



ENERGY AS THE NEW ART

OCCUPATIONAL HEALTH & SAFETY
2016

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The report presents an overview of the most relevant activities carried out in the EDP Group and the main consolidated indicators in 2016 regarding occupational safety and health.

This report complements the information on the main consolidated indicators in the EDP 2016 Annual Report and the EDP 2016 Social Report according to the Global Reporting Initiative standards (GRI - G4) - [EU 17, EU18, EU 25, G4-LA5, G4-LA6, G4-LA7, G4-LA8]

1. EDP Group occupational health and safety management

Review of the EDP Group's Safety Policy

Enhanced safety culture through the adoption of positive behaviours in occupational safety.

The occupational health and safety (OH&S) of all those who contribute to the pursuit of the Group's activities, employees and service providers, contractors or subcontractors, is deemed a key value and a priority for our success as a business Group.

It is a management commitment to pursue and build on a positive safety culture, in which every employee and service providers is engaged, and to promote it among the communities and all those who could be affected by the normal conduct of our activities.

In 2016, the EDP Group's Health and Safety at Work Policy was reviewed, not because the previous version was out of date in terms of commitments or guiding principles, which were retained, but in order to refresh and mobilize employees, service providers, customers and the community at large to engage in positive behaviours in occupational safety and thereby support the "Zero Accidents" approach to safety culture.

Safety is an integral part of the service and product quality of the companies within the EDP Group.

1.1. The EDP commitment

The corporate management of the EDP Group is determined to constantly strengthen the culture of occupational health and safety, by developing awareness, deepening willingness and making available the resources required for:

- Ensuring a healthy and safe working environment, by guaranteeing compliance with legislation as the minimum acceptable level;
- Promoting the training and information of employees on activity-related risks, raising their awareness to the need to comply with safety standards;
- Protecting facilities and equipment by adopting the best techniques, combined with monitoring and updating of operating procedures in order to eliminate or minimize risks to employees, service providers and all third parties who might come into contact with the EDP group's infrastructures.

The efficacy of the safety policy and the continuous improvement of the Group in the area of health and safety at work must be achieved with the involvement of all management levels and the support and contribution of all employees, service providers, suppliers and stakeholders. To this end, EDP requires all of its service providers to adopt practices in line with the principles of this policy.

This Occupational Health and Safety policy and the approved principles apply to all EDP Group companies.

Guidelines for occupational health and safety practice within the EDP group

1. Safety - understood as safety and health at work - is an integral part of the activity of the EDP Group companies and is present in every decision: in the design, construction, operation, HR management, procurement, customer relations, supplier relations and with the public at large.
2. Safety is an attitude and a will - inherent in everyone's activity - which is expressed at all times in the respect for and compliance with the legal requirements, standards, rules and procedures applicable, and in the initiative and contribution to its improvement.
3. Safety is a building block in line management, with line managers being responsible for enforcing regulations, undertaking a visible, permanent personal commitment, promoting training and information for their employees and controlling the working environment.
4. At all times and under any circumstances, each Company undertakes its activities aiming at "zero accidents" through the continuous improvement of safety management and performance, defining concrete goals for progress.
5. Safety at work should be achieved through the systematic analysis of risks, involving the workers and their representatives, as well as service providers, as applicable, so as to identify and address, in the preparation of the work, all risk situations that should converge to achieve acceptable levels of risk. If a job cannot be performed safely, it must not be carried out or must be suspended.
6. The systematic investigation and analysis of incidents - accidents and near-accidents - and identification of lessons learned are essential conditions for continuously improving the prevention of accidents at work and occupational illnesses.
7. No action shall be taken against any employee who expresses concern about an occupational health and safety matter or is involved in a near-accident, unless s/he has consciously and intentionally carried out an illegal action or ignored a safety rule or procedure.
8. Safety procedures must be kept up-to-date at all times in accordance with existing risks and the applicable local regulations.

No situation or urgent service can justify endangering a person's life.

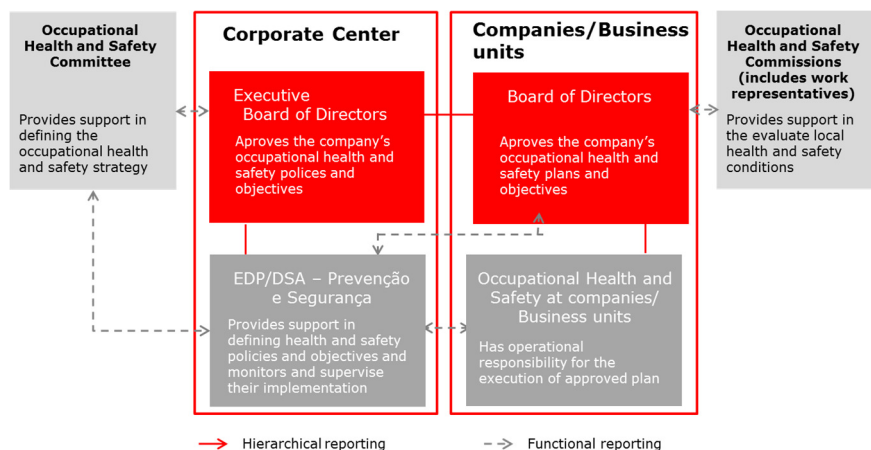
1.2. OH&S RESPONSIBILITIES

Occupational health and safety within the EDP Group demonstrates its commitment to a model of Management of Occupational Health and Safety based on continuous improvement and the conviction that working in a safe, healthy environment is instrumental for employee satisfaction and provides added value for successful results.

The responsibility for the prevention and control of labour risks lies with the top managers of the business management units and is part of the hierarchical chain.

Strategic coordination activities are ensured by a corporate structure that supports the Executive Board of Directors and the Accident Prevention and Safety Committee in defining strategic objectives and assessing results. In turn, the accident prevention and safety services in every company adopt the initiatives proposed and agreed locally.

The continuous improvement of the EDP Group's performance in the area of health and safety at work must be achieved with the involvement of all management levels and the support and contribution of all.



Regarding occupational health, internal occupational medical services are responsible for checking on the health of employees through medical exams, promoting sanitary education and checking conditions at work places and first aid equipment.

1.3. OH&S management systems

EDP'S Corporate Safety Management System

To better manage the strategic objectives of the Occupational Health and Safety Policy, EDP has adopted a Corporate Safety Management System (CSMS) which follows recommendation ILO-OSH 2001 of the International Labour Organisation, and the model provided by reference standard OHSAS 18001:2007, reinforcing the principle that Occupational Health and Safety issues are managed according to common, transversal criteria within the EDP Group companies.

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

EDP Comercial

Has certified the integrated management of the environment and of safety, covering all employees and activities.

Safety certifications

In 2016, the EDP Group had a total of 4,138 employees covered by OHSAS 18001:2007 certifications, a year on year increase of 22%, distributed as shown in the table below:

Geographical area	Employees covered (#)	% employees covered
Portugal	1195	18%
Spain	1892	100%
Brazil	732	23%
USA	184	44%
Rest of Europe	135	79%

The certification covers 94% of net installed capacity in production activities (Portugal 9,852MW, Spain 5,548MW, France/Belgium 458MW, Italy 144MW, Poland 418MW, Romania 1,251MW, Brazil 2,611MW and USA 3,934MW), 29% of transformation capacity in electricity distribution and 100% of activities undertaken in the gas sector.

Objective 2017

Maintenance of OHSAS 18001 certification of the CSMS and, depending on the companies, maintaining or obtaining certification of their own systems;

Objective 2020

Obtaining 100% of OHSAS 18001 (or equivalent) certification in the companies of the Group with activities deemed high risk in terms of occupational health and safety.

2. Most significant aspects and activities undertaken in 2016

The implementation of EDP's annual occupational health and safety (OH&S) plan was based on a set of actions aimed at preventing occupational accidents, as measured by a reduction in the frequency rates and the seriousness of accidents and occupational illnesses, and included training for EDP employees and service providers (brokers, contractors, sub-contractors, consultants...), the ongoing evaluation and control of labour risks and the implementation of an internal and external inspection and audit programme of EDP facilities and works.

The EDP's OH&S Plan (POAST) sets forth the commitments and initiatives undertaken by all the companies at EDP Group, for implementation of the 4 priority areas in matters of Prevention and Safety approved for 2016/17:

- Review / enhance management commitments;
- Reduce the likelihood of serious accidents by analysing dangerous situations and near-miss situations;
- Reinforce safety management of the supply chain;
- More rigorous work inspections with performance evaluation, performed by EDP or contracted teams

These priorities were established at Group level, by considering recent results and trends in the main KPIs for occupational health and safety, including, in particular, inputs from accident analyses and internal and external audits of safety management and works carried out for EDP.

The POAST was monitored quarterly by corporate management. Regarding the results, the degree of implementation was in line with expectations and no constraints were recorded. The following aspects were noted:

- Positive trend in key indicators at Group level.
- 88% increase in number of reports of near accidents / dangerous situations compared to 2015.

The main activities to be developed for 2017 in the EDP Group to strengthen the safety culture are initiatives associated with behaviours - encouraging and facilitating preventive management of service providers (SPs) (with the use of corporate tools that allow more effective monitoring of what is happening on the ground and the evaluation of service providers); proposal for the creation of performance indicators associated with occupational safety results.

2.1. EMPLOYEES AND SERVICE PROVIDERS TRAINING

[EU18]

One of the commitments laid down in EDP's Safety Policy and Code of Ethics is the concern with providing suitable conditions for the sustainable development of its employees and service providers (SPs) in matters of occupational safety.

For EDP employees, identification of training needs is carried out at the start of the activity or a new role and during the performance evaluation of employees.

This identification is made by agreement between the employee and their line manager and takes into account the prevention of risks that could arise from:

- Work activity;
- Change in employee's job;
- New workplace,
- New working equipment and/or changes to equipment;
- Use of new technologies, materials and/or products.

On admission, an employee's line manager ensures that they are informed and made aware of:

- EDP Group's Safety Policy and its application in the workplace;
- Associated work risks and operational means of control, including individual and collective protection;
- Workplace emergency and evacuation plan;
- Necessary job training requirements.

Service providers are obliged to respect the conditions set out in the specifications for occupational health and safety with regard to the training and qualification of their employees, so EDP considers that all employees of its service providers have received the training required to comply with their tasks in a safe manner.

In addition to the training delivered by their employers, the employees of service providers undertake jointly with EDP employees complementary actions on safe behaviour and specific risk prevention in certain activities or facilities.

In 2016, training delivery on occupational health and safety for EDP employees relied on an extensive programme which comprised:

Geographical area	No. of courses	Employees involved	Hours of training	Hours Training / Employees
Portugal	219	1,799	11,432	6.35
Spain	447	2,676	9,706	3.63
Brazil	171	3,554	40,329	11.35
USA	295	2,679	5,958	2.22
Rest of Europe	65	211	1,414	6.70
EDP Group	1,197	10,919	68,839	6.30

Note: The values shown in the table above only include training/awareness actions that were entered into the system by EDP University.

397,132
training hours
 covering 61,925
 employees and SPs

With regard to training and awareness actions delivered to employees of service providers on occupational health and safety, 15,538 actions were delivered, involving 51,006 employees, totalling 328,293 hours, as detailed in the table below.

Geographical area	No. of courses	Employees involved	Hours of training	Hours Training / Employees
Portugal	5,770	19,057	16,107	0.85
Spain	52	529	103	0.19
Brazil	8,274	29,568	299,054	10.11
USA	1,412	1,756	12,588	7.17
Rest of Europe	30	96	442	4.60
EDP Group	15,538	51,006	328,293	6.44

Objective 2017

Launch of Occupational Safety e-learning - initial training

2.2. Emergency preparedness and response

In management of emergency situations, 373 drills were carried out across the EDP Group (57 in Portugal, 80 in Spain, 55 in Brazil, 103 in the USA and 78 in other geographies), covering various industrial facilities and ongoing works, whose aim was to test the effectiveness of the respective emergency plans.

These drills involved external agencies, such as civil protection, firefighters and police and public security forces.

In addition to the above training, 226 training actions on first aid were delivered to EDP employees and SPs, involving:

Extreme violence

Workshops delivered on hostage situations, explosions, shootings and bomb threats

Geographical area	No. of courses	Employees involved
Portugal	21	155
Spain	49	381
Brazil	100	727
USA	52	137
Rest of Europe	4	20
EDP Group	226	1,420

Additionally, awareness-raising campaigns for employees were carried out in Portugal for employees and service providers, on how to react to extreme violence, in which they were taught the conduct to be followed in the event of an attack, such as hostage-taking, explosions and bomb threats.

2.3. Participation and consultation

[G4-LA5, G4-LA8]

2.3.1. Employees representation

Depending on each country's legislation, the EDP Group companies include the participation and consultation of employees in their safety management system.

The representation of workers in matters of occupational health and safety (OH&S) is ensured by Workers' Committees and Subcommittees at each business unit. Accordingly, the Joint Committees and Subcommittees, which meet at a frequency decided by them, collect information from employees at various operational levels in matters of occupational health and safety.

88%

EDP Group
employees
represented

The consultation and employee participation processes in occupational health and safety use primarily the channel provided by these representatives and the safety committees and subcommittees.

In 2016, in the companies in Portugal, elections for the employees' representatives OH&S were held. The employees' representatives for OH&S elected for the next 3 years will join the Safety Committees and Sub-committees in the Companies, replacing those whose term had come to an end.

The table below depicts the representativeness and action of the employees' representatives, expressed in the number of Safety Committee/Subcommittee meetings held.

Geographical area	Number of elected representatives	% of employees represented	No. of meetings held
Portugal	69	89%	44
Spain	10	66%	48
Brazil	130	100%	202
USA	21	100%	252
Rest of Europe	4	21%	7

2.3.2. OH&S topics covered in formal agreements with trade unions

Depending on each country's legislation and the existence of collective bargaining agreements, these, where they exist, cover in principle all employees with regard to occupational health and safety clauses.

Accordingly, in Portugal and Spain, EDP has established agreements in the field of occupational health and safety with trade union structures, covering 100% of employees and the following areas:

- Obligations of employees and companies;
- Representativeness of workers for occupational health and safety;
- Responsibilities of prevention and safety services;
- Safety standards and equipment;
- Industrial hygiene;
- Training, information and awareness-raising on occupational health and safety;

- Occupational Health and Safety indicators;
- Risk factors for employees.

2.4. OH&S management through the supply chain

The performance of our service providers (SPs) is considered a key to the success of the EDP Group. We believe that a relationship based on trust, cooperation and value creation shared with our SPs results in the joint ability to innovate and enhance the Corporate Social Responsibility policies, while improving the quality of the service provided to our clients.

Regardless of the type and size of the work or task to be performed, outsourcing always, at every stage of procurement, involves a strict quality control of the service rendered, in which occupational health and safety (OHS) is embedded as an instrumental factor. In this area, EDP has the following mechanisms to regulate the activity of its SPs with regard to OH&S:

- During the registration and selection processes of suppliers, information is requested from companies for the review and evaluation of the most relevant OHS aspects;
- In procurement processes, binding documentation is included related to the occupational safety obligations of SPs, including organisational, technical and training matters;
- During the performance of the works, the OHS performance of SPs is monitored, using various methodologies, including audits that help evaluate their level of safety in place and check compliance with applicable legal requirements;

Depending on the nature and duration of the works, the evaluation of the OH&S performance of service providers is undertaken at different times. This evaluation is based on criteria ranging from a review of documents and the prevention methods used to the accident rates achieved during the supply period.

In 2016, 395 suppliers (companies) and 1,086 purchase orders were formally evaluated at EDP in Portugal through the Supplier Evaluation System (SAF).

EDPartners

For the first time, included the category of "Prevention and Safety", thus emphasizing the concern of the EDP Group for preventive management of the supply chain

Objective 2017/2018

Implementation of a document management platform for occupational health and safety requirements for suppliers

2.5. Safety audits

The EDP Group annually undertakes, by agreement with the various business units, a broad programme of occupational health and safety audits covering construction, maintenance or demolition of production buildings or infrastructures, distribution of electricity or gas and operational activities of energy marketing and services, including EDP employees and service providers.

Depending on their nature and reach, these audits may take the form of management system audits, technical audits or inspection.

In addition to these, the EDP Group is subject annually to a substantial number of external audits connected with the certification of its safety management systems and the inspection activity of external entities, such as insurers or government agencies.

The table below summarises the audits performed in 2016:

Geographical area	No. of audits conducted by external entities	No. of internal audits conducted	No. of internal audits conducted on service providers	No. of service providers audited
Portugal	85	336	6,470	651
Spain	70	10	1,157	208
Brazil	7	9	15,032	95
USA	12	10	4	5
Rest of Europe	4	5	110	32
EDP Group	178	370	22,773	991

2.6. Community Activities

In cooperation with fire departments, vocational and secondary schools, business associations and unions, 126 information initiatives were run across the EDP Group on the procedures to follow in fire-fighting situations in electrical facilities, gas networks and installations or nearby locations, and the precautions to adopt in handling electrical equipment.

Note, too, that Wind Farms, Power Generation Plants and EDP substations and distribution network transformer stations are considerably sought after by schools and recreational associations for study visits. These visits are always preceded by an awareness-raising and briefing session on the generation and distribution of electrical power and the precautions to adopt in the vicinity of electrical infrastructure.

EDP Distribuição

The "*De pequenino se torce para a Segurança*" campaign on safety awareness for children emphasized the importance of following safety rules.

In addition to these visits, 27,783 people from localities close to the power generation plants or major EDP works also visited these facilities.

2.7. Occupational medicine activities

[G4-LA6, G4-LA7]

In accordance with the legislation of each country, EDP Group companies comply with the occupational health monitoring requirements in order to promote and safeguard the health and well-being of its employees.

The different health monitoring programmes guarantee the commitment made in the prevention of occupational diseases, through fulfilment of the medical examinations plan, workplace inspections, participation in the Occupational Health and Safety Committees and Internal Accident Prevention Committees and in the implementation of a range of preventive campaigns.

During 2016, the EDP Group carried out 8,586 medical examinations, 522 consultations with employees on nutrition and smoking cessation programmes, 1,680 cardiovascular screenings and 19 vaccination programmes for influenza, hepatitis B and yellow fever, covering 3,860 employees.

In its contractual conditions, EDP requires that its whole service provider chain complies with the legal requirements in place in each country related to the framework and obligations of occupational health monitoring of their employees, therefore believing that every worker is appropriately monitored.

8,586

medical exams
carried out in
the EDP Group

2.7.1. Occupational diseases

The EDP Group monitors and follows up the occurrence of occupational diseases. In 2016, 2 cases of occupational disease were recognized, 1 without impairment and 1 with incapacity for work (4.5%), in Portugal. With regard to the number of situations with impairment, the rate of occupational diseases with impairment per million hours worked is 0.05 for the entire EDP Group and 0.09 in Portugal.

3. OH&S summary numbers

[EU 17, EU 25, G4-LA6]

This chapter provides information on results regarding the main indicators of Occupational Health and Safety. These results reflect the outcomes of actions and initiatives throughout the year to improve workplace safety conditions, in particular in the areas of training and awareness raising, risk assessment and control, preventive action with employees of service providers (SPs) and an increase in the audits and inspections programme.

Objective 2017

5% reduction in the frequency rate for EDP employees and Service Providers since 2016.

Work accidents and rates – summary 2016

	EDP Group	Portugal	Spain	Brazil	USA	Rest of Europe
EDP EMPLOYEES						
Accidents at work ⁽¹⁾	30	23	3	3	0	1
Fatal accidents	0	0	0	0	0	0
Total lost days ⁽²⁾	2,003	1,723	90	180	0	10
Frequency rate (Fr) ⁽³⁾	1.4	2.1	0.9	0.5	0	3.2
Incidence rate (Ir) ⁽⁴⁾	2.4	3.4	1.6	0.9	0	5.9
Severity rate (Sr) ⁽⁵⁾	91	155	28	28	0	32
Occupational diseases	3	3	0	0	0	0
Occupational diseases rate (with impairment)	0.09	0.18	0	0	0	0
SERVICE PROVIDERS						
Accidents at work	158	110	21	14	12	1
Fatal accidents	3	3	0	0	0	0
Total lost days	8,936	6,970	930	361	304	371
Frequency rate (Fr)	3.8	5.5	4.4	1.1	4.2	1.8
Incidence rate (Ir)	7.6	10.9	8.7	2.1	8.3	3.6
Severity rate (Sr)	217	350	195	27	107	684
Total worked days	5,420,000	2,619,817	626,042	1,728,052	374,696	71,398
EDP EMPLOYEES + SPs						
Accidents at work	188	133	24	17	12	2
Fatal accidents	3	3	0	0	0	0
Total lost days	10,939	8,693	1,020	541	304	381
Frequency rate (Fr)	3.0	4.3	3.0	0.9	3.3	2.3
Incidence rate (Ir)	5.6	7.9	5.6	1.7	6.5	4.5
Severity rate (Sr)	173	280	128	28	83	446
NEAR-MISSES SITUATIONS						
	384	49	48	94	176	17
FATAL ELECTRICAL ACCIDENTS INVOLVING THIRD PARTIES						
	7	3	0	4	0	0

⁽¹⁾ Accidents with more than one day's absence (includes fatal accidents).

⁽²⁾ The lost time is measured from the day following the day of the accident, until the day before the return to work.

⁽³⁾ Number of work accidents, per million hours worked, in the period in question.

⁽⁴⁾ Number of work accidents, per thousand employees, in the period in question.

⁽⁵⁾ Number of days lost due to work accident, per million hours worked, in the period in question.

3.1. EDP Group

3.1.1. EDP Group: employees

- 30 work accidents with absence: 23 in Portugal, 3 in Spain, 3 in Brazil and 1 in the rest of Europe;
- 0 Fatal accidents
- 68 work accidents without absence: 39 in Portugal, 3 in Spain, 16 in Brazil, 9 in USA and 1 in the rest of Europe;
- 49 accidents during travel: 23 with absence (13 in Portugal, 2 in Spain and 8 in Brazil), 26 without absence (14 in Portugal, 4 in Spain and 8 in Brazil),
- Frequency rate (Fr): 1.4 accidents per million hours worked;
- Severity rate (Sr): 91 lost days per million hours worked.

Work accidents and rates - summary

Change in the main indicators by geographical area		Work accidents with leave	Commuting accidents with leave	Frequency rate (Fr)	Incidence rate (Ir)	Severity rate (Sr)	Total Severity Rate (TSR)	Lost days (without fatalities)
EDP Group	2016	30	23	1.4	2.4	91	95	2,003
	2015	48+1M	35	2.3	4.0	106	391	2,292
	Δ	-39%	-34%	-39%	-40%	-14%	-75%	-13%
Portugal	2016	23	13	2.1	3.4	155	162	1,723
	2015	38	23	3.5	5.7	146	158	1604
	Δ	-39%	-43%	-40%	-40%	6%	2%	7%
Spain	2016	3	2	0.9	1.6	28	28	90
	2015	4	7	1.3	2.1	35	35	112
	Δ	-25%	-71%	-31%	-24%	-20%	-20%	-20%
Brazil	2016	3	8	0.5	0.9	28	28	180
	2015	6+1M	4	1.1	2.2	89	1021	576
	Δ	-57%	100%	-55%	-59%	-69%	-97%	-69%
USA (Canada, USA, Mexico)	2016	0	0	0.0	0.0	0	0	0
	2015	0	0	0	0	0	0	0
	Δ	-	-	-	-	-	-	-
Rest of Europe (Romania, Italy, UK, Poland, France and Belgium)	2016	1	0	3.2	5.9	32	32	10
	2015	0	0	0	0	0	0	0
	Δ	>100%	-	>100%	>100%	>100%	>100%	>100%

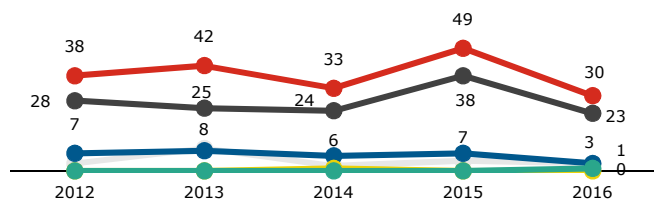
M (F) – Fatal

The change in the frequency rate among employees resumed its downward trend, confirming that 2015 was an exception.

Work accidents and rates

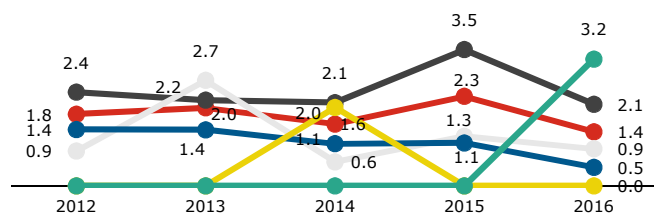
COMPOUND ANNUAL GROWTH RATE
(CAGR 2012-2016)

Work accidents



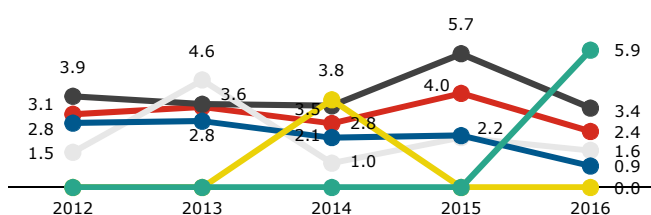
EDP Group	-6%
Portugal	-5%
Spain	0%
Brazil	-19%
USA	0%
Rest of Europe	-

Fr - Frequency rate
(accidents per million hours worked)



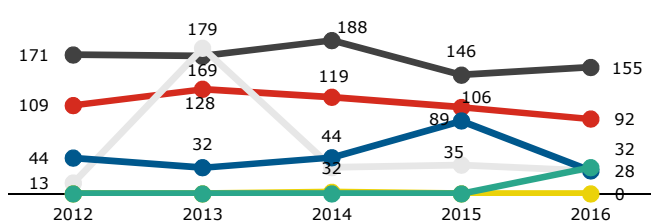
EDP Group	-7%
Portugal	-3%
Spain	2%
Brazil	-25%
USA	0%
Rest of Europe	-

Ir - Incidence rate
(accidents per thousand workers)



EDP Group	-6%
Portugal	-3%
Spain	1%
Brazil	-24%
USA	0%
Rest of Europe	-

Sr - Severity rate
(lost days per million hours worked)



EDP Group	-4%
Portugal	-2%
Spain	21%
Brazil	-11%
USA	0%
Rest of Europe	-

3.1.2. EDP Group: service providers employees

- 155 work accidents with absence: 107 in Portugal, 21 in Spain, 14 in Brazil, 12 in USA and 1 in the rest of Europe;
- 3 Fatal accidents: 3 in Portugal (2 entrapment and 1 fall from height);
- 78 work accidents without absence: 13 in Portugal, 8 in Spain, 44 in Brazil, 10 in USA and 3 in the rest of Europe;
- Frequency rate (Fr): 3.8 accidents per million hours worked;
- Severity rate (Sr): 217 lost days per million hours worked.

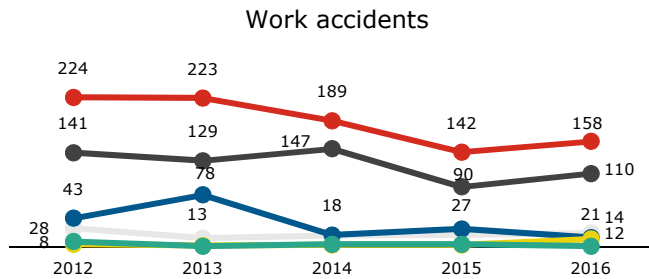
Work accidents and rates - summary

Change in the main indicators by geographical area		Work accidents with leave	Frequency rate (Fr)	Incidence rate (Ir)	Severity rate (Sr)	Total Severity Rate (TSR)	Lost days (without fatalities)
EDP Group	2016	155+3M	3.8	7.6	217	664	8,936
	2015	138+4M	4.0	7.9	237	926	8,424
	Δ	11%	-5%	-4%	-8%	-28%	6%
Portugal	2016	107+3M	5.5	10.9	350	1271	6,970
	2015	88+2M	5.5	10.9	392	1158	6,391
	Δ	22%	0%	0%	-11%	9%	9%
Spain	2016	21	4.4	8.7	195	195	930
	2015	18	4.0	8.0	164	164	732
	Δ	17%	10%	9%	19%	19%	27%
Brazil	2016	14	1.1	2.1	27	28	361
	2015	25+2M	2.2	4.3	71	1046	870
	Δ	-48%	-50%	-51%	-62%	-97%	-59%
USA (Canada, USA, Mexico)	2016	12	4.2	8.3	107	107	304
	2015	3	1.7	3.4	33	33	57
	Δ	>100%	>100%	>100%	>100%	>100%	>100%
Rest of Europe (Romania, Italy, UK, Poland, France and Belgium)	2016	1	1.8	3.6	684	684	371
	2015	4	5.3	10.5	498	498	374
	Δ	-75%	-66%	-66%	37%	37%	-1%

M (F) – Fatal

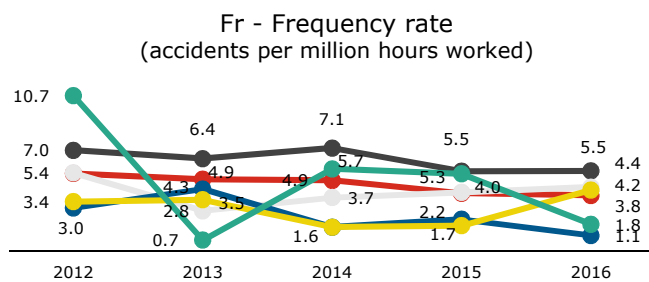
Although the number of accidents and lost days were higher than in 2015, the increase observed in the worked hours resulted in positive change in the frequency rate and the severity rate.

Work accidents and rates

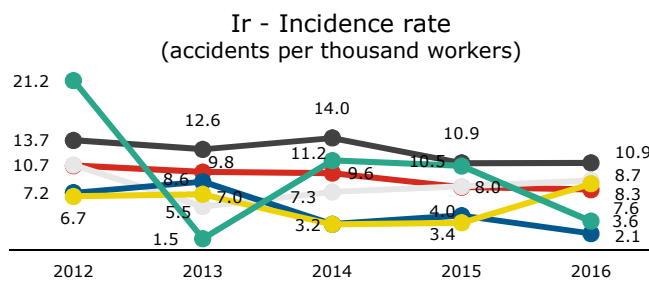


COMPOUND ANNUAL GROWTH RATE (CAGR 2012-2016)

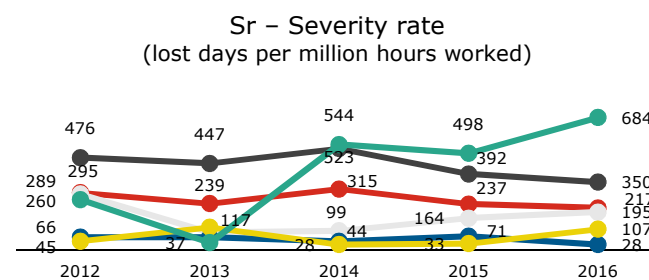
EDP Group	-8%
Portugal	-6%
Spain	-7%
Brazil	-24%
USA	32%
Rest of Europe	0%



EDP Group	-8%
Portugal	-6%
Spain	-5%
Brazil	-23%
USA	5%
Rest of Europe	-25%



EDP Group	-8%
Portugal	-6%
Spain	-5%
Brazil	-26%
USA	5%
Rest of Europe	-25%



EDP Group	-7%
Portugal	-7%
Spain	-9%
Brazil	-20%
USA	24%
Rest of Europe	>100%

3.1.3. EDP Group: employees + SPs

- 185 work accidents with absence: 130 in Portugal, 24 in Spain, 17 in Brazil, 12 in USA and 2 in the rest of Europe;
- 3 Fatal accidents: 3 in Portugal (2 entrapment and 1 fall from height);
- 384 near misses situations reported: 49 in Portugal, 48 in Spain, 92 in Brazil, 176 in USA and 17 in the rest of Europe;
- Frequency rate (Fr): 3.0 accidents per million hours worked;
- Severity rate (Sr): 173 lost days per million hours worked.

Work accidents and rates - summary

Change in the main indicators by geographical area		Work accidents with absence (in service)	Frequency rate (Fr)	Incidence rate (Ir)	Severity rate (Sr)	Total Severity Rate (TSR)	Days' lost (without fatalities)
EDP Group	2016	185+3M	3.0	5.6	173	466	10,939
	2015	186+5M	3.3	6.3	188	724	10,716
	Δ	-2%	-9%	-11%	-8%	-35%	2%
Portugal	2016	130+3M	4.3	7.9	280	874	8,693
	2015	126+2M	4.7	8.6	293	755	7,995
	Δ	4%	-9%	-8%	-4%	15%	9%
Spain	2016	24	3.0	5.6	128	128	1,020
	2015	22	2.9	5.3	111	111	844
	Δ	9%	3%	6%	15%	15%	21%
Brazil	2016	17	0.9	1.7	28	28	541
	2015	31+3M	1.8	3.6	77	1037	1,446
	Δ	-50%	-50%	-53%	-64%	-97%	-63%
USA (Canada, USA, Mexico)	2016	12	3.3	6.5	83	83	304
	2015	3	1.3	2.5	24	24	57
	Δ	>100%	>100%	>100%	>100%	>100%	>100%
Rest of Europe (Romania, Italy, UK, Poland, France and Belgium)	2016	2	2.3	4.5	446	446	381
	2015	4	3.8	7.3	356	356	374
	Δ	-50%	-39%	-38%	25%	25%	2%

M (F) – Fatal

In 2016, for employees and SPs together, the improving trend of recent years resumed: the frequency rate was 9% lower, exceeding the target set at the beginning of the year (5%).

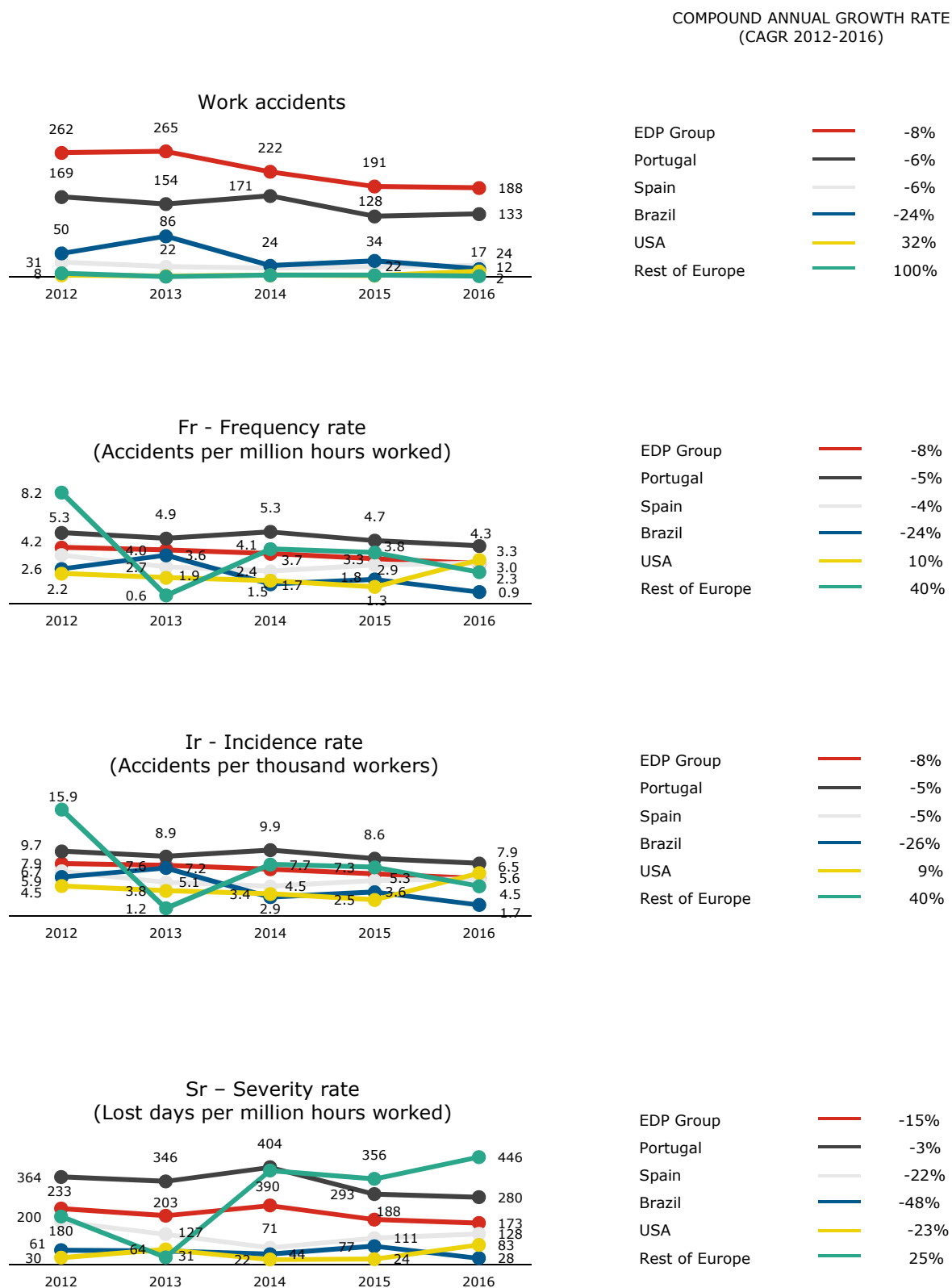
In Portugal, despite a slight increase in the number of accidents, there was a 9% reduction in the frequency rate. In the electricity generation activities there was a 7% increase in the number of accidents with a 5% reduction in days lost compared to 2015. Although the work-related accidents had an impact on the frequency rate, there was an increase in the number of accidents in operating activities, compared to 2015. The causes of these accidents are essentially related to behaviour and proper planning of work. In the electricity distribution activities there was a 5% reduction in the number of accidents with a 10% increase in days lost. Accidents were more pronounced in electric grid maintenance (caused by electrical (23%), high level falls (14%) and falls at the same level (13%))

In Brazil, there was a significant improvement in all indicators. This progress was the result of the implementation of the EDP Culture - our energy for increasingly better care - project, for the promotion of practices prioritizing quality of life and accident prevention. EDP Brasil put the "zero accidents" strategy into practice through a number of initiatives to promote preventive attitudes prioritizing respect for life in operational and administrative activities (electricians' rodeos, safety talks, weekly meetings with the involvement of senior management, safety inspections, etc.), because "Life always comes first"!

In Spain, despite the slight increase in the number of accidents, EDP Espanha highlights the reduction of road accidents (in particular work travel accidents), which it attributes to the prevention measures implemented by the company as part of its road safety plan.

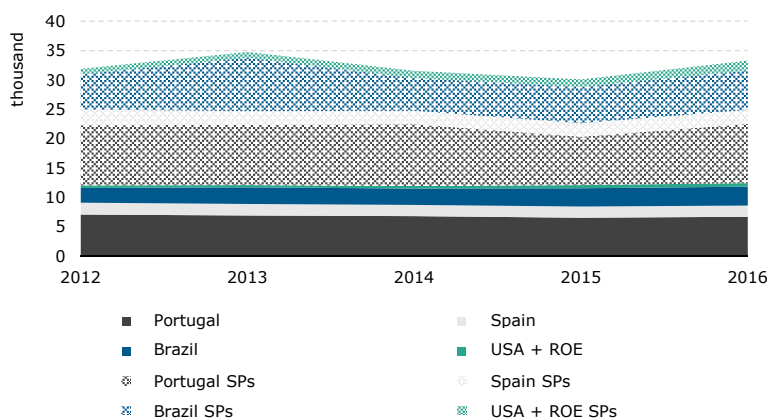
In the other geographical areas, the deterioration in the number of accidents was due to greater exposure to risk in the construction of 4 new wind farms.

Work accidents and rates



3.2. Employees average number

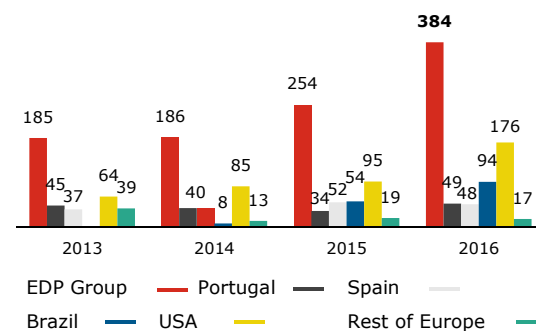
The following graph represents the equivalent workforce in the EDP Group, with the service providers values calculated from the number of hours worked, in light of the hours worked in EDP.



Average No. Staff 2016		
	EDP Group	SPs
Portugal	6,747	10,076
Spain	1,892	2,408
Brazil	3,251	6,646
USA	416	1,441
Rest of Europe	170	275

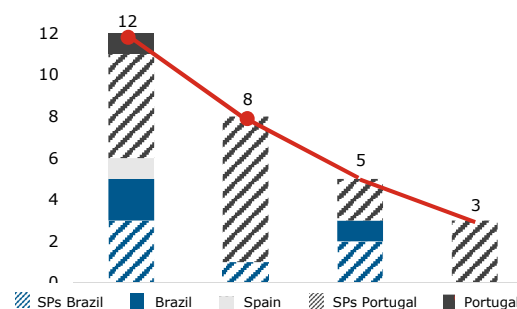
For EDP, the awareness, review and correction of near-accident situations is a key tool in achieving the goals and targets of reducing personal risk and injuries in the activities performed in the group companies; with this in mind, it has developed a specific procedure under the Corporate Safety Management System, implemented in accordance with OHSAS 18001:2007.

In 2016, 384 near-misses situations were reported in the EDP Group companies.



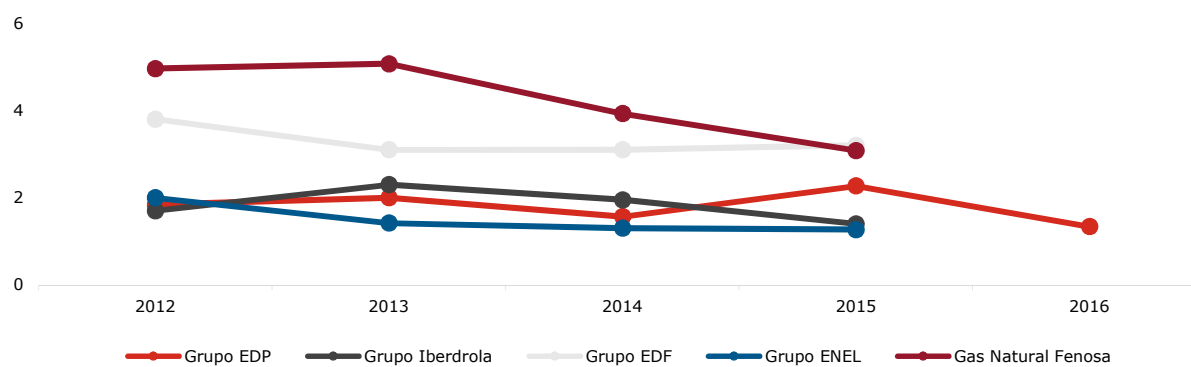
3.4. Brief description of fatal accidents in the EDP Group

- At a transformer station, while replacing a power transformer, this one fell from the vehicle he was being transported, trapping an employee against the;
- The employee was at the top of some stairs getting ready to connect the meter that he had previously installed to the LV grid. He fell from his high position;
- A trench was being opened near a wall, which collapsed and crushed the employee.



3.5. Benchmarking – Frequency rate

EDP Group and counterpart companies*



* Values taken from Sustainability Reports and Management Reports and Accounts

4. Sharing good practices within the EDP Group

Sharing experiences and information on the most relevant projects in occupational safety issues between the EDP Group companies and geographies is an important tool for enhancing a widespread, transversal adoption of existing best practice.

Occupational health and safety being regarded as a materially relevant topic since it directly affects the creation of value for the EDP Group, every year comprehensive corporate actions, cross-cutting all geographies, are identified and addressed, with the aim of:

- Reducing accidents to SP workers;
- Improving service efficiency and quality with an impact on cost reduction;
- To improve working conditions that have an impact on the reduction of accidents and absenteeism;
- To comply with legal requirements.

The following are some of the projects and initiatives developed in 2016:

EDP Produção

Safety week 2016



Prevention and safety are considered to be a cross-cutting strategic priority for EDP Produção, on the one hand reflecting the importance that the Group attaches to people and their well-being and, on the other, recognition that the company's activity is exposed to considerable risks.

In order to demonstrate its commitment to this area, as in 2015 EDP Produção held a safety and safe behaviours week in 2016, involving EDP employees and service providers from other EDP Group companies, with a range of activities in the different EDP Produção operational units, such as:

- Launch of a game with the aim of sharing safe behaviours;
- Discussion on work-related stress;
- Workshops to raise the awareness of production centre employees on the behaviours to be adopted in the event of terrorist attacks;
- Safe behaviour workshops;
- Safety meeting, with the participation of the Board to raise the awareness of those attending on the importance of safe behaviours.

EDP Distribuição

7th Safety Meeting – “Safety as a way of life”



For the 7th consecutive year, EDP Distribuição held a safety meeting, organized in 2016 by the Tejo Network and Customers Directorate, in which the motto "Safety as a way of life" was reinforced by the various contributions from the event agenda, namely:

- Analysis of the main Prevention and Safety indicators in 2016, highlighting the fact that a third of work-related accidents are caused by electricity.
- A short play, in which a group of company employees creatively illustrated the dangers of electrical activity and failure to uphold safety standards and the consequences thereof, showing the dynamics of safety at work and of the risks of accidents and underlining that adhering to the golden rules is imperative and examining how bad practices can lead to fatal consequences.
- Sharing of real testimonies of people who have suffered accidents, both from EDP Distribuição and those outside the company, which gave an intense and dramatic touch to the meeting's motto and the consequences of a careless attitude.

The constant presence of senior management at these initiatives reinforced the message that people should always be suitably equipped to carry out any action, that each employee must care for his own safety and that of every member of his team. This duty applies especially to team leaders.

EDP Comercial

Environmental and Safety Management System Certification



In 2016, EDP Comercial, implemented and certified an Integrated Environmental and Safety Management System (IESMS), aligned with the EDP Group's corporate management systems. The IESMS covers all workers and activities carried out in EDP Comercial, including work and services performed by service providers. EDP Comercial is daily involved in more than 900 work fronts / sites throughout the country, with more than 1,400 sub-contracted workers.

Obtaining these certifications will enable us to improve our monitoring of environmental, occupational and reputational risk and of the legal non-compliance of our activity. It is therefore an important management tool on the road to organizational excellence and business sustainability in its multiple dimensions - economic, social and environmental.

EDP Valor

Enhanced preventive management of the procurement chain



EDP Valor is a Group company that provides prevention and safety services to companies in Portugal without their own prevention and safety services. One of its main initiatives in 2016 was to ensure that employees providing services under sub-contracting arrangements, in EDP shops and Contact Centres, enjoy the same level of Health and Safety protection as internal employees.

EDP Soluções Comerciais outsources most of its services to the areas of customer service and relations, so several measures were implemented in order to guarantee the same conditions throughout the procurement chain, including the following:

- Analysis of contractual conditions and working arrangements applied by the service providers;
- Implementation of self-protection measures in buildings owned or leased by EDP;
- Training of trainers to ensure the induction of new employees in health and safety at work;
- Safety audits of buildings and workstations;
- Gradual establishment of communication and cooperation channels between the health and safety services of the user company and the service providers;

EDP Brasil

Ligado na Vida Programme

Launched in 2016, *Ligado na Vida* (Connected to Life) programme of the EDP distributor in São Paulo for recognizing compliance with safety procedures by employees performing work in the field. Accordingly, in any identified instances of non-compliance, actions are taken to eliminate unsafe conditions that might lead to serious or fatal accidents. The focus of the programme's preventive actions reinforces the role of leaders in maintaining and developing a safe environment by creating monitoring systems to ensure that safety conditions in the field are fulfilled.

The *Ligado na Vida* programme establishes Basic Safety Rules to guarantee the safety of employees in high risk activities involving services in substations, sub-transmission lines and distribution networks. The strategy encompasses planning and monitoring through team members in order to supervise the actions of team members in quality, productivity, and safety. The themes of the programme are addressed by leaders and safety technicians in Daily Safety Talks (DST) with the different areas.



To promote buy-in to the programme, the *Ligado na Vida* competition was held, with stage 1 between August and October 2016. During this period, all EDP Brasil operational employees who fulfilled 100% of the safety criteria, based on inspections carried out by leaders, safety at work, CIPA and Safety Walk, were automatically entered in the draw with 19 prizes of trips to the National Electricians' Rodeo. Stage 2 of the competition will run from February to June 2017, with each employee inspected twice,

i.e. all those who passed *Ligado na Vida* will receive two prizes.

EDP Espanha

20th Continuous Improvement for Prevention Conference



More than 80 people, with representatives from 19 service providers, took part in a conference on prevention and safety. The meeting, held in 2016, was motivated by the sharing of experiences on activities undertaken, incidents reported and the various preventive campaigns during 2016, in the electricity distribution business. The contributions included document management in coordination activities and training for non-electrical work in high voltage facilities.

At the end of the presentations, there was a demonstration in partnership with an external company of a firefighting situation, in which a group of employees successfully extinguished simulated fires.

EDP Renováveis

Safety Days

It is standard practice at EDP Renováveis to organize safety days, with the involvement of senior management, to raise the awareness of employees and service providers about the dangers to which they are exposed on a daily basis during operation and maintenance activities in the various wind farms. The programme encompasses a number of actions to strengthen safe practices and mitigate existing hazards. Group activities are included to develop teamwork and to encourage thinking outside the normal sphere of action.



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