covered by formal agreements with unions	<p>Brazil: Every employee, after a 60 day INSS leave period, has job stability according to the company's union agreement.</p> <p>Beijing: The company must ensure working conditions and health and safety facilities in accordance with Chinese standards and provide personal protective equipment (PPE) for employees.</p> <p>Slovakia: Agreement issues are: legal requirements for safety, such as the evaluation of PPE and uniforms depending on risk; periodic medical examination according to the workplace; periodic protection training against fire safety; and periodic meeting with representative safety members (43 employees).</p> <p>Mexico: The company must ensure and provide equipment for personal protection as well as all conditions for Health and Safety mentioned in the federal labor legislation</p> <p>United States: There is a process to ensure that all employees comply with federal regulations regarding health and safety. Embraco provides all PPE and health insurance.</p>
		Corporate education
		We offer different training options for our employees, however, none of them is focused on preparing for retirement.
		Professional development
LA9	Average hours of training per year per employee, broken down by gender and job category	
LA10	Competence and continuous learning management programs that support the continued employability of employees in preparation for retirement	
LA11	Percentage of employees receiving regular performance and career development analysis, broken down by gender and job category	

PERFORMANCE		
Ref.	Description	Direct response or indication on page
LA12	Composition of groups responsible for corporate governance and breakdown of employees by category, according to gender, age group, minorities and other diversity indicators	Diversity
LA14	Percentage of new suppliers selected based on criteria relating to labor practices	Criteria relating to labor practices are contained in our code of conduct. 100% of our suppliers are adhering to the document.
LA15	Real significant negative and potential impacts for labor practices in the supply chain and measures taken in this regard	We have no evidence of negative impacts regarding labor practices in our supply chain. However, we are mapping all suppliers that may receive some sort of material from a conflict zone.
SOCIAL: HUMAN RIGHTS		
HR1	Percentage and total number of significant investment contracts that include clauses on human rights or that have undergone screening on human rights	Suppliers
HR3	Total number of incidents of discrimination and actions taken	In 2014 there were six formal cases in our plant in Mexico. They were reported through our reporting channel and were properly analyzed by the Ethics Committee.
HR5	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to eliminating child labor	We have no evidence of operations with significant risk of child labor occurrence.
HR6	Operations identified as having significant risk for incidents of forced or slave-like labor and measures taken to contribute to the elimination of forced or slave-like labor	In 2014 there were no occurrences like this, however we are mapping together with our appliance unit the entire supply chain to ensure eradication of this form of slave-like and slave labor.
HR10	Percentage of new suppliers selected based on criteria relating to human rights	Suppliers
HR11	Real significant negative and potential impacts on human rights in the supply chain and measures taken in this regard	There were no evidenced real or potential cases with regard to human rights in the supply chain during the period covered by the report.

PERFORMANCE		
Ref.	Description	Direct response or indication on page
SOCIAL: SOCIETY		
S01	Percentage of operations with implemented local community engagement, impact assessments, and development programs	Social investment
S03	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	Combating corruption
S04	Communication and training on anti-corruption policies and procedures	All newly hired employees receive training on global compliance policies that include issues related to combat corruption.
S05	Confirmed incidents of corruption and actions taken	In 2014, there were no reported cases of corruption in our units.
S06	Total value of political contributions by country and recipient/beneficiary	We did not contribute financially to political parties in 2014.
S07	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	In 2014 we did not receive lawsuits of this nature.
S08	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	For strategic and legal reasons Embraco does not report this indicator.
S011	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms	In 2014 no complaints and claims of this nature were recorded.
SOCIAL: PRODUCT RESPONSIBILITY		
PR1	Percentage of categories of significant products and services where impacts on health and security are assessed, seeking improvements	Product safety
PR3	Type of information on products and services required by labeling procedures, and the percentage of products and services subject to such requirements	Product labeling

PERFORMANCE		
Ref.	Description	Direct response or indication on page
PR5	Results of customer satisfaction survey	Customers
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion and sponsorship by type of outcomes	In 2014 there were no cases of non-compliance with regulations and voluntary codes concerning communication.
PR8	Total number of substantiated complaints regarding breaches of customer privacy and customer data loss	In 2014 there were no cases of non-compliance regarding the violation of privacy and customer data loss.
PR9	Monetary value of fines (significant) for non-compliance with laws and regulations concerning the supply and use of products and services	In 2014 we did not receive fines for non-compliance with laws and regulations concerning the supply and use of products and services.

our principles
doing more with less

message from management
our employees

about this report
social investment

our products and technologies
adjacent information

profile and strategy
GRI index

corporate governance
credits

how we produce our products

CREDITS

CREDITS

GRI G4-31

General coordination

Embraco – Corporate Communication and Sustainability

Writing, GRI Consulting, Layout, Review and Production

RICCA RI

Photos

EMBRACO ARCHIVE

Embraco Corporate Communications and Sustainability

Rua Rui Barbosa, 1.020, caixa postal 91

CEP: 89219-901

Joinville – Santa Catarina, Brazil.

If there are doubts, suggestions or comments about the content of the report, contact us by email comunicacao@embraco.com.