

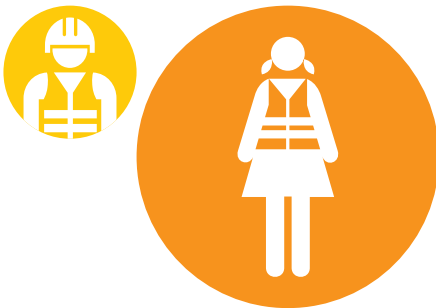
RED ELÉCTRICA A HEALTHY COMPANY SUMMARY 2014



MAIN ACHIEVEMENTS DURING 2014

The ongoing continuous improvements to the health and safety projects and programmes for personnel working at the company's facilities have led to a gradual reduction in accident rates, culminating in 2014 in **the best overall rates so far recorded in all the areas analysed**. Continuing to implement these lines of action until minimal workplace accident rates are achieved remains our main objective as regards health and safety.

Excellence, as one of the clear principles behind the management of the different areas of health and safety, has led to the development and approval during 2014 of our Healthy Company management model. This model sets out the principles and guidelines designed to promote and protect the **health, safety and well-being** of the company's employees and the sustainability of the working environment, leading to the establishment of a benchmark to measure health in all its aspects and thus ensure physical, psychological and social well-being. The analyses and diagnostic studies that have been completed form the basis for an Action Plan with specific targets to be achieved over the next 3 years.



The main actions taken during 2014 were as follows:

- The establishment and definition of a model for a Healthy Company management system. Adhesion to the Luxembourg Declaration, with a commitment to implement fundamental principles to promote health in the workplace and manage the health of all the company's employees.
- Campaigns to promote health, which have been focused on preventing the risk factors that are most common among the general public and promoting healthy practices, making the company's employees participants in their own working environments and extending these best practices right through to the family environment.
- Making the prevention of psychosocial risk an integral part of HR management strategy, bearing in mind that organisational improvements and the proper management of talent make an important contribution to the well-being of the company's employees.
- The improvements made to PRER, the tool used to manage safety information, have made it possible during 2014 to develop a system to monitor access to the company's facilities. This system will be implemented shortly. (Kerberos Project)
- A target has been set for the management team in relation to the number of accidents affecting people employed by Red Eléctrica and its contractors, and rates have improved in comparison with the average number of accidents recorded over the last five years.
- Following two years of analysis and development, the company has established its own methodology for the measurement of cost to benefit in the area of health and safety and personal/professional reconciliation, through the valuation of intangible assets and intellectual capital in the areas examined and through the development of an indicator for return on the investment made.
- Renewal of the OHSAS 18001 certificate, initially obtained in September 2002. The audit report made particular mention of the system's strong points and level of implementation, thus underlining the work done by Red Eléctrica in the area of health and safety in the workplace.

HEALTHY COMPANY MODEL THE RED ELÉCTRICA DE ESPAÑA

THE PHYSICAL WORK ENVIRONMENT

Providing all the means necessary in order to perform our professional duties in the best possible safety conditions

PERSONAL HEALTH RESOURCES

Providing the workforce with tools to improve their state of physical and mental health, thus contributing to their well-being and quality of life

PSYCHOSOCIAL WORKING ENVIRONMENT

Implementing tools and resources for the management and organisation of working duties that favour personal and professional reconciliation and the physical and psychosocial well-being of the workforce

PARTICIPATION IN THE COMMUNITY

Action developed by the company that contributes to improvements in the health and well-being of its employees' families and the communities of which they form part

IMPROVING HEALTH
AND SAFETY
IN THE WORKPLACE
REQUIRES
COMMITMENT
AND PARTICIPATION
FROM EVERYONE



ASSESSING AND CONTROLLING RISK

- Risk assessment represents one of the main tools in any system for the management and prevention of risk in the workplace.
- It allows one to assess the severity of the risks that cannot be avoided and plan the relevant corrective action, based on the level of risk involved.

91 risk assessments were carried out at the company's facilities during 2014. These provided precise and up-to-date information on the risk factors that required action and led to a total of 176 corrective actions, of which more than 76% have already been implemented.

176

corrective actions

COORDINATION OF PREVENTIVE ACTIONS

- Preparation of safety studies in working areas where this is required. These studies define the tasks to be performed, the risk involved and the preventive measures to be implemented.
- Preparation of safety plans and procedures by the contractors engaged, detailing the preventive measures to be adopted during completion of the work for which they are contracted.
- Coordination of preventive actions with suppliers, contractors and partner companies as a key element to ensure the effective monitoring of safety measures.

100 safety studies were carried out in relation to contract tendering processes in 2014, and more than 1,750 safety plans and procedures were approved, with more than 5.6 million hours worked by the employees of contractor companies working at the company's own facilities.

1,750

safety plans
and procedures

PERFORMANCE MEASUREMENT

- The verification of safety conditions using three distinct but complementary groups in order to ensure a proper inspection of preventive measures: technicians from the company's own prevention department, safety coordinators and works supervisors.
- The use of inspection models to guarantee that the information obtained is consistent, regardless of the location, company or the person making the inspection.
- The identification of risk situations or deviations from the relevant preventive measures and the definition of the necessary improvements.

Active participation from all organisational units led to the completion of a total of 12,564 inspections, which in turn resulted in 1,398 corrective actions, of which 98% have been implemented. In addition, notifications were issued in relation to 135 detected risks.

1,398

corrective actions

TRAINING AND AWARENESS

- Continuous development of safety training and awareness programmes as key prevention tools, especially in relation to electrical risk and work carried out high above ground.
- Design of specific programmes for each job, based on the risks associated with the professional activities involved.
- Inclusion of training in safety matters, with the development of a target for measuring the knowledge acquired.

The programme to provide training in health and safety issues continued throughout 2014, and 1,535 hours of awareness training was provided in theoretical and practical courses and workshops as part of the campaign to promote healthy practices.

CONSULTATION, PARTICIPATION AND COMMUNICATION

- Collaboration with employees in the identification of actions for improvement or situations that do not conform to established procedure.
- Regular meetings of the Workplace Health and Safety Committee.
- Publication of the report on health and safety in the workplace, in an interactive format.
- Promotional campaigns aimed at creating awareness and knowledge of the most important issues in the area of prevention.
- Awareness campaigns to promote healthy living habits.

The Health and Safety Committee met four times during 2014. There has been increased participation from employees of Red Eléctrica as a result of the inspection programmes and risk notices issued under the terms of the risk prevention programme (PRER).

PREVENTING PSYCHOSOCIAL RISK

- Participation in events to explain the degree to which the prevention of psychosocial risk is integrated into management of preventive activity.
- Entry in the European Good Practice Awards in the area of psychosocial risk prevention.
- Notable in the social arena is the inclusion of the management of reconciliation in the Healthy Company model, given the positive health effects of a balanced professional and personal life.

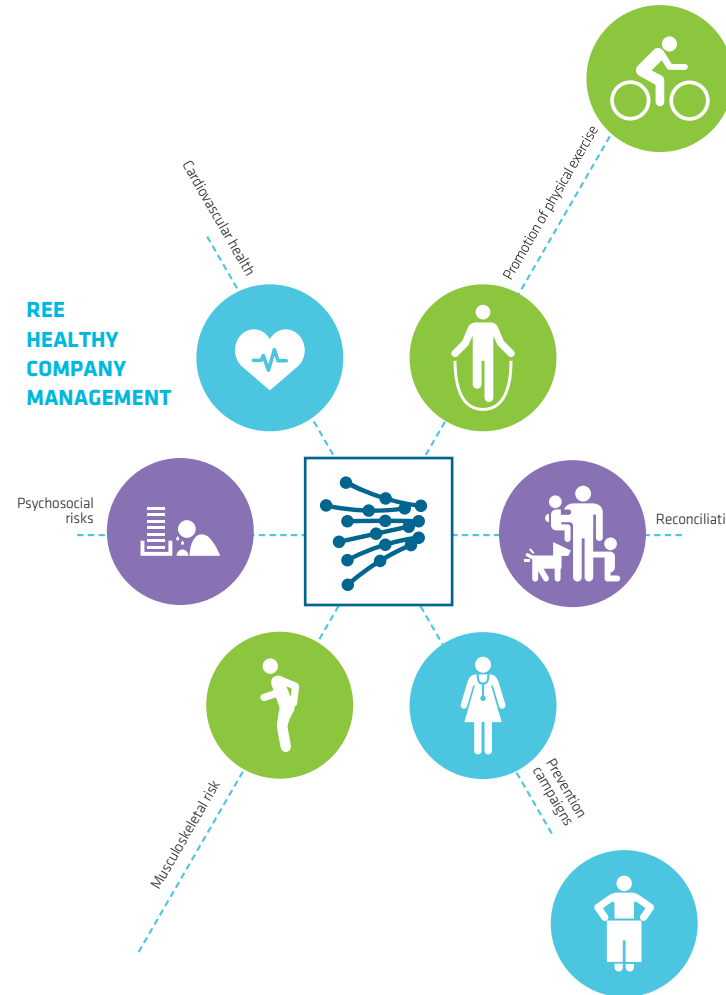
As a consequence of the signing of the 10th Collective Agreement, new reconciliation measures were introduced during 2014 that allow for a more healthy balance between employees' professional and personal lives, thus benefiting well-being and quality of life.

10th

Collective Agreement

1,535

hours of awareness training



MONITORING HEALTH. PROMOTING HEALTH

- Basic health unit at central headquarters and agreement with the Prevention Company, Fremap, to ensure that the health of all employees is monitored at the company's outside facilities.
- System of health intermediaries and partners and formalisation of a structure that allows for the establishment of a network of partner organisations to introduce health-related activities throughout the whole of Spain.
- A complete range of preventive and promotional activities in relation to health. Implementation of health campaigns aimed at preventing the most common illnesses.
- Initial and regular health checks based on specific protocols, depending on the risks defined for each individual job, and assessment of the suitability of the people employed to perform the duties required of them in their position.

2014 was characterised, among other actions, by the prevention and health promotion campaigns that were offered to the entire workforce through workshops held at the company's premises. These were aimed at raising awareness of the importance of adopting healthy living habits that would lead to improvements in well-being and quality of life.

HEALTHY COMPANY MANAGEMENT SYSTEM

- Management model aimed at continuous improvement.
- Design of the 2014-2017 Action Plan.
- Adhesion to the Luxembourg Declaration in 2014.
- Campaigns to raise awareness of prevention and promote healthy living habits.
- More extensive and improved reconciliation measures.

DEVELOPMENT OF THE COMPANY'S OWN METHODOLOGY FOR COST/BENEFIT ANALYSES

- Methodology developed by Red Eléctrica to obtain a return on the investment made in the areas of workplace health and safety and reconciliation management.
- Establishment of a tool that allows for the valuation and monitoring over time of the cost/benefit balance resulting from the action taken.
- Linking H&S and reconciliation to innovation and improved productivity and competitiveness.

The results obtained between 2011 and 2013 with regard to the return on investment in H&S (2.07, 2.72, 2.88) and reconciliation (1.93, 2.31, 2.00) demonstrate the value to Red Eléctrica of the action taken in these areas.

ACCIDENT MONITORING

- One of the most important aspects with regard to the prevention of risk in the workplace is the monitoring of accidents. To this end, Red Eléctrica has a strict system for the identification, monitoring and management of risk, along with other tools designed to minimise incidents and accidents during the performance of the company's business.
- The analysis and monitoring of all the accidents and incidents recorded in the system has led to the taking of corrective action aimed at preventing a repetition of such events. A total of 355 corrective actions were created as the result of incidents and accidents, of which 97% have already been implemented.

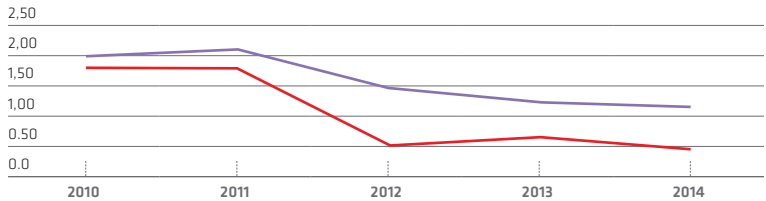
improved

accident rates
1995-2014

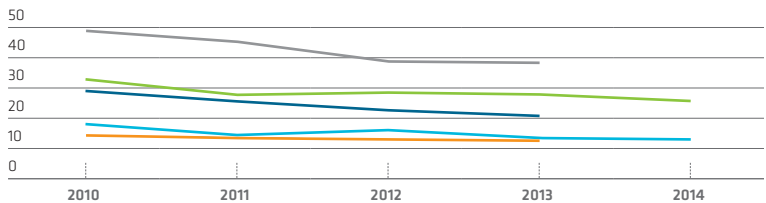
The overall accident rates for work and other activities engaged in at Red Eléctrica's own facilities have been the best for the entire period that data has been available (1995-2014)

- Indicates severity
- Average for last 5 years

OVERALL SEVERITY RATE (REE + CONTRACTORS) (WITH BENCHMARK)



ACCIDENT FREQUENCY INDEX



- REE
- Industry
- Electricity sector
- Energy, Gas and AA
- REE Contractors

ACCIDENT SEVERITY INDEX BY BUSINESS SECTOR (WITHOUT BENCHMARK)



MAIN INDICATORS

HEALTH AND SAFETY (REE)	2010	2011	2012	2013	2014
Average workforce	1,584	1,666	1,652	1,653	1,676
Hours worked	2,678,350	2,777,528	2,810,229	2,810,559	2,832,440
Workplace accidents resulting in leave (serious/mild)	1/19	1/10	3/12	0/7	0/8
Fatal accidents (including non-work accidents)	1	2	0	0	0
Days lost due to accidents	6,268	6,247	770	332	393
Workplace accident frequency rate	7.09	3.96	5.34	2.49	2.82
Workplace accident severity rate	2.34	2.21	0.27	0.12	0.14
Workplace accident incidence rate	11.99	6.60	9.07	4.23	4.77

HEALTH AND SAFETY (REE CONTRACTORS)*	2010	2011	2012	2013	2014
Average workforce	3,447	3,372	3,519	3,527	3,336
Hours worked	5,860,778	5,733,042	5,983,539	6,059,285	5,637,084
Workplace accidents resulting in leave (serious/mild)	11/117	9/91	7/102	4/105	4/88
Fatal accidents (including non-work accidents)	1	1	0	0	0
Days lost due to accidents	9,282	9,106	3,945	5,368	3,437
Workplace accident frequency rate	22.01	17.62	18.22	17.99	15.61
Workplace accident severity rate	1.58	1.59	0.66	0.89	0.61
Workplace accident incidence rate	37.13	29.95	30.97	30.90	26.37

MEDICAL SERVICE (REE)	2010	2011	2012	2013	2014
Medical checks	1,010	1,143	1,157	1,138	1,095
Consultations with doctor or nurse	1,482	1,359	1,222	1,226	1,196
Absenteeism rate due to health and safety**				1.43	1.84

Frequency rate = number of workplace accidents resulting in leave for every million hours worked.

Severity rate = number of days lost due to workplace accidents + degree of incapacity for every thousand hours worked.

Incidence rate = number of accidents resulting in leave x 1,000 / average workforce.

Serious accident = accidents classified as serious by every expert issuing the authorisation of leave.

Absenteeism rate due to health and safety = Days' absence due to ordinary work-related incident > 3 days + Days' absence due to work-related incident < 3 days + Days' absence due to workplace accident + work-related illness / average workforce*365*100.

* Contractor accident data to 30 January 2015.

** Since 2013, a figure has been calculated for absenteeism for health and safety reasons. This only includes absences for professional contingencies and common illness.

More information at www.ree.es

