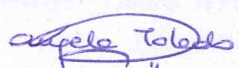
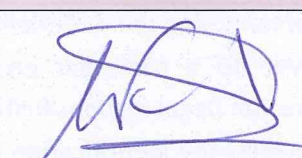
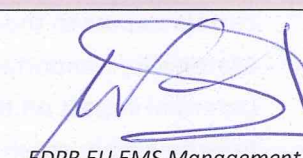


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ANNEXES

- ANX-EU/EMS-GEN-00001 - EDPR EU Environmental aspects
- ANX-EU/EMS-GEN-00002 - Manual for the application of the procedure EXPRESS-EU/EMS-GEN-00001
- ANX-EU/EMS-GEN-00003 - Assessment criteria for specific environmental aspects

Prepared	Reviewed	Approved
 EDPR EU EMS Manager	 EDPR EU EMS Management Representative	 EDPR EU EMS Management Representative
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Date: 03/07/2015	Date: 3/7/15	Date: 3/7/15



0 CHANGE CONTROL

Edition	Date	Description of the modification
00		Initial edition
01	April 2015	Procedure review to ensure greater alignment with the business processes.

1 OBJECTIVE AND SCOPE

The aim of this procedure is to establish the process of identification and assessment of environmental aspects of EDPR EU in order to determine and prioritize the areas of improvement of the company.

This procedure shall apply to the environmental aspects of the facilities and activities included in the EMS scope set out in the file *Facilities in the EMS scope*.

2 REFERENCES

- ISO 14001:2004 standard
- EMS Manual
- EXPR-EU/EMS-GEN 00007 *Operational control, monitoring and measurement*
- EXPR-EU/EMS-GEN 00008 *Near-miss & emergency preparedness and response*
- EXPR-EU/EMS-GEN 00012 *Management of environmental complaints*

3 DEFINITIONS

- **Assessment unit:** facility or set of facilities with common characteristics that can be evaluated as a single unit (a group of wind farms, a wind farm and its substation, etc).
- **Environmental aspect:** element of EDPR EU activities that has or can have an interaction with the environment.
- **Environmental impact:** any change to the environment, whether adverse or beneficial, fully or partially resulting from EDPR EU activities.
- **Environmental risk:** combination of the probability or frequency of materialization of a certain impact to the environment, and the materiality of its consequences.
- **Materiality:** importance given to a particular environmental aspect regarding its potential impact on the operation (legal responsibilities, reputation...).
- **Priority graph:** graph that enables the identification and prioritization of improvement areas for a particular facility/business unit based on the combination of the probability and materiality values assigned for a certain environmental aspect.
- **Probability:** the quality or state of being probable; the extent to which something is likely to happen or be the case.



- **Specific environmental aspect:** environmental aspect that cannot be considered applicable to EDPR EU but only to particular facilities or business units.

4 ABBREVIATIONS

- **EDPR EU:** EDP Renewables Europe.
- **EMS:** Environmental Management System.
- **EMS manager:** EMS manager in each business unit.

5 PROCEDURE

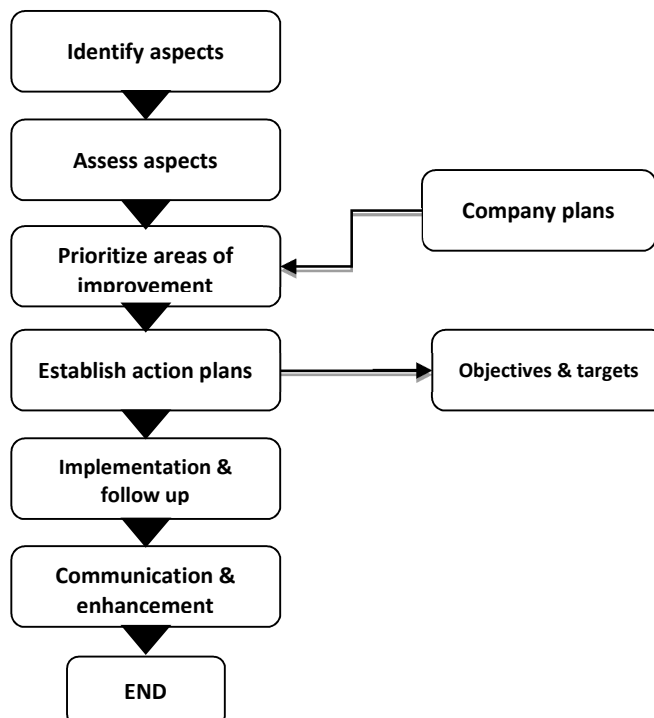
5.1 BACKGROUND

The main goal of the identification and assessment of environmental aspects is to identify the areas of improvement at company, business unit and facility level; as well as its prioritization to add the maximum value taking profit of the limited resources available.

For that purpose, it is essential to apply a methodology to identify and assess the environmental aspects ensuring:

- alignment with the core business processes and criteria
- consideration of stakeholders' expectations
- assessment in a relative way, both among facilities and environmental aspects

Following there's a flowchart showing the process of identification and assessment of environmental aspects:



The methodology of assessment of environmental aspects is based on the concept of risk management. Therefore, each environmental aspect is assessed based on the probability and the materiality that the environmental impact may generate to the environment and to the business.

Based on the results of the evaluation, the areas of improvement requiring priority attention are identified, as well as other areas that do not demand immediate actions but shall be included in the analysis of priorities of each environmental business unit.

5.2 IDENTIFICATION OF ENVIRONMENTAL ASPECTS

Environmental aspects are those elements of the EDPR EU activity that have or can have an interaction with the environment.

- Direct environmental aspect: element of EDPR EU activities directly controlled by the company.
- Indirect environmental aspect: element of EDPR EU activities not directly controlled by the company, but which can be influenced because it results from the interaction of EDPR EU with third parties.

After a thorough analysis based on several years of experience, EDPR EU has set and maintains up to date a list of the environmental aspects of its activity (see *ANX-EU/EMS-GEN-00001 - EDPR EU Environmental aspects*) regarding three different situations:

- Normal: those situations that occur during the normal operation of the organization.
- Unusual: those unexpected situations that occur in a sporadic way and which are not planned.
- Potential or Emergency: those situations not expected or planned and whose occurrence is not under the control of EDPR EU.

EDPR EU environmental aspects are grouped into the following categories:

- Biodiversity
- Impacts to local community
- Environmental emergencies
- Waste
- Consumptions, emissions and effluents
- Climate change
- Others

More details about the environmental aspects identification are included in the *ANX-EU/EMS-GEN-00001 - EDPR EU Environmental aspects*.



5.3 ASSESSMENT OF ENVIRONMENTAL ASPECTS

The main goal of the assessment of environmental aspects is to identify and prioritize the environmental areas of improvement of the company, business units and/or facilities.

Relativization of environmental aspects

In order to ensure that the assessment procedure is aligned with the business, different weights have been assigned to the environmental aspects through a process of relativization. This is shown in the probability and materiality of the risk associated with the aspect, described later.

It is essential to assign different weights to the different environmental aspects because not all the environmental aspects can be weighted the same way since every environmental aspect has a different range of environmental impacts and therefore, different potential risks to the company.

In this regard, the EDPR EU environmental aspects were relativized based on if they represent a risk of/for:

- environmental performance
- business continuity
- financial/and or legal responsibilities (serious sanctions and/or penalties)
- company reputation

This relativization allowed to define an assessment methodology with the most suitable evaluation ranges for the different environmental aspects, based on the risk arising to the company. The maximum score that each aspect can reach in the assessment will be proportional to its risk.

Assessment criteria

The assessment of environmental aspects is based on the evaluation of the following criteria:

- Probability of materialization of a certain impact to the environment (and its associated risk to the company),
- Materiality of its consequences.

Probability and materiality shall be adequate to each environmental aspect, which means that probability and materiality ranges can be different for each environmental aspect considering the different potential risks to the company.

The *ANX-EU/EMS-GEN-00002 - Manual for the application of the procedure* includes the description of the different levels of probability and materiality, the Priority Graphs to identify the improvement areas for each environmental aspect and the reference values for the assessment of certain aspects.

■ Probability:

Probability varies from being virtually impossible to happen, to having a high probability due to:

- actual probing,
- data showing evidence,
- studies reflecting likelihood,
- historical data showing trends.

Probability shall not be assessed for those environmental aspects that are intrinsic to the business, i.e. waste generation, waste treatment, electricity consumption and water source.

■ Materiality:

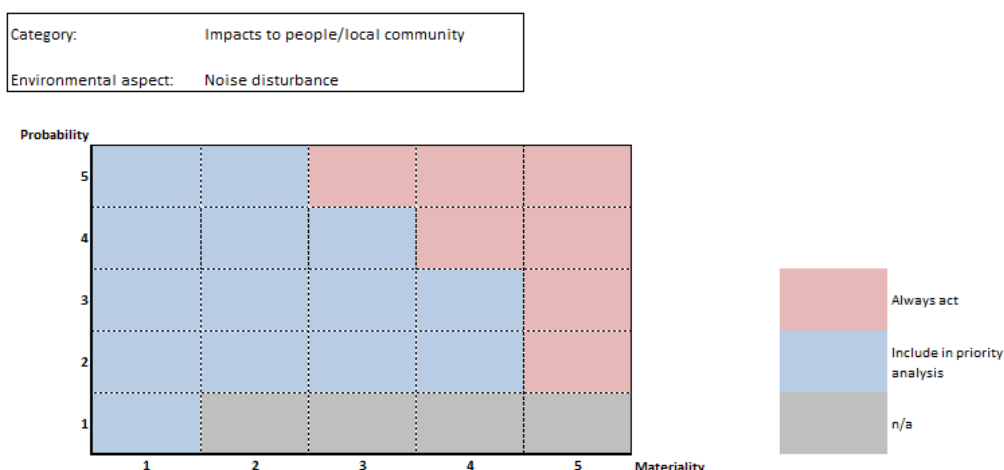
Materiality varies from being not relevant, to be highly relevant when there is a real risk of:

- facility forced to stop operation,
- receiving serious penalties,
- legal responsibilities,
- reputational damage.

5.4 IDENTIFICATION AND PRIORITIZATION OF AREAS OF IMPROVEMENT

Once the values of probability and materiality are decided for a particular environmental aspect and assessment unit/business unit, the Priority Graph allows to identify if the aspect is an area of improvement requiring priority attention (*Always act*) or an area not demanding immediate actions but to be included in the analysis of priorities of the environmental business unit (*Include in priority analysis*).

The ANX-EU/EMS-GEN-00002 - *Manual for the application of the procedure* includes the Priority Graphs for each environmental aspect. The levels of probability and materiality shown in each Priority Graph are based in the different weights assigned to the environmental aspects during the relativization process.





The results arising from the Priority Graphs, together with the results of the legal compliance assessments, will allow the EMS manager, together with the EDPR EU EMS manager, to prepare the Program of environmental objectives and targets of the business unit:

- Environmental aspects assessment:

It is mandatory to include action plans addressed to the improvement of all the aspects classified as “*Always act*” in the Priority Graph.

Regarding the other aspects, those classified as “*Include in priority analysis*”, since they do not require immediate actions, they shall be considered in the analysis of priorities of the environmental business unit to decide, taking in consideration the available resources, if additional action plans for any of these other areas are included in the Program of objectives and targets.

- Legal compliance assessment:

The results of the legal compliance assessment shall be also taken into account when defining the Program of environmental objectives and targets since repetitive non-conformities arising from legal breaches shall lead to action plans to be included in this Program.

The EDPR EU Sustainability department set objectives aligned with the Group and the company through:

- the Priority Graphs: defining whether the different combinations of probability and materiality corresponds to an area of improvement requiring priority attention (*Always act*) or an area not demanding immediate actions but to be included in the analysis of priorities of the environmental business unit (*Include in priority analysis*).
- the reference values (EDPR EU target/average) defined for the assessment of certain environmental aspects.

The EDPR EU Sustainability department shall ensure that the programs of environmental objectives and targets of the business units are aligned with those established at Group or company level. In this regard, the EDPR Sustainability department shall communicate to the EMS managers the environmental objectives defined at company level. Evidences of these communications shall be kept.

For detailed information about the Program of environmental objectives and targets, check the procedure EXPR-EU/EMS-GEN-00003 *Environmental objectives and targets*.



5.5 OPERATIONAL ASPECTS

5.5.1 Identification of applicable environmental aspects

Whenever a new facility/business unit is managed under the EDPR EU EMS, the EMS manager shall identify in the template TMP-EU/EMS-GEN-00001 *Environmental aspects assessment sheet* which of the environmental aspects established in the ANX-EU/EMS-GEN-00001 - EDPR EU *Environmental aspects* are applicable, just writing YES or NO in the field “Applicable?”.

In those cases where environmental aspects are not applicable, the EMS manager shall register in the template TMP-EU/EMS-GEN-00001 *Environmental aspects assessment sheet* the reasons of the non-applicability.

This initial identification of the applicable environmental aspects shall be reviewed and updated by the EMS manager, at least every twelve months, and every time the conditions of the activities and/or facilities change.

5.5.2 New environmental aspects

When identifying the applicable environmental aspects for a particular facility/business unit, the EMS manager may consider that any other environmental aspects (not included in the ANX-EU/EMS-GEN-00001 - EDPR EU *Environmental aspects*) are applicable.

In this case, he/she shall include the new environmental aspect(s) under the category “Others” and develop the methodology for its assessment according to the criteria explained in the section 5.3 *Assessment of environmental aspects*.

The assessment criteria for the new environmental aspects shall be described according to the structure of ANX-EU/EMS-GEN-00003 - *Assessment criteria for specific environmental aspects* that will be approved through the corresponding workflow as established in the general procedure EXPR-EU/EMS-GEN-00006 *Control of documents and records*.

Every twelve months, the EDPR EU EMS manager reviews the EDPR EU environmental aspects. If it is noted that any new environmental aspect (not included in the ANX-EU/EMS-GEN-00001 - EDPR EU *Environmental aspects*) appears repeatedly in different facilities/business units, the EDPR EU EMS manager will consider whether it shall be included in the preset list of EDPR EU environmental aspects by updating the ANX-EU/EMS-GEN-00001 - EDPR EU *Environmental aspects*.

5.5.3 Review of the weights assigned to the environmental aspects

In order to ensure that the assessment procedure is aligned with the business, different weights have been assigned to the environmental aspects through a process of relativization.

Since the identification of environmental aspects shall be reviewed at least every twelve months, the relativization of environmental aspects shall be also reviewed by the EDPR EU Sustainability department with the same periodicity based on the results obtained and the objectives pursued.

5.5.4 Assessment of environmental aspects

Once the applicable environmental aspects of a particular facility/business unit have been identified, the EMS manager, with the collaboration of the Environmental department and other departments involved (O&M, Asset Management), shall perform the assessment in the template TMP-EU/EMS-GEN-00001 *Environmental aspects assessment sheet*.

The aim of the assessment of environmental aspects is not measuring absolute risk values but obtaining results, by applying common assessment criteria, that allow to compare aspects and facilities in a particular business unit.

The assessment is performed assigning the corresponding probability and materiality to each environmental aspect (assess from higher to lower values) taking in consideration the environmental performance of the complete previous year (period to be assessed).

The ANX-EU/EMS-GEN-00002 – *Manual for the application of the procedure EXPR-EU/EMS-GEN-00001* contains a manual aimed to help EMS managers in the application of this procedure. It includes the description of the different levels of probability and materiality, the Priority Graphs to identify the improvement areas for each environmental aspect and the reference values for the assessment of certain aspects.

The manual is elaborated by the EDPR EU EMS manager and reviewed at least every twelve months. It is approved by the EDPR EU EMS Management Representative and distributed to the EMS managers through the corporative tool *Internal documentation*.

The applicable environmental aspects shall be assessed only if they have the potential to produce a significant impact on the environment.

In EDPR EU there are some environmental aspects that shall not be assessed, just monitored and measured based on the general procedure EXPR-EU/EMS-GEN-00007 *Operational control, monitoring and measurement*.

In the same way, the environmental aspects to be assessed can be evaluated based on the environmental performance of the assessment unit or the business unit, depending on the type of environmental aspect.

The field “*To be assessed?*” of the ANX-EU/EMS-GEN-00001 - *EDPR EU Environmental aspects* shows if the environmental aspect shall be assessed or not, and if the assessment shall be done based on the assessment unit or the business unit performance.

It is the responsibility of each EMS manager to perform the assessment of the environmental aspects under the EMS management of the business unit. The evaluation shall be based on data,



experiences and knowledge of the facilities/business unit, maintaining evidences and/or observations that shall be registered in the template TMP-EU/EMS-GEN-00001 *Environmental aspects assessment sheet*.

5.5.4.1 Environmental aspects to evaluate by assessment unit

It refers to the environmental aspects to be assessed included under the categories Biodiversity, Impacts to local community and Environmental emergencies (see ANX-EU/EMS-GEN-00001 - EDPR EU Environmental aspects).

The assessment shall be performed through the assignation of the corresponding values for probability and materiality (assess from higher to lower values) based on the environmental performance of the assessment unit.

5.5.4.2 Environmental aspects to evaluate by business unit

It refers to the environmental aspects to be assessed included under the categories Waste and Consumptions, emissions and effluents (see ANX-EU/EMS-GEN-00001 - EDPR EU Environmental aspects).

The assessment shall be performed through the assignation of the corresponding value for materiality (assess from higher to lower values) based on the environmental performance of the business unit.

Probability shall not be assessed for these environmental aspects since they are intrinsic to the business.

5.6 EXCEL SUPPORT

As a support to the EMS managers, there is available an excel file where the identification and assessment of environmental aspects can be performed. This support file in excel format can be used instead of the template TMP-EU/EMS-GEN-00001 *Environmental aspects assessment sheet* or as a complement.

IDENTIFICATION AND ASSESSMENT OF ENVIRONMENTAL ASPECTS

6 RESPONSIBILITIES

Task	EDPR EU Sustainability department	Environmental department	O&M department	Asset management department
Define the EDPR EU Environmental aspects	Define and maintain up to date	Identify applicable environmental aspects	Support the Environmental department	Support the Environmental department
Assign weights to the environmental aspects (relativization)	Assign and periodically review	n/a	n/a	n/a
Define the procedure for the assessment of environmental aspects	Define and periodically review	Define for the specific aspects*	n/a	n/a
Assess the applicable environmental aspects	Support the Environmental department	Assess and periodically review	Support the Environmental department	Support the Environmental department
Identify and prioritize the areas of improvement	Support the Environmental department	Identify and prioritize	Support the Environmental department	Support the Environmental department
Define the Program of environmental objectives and targets	Support the Environmental department	Define and maintain up to date	Support the environmental department	Support the environmental department
Implement and follow-up the Program of environmental objectives and targets	Support the Environmental department	Implement and follow-up	Implement	Implement
Communicate and put in value the results of the Program of environmental objectives and targets	Communicate	Communicate	Communicate	Communicate

*Specific environmental aspects: those aspects only applicable to a particular facility and/or business unit.



7 TEMPLATES

- TMP-EU/EMS-GEN-00001 – Environmental aspects assessment sheet.

