



SAFETY SUMMARY 2009

**Report on main occupational
health and safety activities and
indicators**



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1 Management of Occupational Health and Safety in the EDP Group

1.1 Context

Occupational health and safety is an essential element in the EDP Group's sustainable development. The importance EDP places on this issue goes beyond compliance with legal requirements and is made explicit in EDP's safety policy, which is geared towards the strategic objective of 'Zero accidents, no personal injuries'.

In order to manage this strategic objective better, an Occupational Health and Safety Management System has been adopted, based on standard OHSAS 18001 and following the directives of the International Labour Organisation as set forth in ILO-OSH 2001 and Convention no. 155 on Occupational Health and Safety.

1.2 EDP Occupational Health and Safety Responsibilities

The 'EDP Safety Policy' demonstrates EDP's commitment to Operational Safety Management in terms of continuous improvement and in the belief that working in a safe and healthy environment is an instrumental factor in employee satisfaction and contributes significantly to achieving successful results.

Responsibility for preventing and controlling occupational risks lies with the business units' senior management and is integrated into the hierarchical chain.

Where occupational health is concerned, our in-house occupational medicine services are responsible for monitoring employees' health, by performing medical checkups, promoting health education and checking workplace conditions and first aid equipment.

The Accident Prevention and Safety Committee, which includes senior management representatives from the Group companies associated with high-risk activities, supports EDP's Executive Board of Directors in defining strategic objectives and managing safety.

A corporate Occupational Health and Safety structure supports the Accident Prevention and Safety Committee and the Executive Board of Directors in the coordination and management of occupational health and safety in the EDP Group. Initiatives are then implemented locally by the business units' Accident Prevention and Safety Services.

1.3 Corporate Safety Management System

EDP's Corporate Safety Management System follows ILO recommendation ILO-OSH 2001 and the model provided by benchmark standard OHSAS 18001:2007, reinforcing the principle that occupational health and safety issues should be managed across the EDP Group companies according to common and standardised criteria.

Locally, each company/organisational unit adopts the Corporate Management System directly or uses it as a reference to develop its own specific safety management system, or one that is integrated into the areas of environment and/or quality, depending on its activity.

Objective for 2010-2011:

- To build a multi-country Corporate Safety Management System.

2 Most important initiatives implemented in 2009

EDP's 2009 safety programme was implemented on the ground through a vast range of initiatives to eliminate accidents and occupational illnesses. These included training and ongoing risk evaluation and management, with the participation and contribution of employees, as well as a programme of internal and external inspections and audits.

2.1 Training of employees and external service providers

Providing employees and service providers with the proper conditions for sustainable development in terms of occupational safety is one of the commitments expressed in EDP's Safety Policy and Code of Ethics. Its implementation involves an extensive training programme covering safety issues. The breakdown for EDP Group employees is as follows:

Country	Number of Courses	Employees involved	Hours of Training
Portugal	480	4415	11846
Spain	281	2373	14636
Brazil	46	1107	34056
USA	16	45	247 (estimate)
Total	823	7940	60785

Around 237,296 hours of training and awareness-raising on occupational health and safety were delivered to employees of service providers, covering 4,571 people.

NB: In Portugal, these figures include training registered on the system (PFM) and training/awareness-raising delivered on-site for each company, which represents a very significant proportion for service providers. No figures were entered onto the system in the USA, so those presented relate to unregistered on-site training.

In addition to the training mentioned above, 89 first aid training courses were delivered to 1,002 employees across the EDP Group.

In cooperation with fire departments, vocational and secondary schools, business associations and unions, 136 information initiatives were run across the EDP Group on the precautions and procedures to follow in fire-fighting situations in electricity installations, or locations nearby, and in gas networks and installations.

Priorities for 2010:

- Approve and implement the Qualification System for Basic Safety Training Courses.

2.2 Alcohol Prevention and Control Policy

EDP's Alcohol Prevention and Control Policy was approved and authorised in 2009, together with the regulations governing its application.

Priorities for 2010-2011:

- Training and awareness-raising on the prevention of alcohol and drug addiction, as part of the implementation of the Alcohol Prevention and Control Policy.

2.3 Emergency response preparation

In terms of emergency response management, 96 drills were carried out in response to accident scenarios at various industrial and administrative facilities across the EDP Group (31 in Portugal, 43 in Spain, 11 in Brazil and 11 in the USA). These were designed to test the effectiveness of their internal emergency plans, which involved external entities such as civil protection units, the fire department and police and public safety authorities.

2.4 Safety Certifications

In the Portuguese electricity sector, total installed capacity certified according to Safety Management Systems that are recognised by international standards (OHSAS 18001:2007) comes to 9018.7 MW. In Spain, this figure is 1658.4 MW.

In the gas sector, Naturgas is certified for occupational health and safety in all workplaces and facilities according to standard OHSAS 18001:2007.

Objectives for 2010:

- Maintain the certification of EDP Produção, HC and NEO power plants in accordance with standard OHSAS 18001:2007.
- Integrate the Safety Management System with the Environmental Management System in place at EDP Gás.

2.5 Employee participation

The Occupational Health and Safety Regulations stipulate the formation of Occupational Health and Safety Committees and Subcommittees within companies and larger business units.

These safety committees and subcommittees are joint and including both company representatives and workers' representatives for occupational health and safety issues, elected according to established legal requirements, and they meet as often as deemed necessary.

Elections for workers' representatives for OHS issues for the three-year period 2009-2012 were held in 2009 across the various companies forming the EDP Group. 90 workers were elected, representing around 93% of EDP's workforce.

Structures were also formed to represent workers on OHS issues in Spain, the United States and Brazil, ensuring that 100% of workers in all three countries are represented.

2.6 EDP Catalogue of Work Apparel and Protection Equipment

An EDP catalogue to standardise work apparel and protection equipment specifications was developed as part of the SharEdp Project, in partnership with the gas and electricity divisions in Spain and Portugal.

In order to improve occupational safety conditions, in particular for those activities most exposed to electrical risk and risk of explosion, fire-resistant and anti-static work apparel to protect against electric arc burns were chosen for use.

2.7 EDP Accident Prevention and Occupational Safety Awards

To strengthen its culture of prevention and safety, EDP created an Annual Accident Prevention and Occupational Safety Award in 2009 to single out employees and service providers who distinguished themselves in 2008 with their contribution to consolidating EDP's accident prevention culture.

2.8 EDP Sports and Physical Fitness Award

The EDP Sports and Physical Fitness Award was presented for the fifth time in 2009. This award selected 12 employees who distinguished themselves in amateur sports over the course of 2008, by participating in competitions and tournaments or other physical fitness and healthy lifestyle programmes.

2.9 Contingency Plan for Pandemic Flu

EDP's Contingency Plan for the Influenza A pandemic was activated in response to the pandemic declaration issued by national and international health organisations.

The plan's implementation involved providing further information and raising staff awareness, employing stricter cleaning and disinfection procedures in the workplace and putting in place a vaccination plan to ensure the continuity of essential community and business services.

EDP's Contingency Plan was implemented with the participation and inclusion of service providers' employees.

Information for the public on EDP's Contingency Plan is available at www.edp.pt.

2.10 Awards and distinctions received

Two awards presented to EDP Group companies during 2009 deserve special mention:

- EDP Distribuição received the Working Conditions Authority (ACT) award for best OHS practice, for their Awareness Campaign on Isolating Electrical Installations, under the theme 'Connected to Life';
- HC received the PREVER National Accident Prevention Award.

2.11 Occupational Medicine (Portugal)

The highlights of the occupational medicine programme in 2009 were as follows:

- Completion of the plan to eliminate the backlog of medical examinations;
- Increase of 22% in regular examinations, as a result of eliminating the backlog;
- Increase of 35% in admission examinations;
- Reduction of 59% in occupational examinations, by virtue of the inclusion of one-off examinations for driving licence purposes in the regular examinations (previously performed separately, resulting in two separate medical acts);
- Running of campaigns to promote health and well-being in our most occupied buildings, with a view to preventing heart risk;
- Continuation of nutrition and stop-smoking programmes;
- Educational sessions delivered in the workplace as part of the Swine Flu prevention programme, covering over 3,000 employees;
- Start of postural correction consultations and treatments, with the first phase rolled out in Lisbon (Wellness EDP).

Summary tables of occupational medicine activity

Medical examinations	2008	2009
Admission	119	161
Regular	5192	6358
One-off	1640	674

Stop-smoking consultations	2008	2009
Employees enrolled in programme	49	35
Number of consultations	150	92

Nutrition Consultations	2008	2009
Employees enrolled in programme	206	210
Number of consultations	456	480

Other activities	2008	2009
Cardiovascular Tracking	1197	2540
Health education initiatives	20	25
Participation in Safety Committees	26	23

2.12 Accidents

This section presents a statistical analysis of the main Occupational Health and Safety indicators. These results reflect the actions and initiatives taken over the course of the year to improve operational safety conditions, in the form of training and awareness sessions, risk assessment and control, preventative action with service providers and stepping up the audit and inspection programme.

Forecast for 2010:

- Reduction of 10% in the work accident frequency rate for EDP employees and service providers.

Priorities for 2010:

- Organise themed away-days on accident prevention and safety at work, with the participation of service providers.
- Develop a training and coaching programme on safe behaviours, as part of the pilot project 'Connected to the Future' being run at EDP Distribuição, in partnership and with the specialised support of Dupont Safety Resources.

3 Summary of main occupational safety indicators

The following figures and graphics detail the main occupational safety results for the EDP Group in 2009, for their electricity and gas activities.

3.1 EDP Group (all countries)

● Rate of accidents resulting in sick leave across the Group - Summary

➤ EDP Group

- On-duty accidents⁽¹⁾ – 47 (76 in 2008) ⇒ (-38%)
- In-transit accidents – 29 (38 in 2008) ⇒ (-24%)
- Incidence rate⁽²⁾ – 3.9 (6.1 in 2008) ⇒ (-35%)
- Frequency rate⁽³⁾ – 2.3 (3.4 in 2008) ⇒ (-34%)
- Severity index⁽⁴⁾ – 144 (176 in 2008) ⇒ (-18%)

➤ EDP Group (Portugal)

- On-duty accidents – 32 (40 in 2008) ⇒ (-20%)
- In-transit accidents – 13 (22 in 2008) ⇒ (-41%)
- Incidence rate – 4.3 (5.2 in 2008) ⇒ (-17%)
- Frequency rate – 2.6 (3.1 in 2008) ⇒ (-16%)
- Severity index – 175 (173 in 2008) ⇒ (+1%)

➤ EDP Group (Spain)

- On-duty accidents – 7 (18 in 2008) ⇒ (-61%)
- In-transit accidents – 8 (5 in 2008) ⇒ (+60%)
- Incidence rate – 3.7 (9.6 in 2008) ⇒ (-62%)
- Frequency rate – 2.1 (5.5 in 2008) ⇒ (-61%)
- Severity index – 225 (146 in 2008) ⇒ (+54%)

➤ EDP Group (Brazil)

- On-duty accidents – 8 (18 in 2008) ⇒ (-56%)
- In-transit accidents – 8 (11 in 2008) ⇒ (-27%)
- Incidence rate – 3.5 (6.8 in 2008) ⇒ (-48%)
- Frequency rate – 1.7 (3.3 in 2008) ⇒ (-47%)
- Severity index – 23 (219 in 2008) ⇒ (-90%)

➤ EDP Group (United States)

- On-duty accidents – 0 (0 in 2008)
- In-transit accidents – 0 (0 in 2008)
- Incidence rate – 0 (0 in 2008)
- Frequency rate – 0 (0 in 2008)
- Severity index – 0 (0 in 2008)

(1) Accident occurring during work that leads to absence (sick leave) **of at least one day**, not counting the day of the accident.

(2) No. accidents per thousand workers

(3) No. accidents per million hours worked

(4) Days lost (temporary incapacity) per million hours worked

- **Fatal accidents**

- 1 fatal accident involving an EDP Group employee in Spain (**crushing**)
- 10 fatal accidents involving external service providers (6 in Portugal and 4 in Brazil)

Numbers and rates of accidents resulting in sick leave – Summary table

ACTIVITY/COMPANY	Number of on-duty accidents	On-duty accident rates		
		Ir	Fr	SI
PORTUGAL	32	4.30	2.60	175
SPAIN	6+1F	3.74	2.15	225
BRAZIL	8	3.48	1.74	23
UNITED STATES	0	0	0	0
EDP GROUP	46+1F	3.95	2.26	144

- **Near-misses**

For EDP, the discovery, analysis and correction of near-miss situations comprises an essential tool in helping to achieve its objectives and targets in terms of reducing risks and personal injuries during Group company operations. In this regard, EDP has developed a specific procedure as part of its Corporate Safety Management System, implemented in accordance with OHSAS 18001:2007.

37 near-misses were reported in EDP Group companies in Portugal during the course of 2009.

- **Occupational illnesses**

In Portugal in 2009, 3 cases of occupational illness were diagnosed, with only 1 resulting in incapacity.

4 Concepts and definitions

Work accident

A work accident is defined as 'an unforeseen incident during working hours that causes physical or psychological injury'. It includes incidents such as poisoning and those resulting from acts caused by third parties during working hours, even if off company premises.

It excludes deliberately self-inflicted injuries, accidents that occur in-transit to or from work, accidents due solely to medical reasons (such as heart attacks) and occupational illnesses.

The expression 'during working hours' should be understood to mean 'during a work activity or while on-duty', so includes road traffic accidents that occur during working hours.

Pursuant to ILO Resolution no. 16⁽¹⁾, all work accidents resulting in sick leave of more than one calendar day should be included in the accident statistics. In practice, this means that a work accident is included in the statistics if the victim is unable to work for more than one day (not counting the day of the accident), including Saturdays, Sundays, public holidays and the other days when they would not normally work.

Repeated absences due to a single accident (relapses) must be treated as a continuation of the initial case and not as new incidents. When an accident causes injury to more than one person, each case should be treated and counted separately.

In-transit Accident

In-transit accidents are understood to mean any accidents occurring on the normal route to or from home, the workplace and the dining area. Just as for work accidents, all in-transit accidents causing an absence from work of over one calendar day, or death, are counted. However, the in-transit accident figures must be presented separately from the work accidents.

Days lost due to work accidents

In order to assess the severity of the injury, lost time must be measured in terms of the number of calendar days (civil days) during which the victim is temporarily unable to work, based on the information available at the time when the statistics are compiled. If the time lost is measured in working days, the total number of calendar days lost must be calculated.

Lost time is measured counting from the day following the day of the accident, until the day preceding the return to work. Temporary absences of less than one day for medical treatment are not considered as time lost.

¹ Resolution on statistics for occupational injuries (due to work accidents), adopted by the 16th International Conference of Labour Statisticians organised by the International Labour Organisation (October 1998).

For statistical purposes, an accident case file is considered closed at the end of a civil year, so no accident can lead to over 365 lost days.

In this way, the total time lost is equal to the sum of the number of (civil) days of absence resulting from work accidents occurring during the reference period, plus the numbers of days lost due to accidents occurring during the preceding period for which the absence has extended into the new reference period without interruption.

Time lost due to permanent work incapacity or fatal injury may also be estimated. In these cases, the data must be collected and disclosed separately from the data for temporary work incapacity.

Hours worked

Sum of hours worked by permanent employees, including normal working hours and overtime, during the period under review. This includes time spent on vocational training courses and in occupational medicine consultations.

Frequency Rate

Number of fatal and non-fatal work accidents per million hours worked in the reference period.

Severity Index

Number of (civil) days lost due to work accidents per million hours worked in the reference period.

Incidence Rate

Number of fatal and non-fatal work accidents per thousand employees in the reference period.