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Prepared	Reviewed	Approved
 EDPR EU EMS Manager	 EDPR EU EMS Management Representative	 EDPR EU EMS Management Representative
Name: ANGELA TOLEDO	Name: MANUEL FERNANDEZ	Name: MANUEL FERNANDEZ
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0 CHANGE CONTROL

Edition	Date	Description of the modification
00		Initial edition
01	September 2015	Update to include references to SALEM, the corporative tool for the identification and assessment of compliance obligations.

1 OBJECTIVE AND SCOPE

The aim of this document is to establish the process of identification and assessment of compliance obligations of environmental character applicable to EDPR EU.

This procedure shall apply to 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
- SALEM User Guide
- SALEM Management Report Guide
- MAN-EU/EMS-MAN-00001 "*EMS Manual*"
- EXPR-EU/EMS-GEN-00009 "*Non-conformities, Subjects to monitor and Areas of improvement*"

3 DEFINITIONS

- **Compliance obligations:** legal requirements that an organization has to comply with and other requirements that an organization has to or chooses to comply with. Compliance obligations can arise from mandatory requirements, such as applicable laws and regulations, or voluntary commitments, such as organizational and industry standards, contractual relationships, codes of practice and agreements with community groups or non-governmental organizations.
- **Relevance:** the relevance of a requirement is defined according to the risk arising to the company in case of breach of the requirement. It can be established based on the analysis of its components: probability of non-compliance and severity of its consequences.

- **Requirement:** need or expectation that is stated, generally implied or obligatory.
- **Temporariness:** the state of lasting or being intended to last or be used only for a short time; the state of not being permanent.
- **SALEM tool:** service designed to meet the needs of knowledge and update of the compliance obligations regarding environment, health & safety and industrial safety.

4 ABBREVIATIONS

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

5 PROCEDURE

5.1 SALEM TOOL

SALEM is the EDPR EU corporative tool for the identification and assessment of compliance obligations. It allows a global management of compliance.

This online service, provided by the company NOVOTEC, is designed to meet the needs of knowledge and update of the compliance obligations concerning environment, health & safety and industrial safety. However, this procedure just describes the process of environmental compliance.



The SALEM tool allows legislation searches, assessment of compliance, management of compliance information from a global point of view, consultations to legal experts or creation of alerts to remind certain requirements, among other possibilities.

Each business unit has its own access to SALEM. The users and passwords are available in the EMS server.

For technical aspects of the tool or doubts about how it works, please check the *SALEM User Guide*.

5.2 IDENTIFICATION OF COMPLIANCE OBLIGATIONS

The main goal of the identification of compliance obligations is to ensure that business units know the applicable requirements related to the environmental aspects of their facilities.

The Compliance Obligations are legal requirements that an organization has to comply with and other requirements that an organization has to or chooses to comply with.

They can arise from mandatory requirements (laws, regulations, etc) or voluntary commitments (organizational and industry standards, contractual relationships, codes of practice, agreements with community groups, non-governmental organizations, etc).

The process of identification of Compliance Obligations is performed periodically in the SALEM tool, as explained in the section 5.4.2. *Identification of compliance obligations*.

An accurate identification of the facility's applicable requirements and obligations is basic to ensure compliance. Therefore, it is extremely important to carefully identify and review/update them periodically following the guidelines explained in the section 5.4.2. *Identification of compliance obligations*.

5.2.1 Classification of requirements

The requirements can be classified into different categories according to whether they are applicable or informative, as well as based on its temporariness and relevance.

The classification of the requirements into these groups results very useful for the evaluation of compliance since it allows to optimize the process of compliance assessment organizing the evaluation reports according to the temporariness and relevance of the requirements. Nevertheless, it is not mandatory for the business units, they can freely determine whether to use these criteria or not.

1. APPLICABLE	1.1. Temporariness	<i>1.1.1. Permanent</i>	Any requirement that, by its nature, once met and assessed as fulfilled do not require further actions and/or evaluations. For example, a requirement that obliges to obtain a license. Once the license is obtained, the requirement is fulfilled and it shall be evaluated as such in the assessment report, so not additional actions nor evaluations will be necessary.
		<i>1.1.2. With defined periodicity</i>	Any periodical requirement with periodicity over one year that entails taking actions in periods over one year to ensure compliance. For example, the delivery of certain reports to Authorities each two years.
		<i>1.1.3. Without defined periodicity</i>	Any requirement with annual periodicity or periodicity under one year (daily, weekly, monthly, quarterly, biannually...). In other words, requirements that entail taking actions in a regular basis to ensure compliance. For example, requirements regarding the proper storage, segregation, labeling and documentation of waste, certain reports to submit to the Authorities (biannually or annually), etc.
		<i>1.1.4. Occasionally applicable requirements</i>	Requirements not applicable in the normal course of facilities, usually related to particular, specific and not common actions. They become applicable when the action takes place in the facility and just for this period. For example, the requirements related to the performance of construction works in a facility in operation.
	1.2. Relevance	<ul style="list-style-type: none"> ▪ <i>High</i> ▪ <i>Medium</i> ▪ <i>Low</i> 	The relevance of a requirement is defined according to the risk arising to the company in case of breach of the requirement. It can be established based on the analysis of its components: probability of non-compliance and severity of its consequences.
2. INFORMATIVE	Any requirement whose sole purpose is to provide information, it does not establish a particular obligation to comply with. Since it is not an applicable requirement it should not be identified and evaluated as such in the compliance assessment reports. For example, requirements that provide information about internal processes of Authorities bodies, etc.		

5.3 EVALUATION OF COMPLIANCE

The main goal of the evaluation of compliance is to ensure that the company fulfils its compliance obligations of environmental character, and implements the necessary actions to achieve compliance in case of failure or risk of failure to fulfil a requirement.

The process of compliance assessment is performed periodically in the SALEM tool, as explained in section 5.4.3. *Evaluation of compliance.*

As important as assessing compliance is setting actions to achieve compliance in case of detecting any requirement unfulfilled or in risk of failure.

Following are the different compliance categories to consider during the process of compliance assessment in the SALEM tool and the associated actions according to the general procedure EXPR-EU/EMS-GEN-00009 “*Non-conformities, Subjects to monitor and Areas of improvement*”.

Compliance status	SALEM category	Description	Action
Fulfilled	Y	The requirement is fulfilled	Area of Improvement (AI) - optional-
Unfulfilled	N	The requirement is not fulfilled	Non-conformity (NC)
In process	IP	The fulfillment of the requirement is in progress (for instance, EDPR has applied for an authorization but it’s waiting for the resolution).	Area of Improvement (AI) - optional-
Risk of non-compliance	RI	It cannot be stated that the requirement is not fulfilled, but there are signs that show a possible risk of non-compliance that recommend taking actions to prevent a potential future breach.	Subject to monitor (SM)

According to the general procedure EXPR-EU/EMS-GEN-00003 “*Environmental objectives and targets*”, the results of the compliance assessment shall be taken into account when defining the Program of environmental objectives and targets. Repetitive non-conformities arising from legal breaches shall lead to action plans to be included in this Program.

5.4 OPERATIONAL ASPECTS

5.4.1 *New facilities in SALEM*

Environmental departments shall ensure that any new facility in construction or operation phase is included in the SALEM tool.

Its inclusion shall be requested by the Environmental departments to NOVOTEC by sending the following information:

- Facility type: wind farm, PV plant, substation, power line, etc.
- Facility name: for example, Cernavoda W.F.
- Facility location: country, region and town.
- Facility phase: construction, operation.
- Permits, authorizations... and any other internal documentation including environmental requirements.

EDP RENEWABLES ESPAÑA (MA) / * P.E. Ávila	
Services Found	
- 136 registers found -	
Code	Service
151	* EDPR España
37	* I+d Molino Arbolitas
67	* I+d Molino de Caragüeyes
96	* Nave Campillos
63	* Nave Medina Sidonia
41	* P.E. Acampo Arias (SET Acampo Arias)
69	* P.E. Ampliación Cruz de Hierro
4	* P.E. Ávila
13	* P.E. Belchite (SET Belchite)
72	* P.E. Bon Vent Corbera
48	* P.E. Bon Vent de l'Ebre (SET Fatarella)
38	* P.E. Bon Vent Vilalba (SET Bon Vent)
46	* P.E. Boquerón (SET Boquerón)
65	* P.E. Borja I (SET Borja)
55	* P.E. Borja II
89	* P.E. Brújula

5.4.2 Identification of compliance obligations

5.4.2.1 Initial identification

Whenever a new facility starts construction or operation phase, the Environmental department shall request to NOVOTEC its inclusion in the SALEM tool according to the section 5.4.1. *New facilities in SALEM.*

The inclusion in SALEM of facilities in construction is not mandatory but advisable, because it allows a proper control of compliance during construction works that will positively affect the operation phase.

NOVOTEC shall include the new facility in SALEM and ask to the Environmental department to identify its applicable environmental aspects (in the excel questionnaire sent by NOVOTEC or in the aspects questionnaire in the SALEM tool).

An accurate identification of the facility's applicable environmental aspects is basic for a proper SALEM operation, since compliance obligations are determined based on this information. Therefore, it is extremely important to carefully identify and review/update them periodically.

Based on the applicable environmental aspects of the new facility, NOVOTEC shall perform the initial identification of the applicable requirements and the corresponding obligations to comply with. NOVOTEC shall also extract the applicable environmental requirements and obligations arising from the permits, licenses, authorizations, etc sent by EDPR.

Once NOVOTEC finishes the identification, they shall inform to the corresponding Environmental department, who shall review it and complete the information regarding temporariness and relevance for each requirement (in case of working with these criteria). Any disagreement shall be communicated to NOVOTEC in order to modify/adjust it. Finally NOVOTEC shall include the information in the SALEM tool.

Although English is the official language of EDPR EU EMS, the identification of legal and other requirements is an exception when they're literally extracted, so NOVOTEC shall record them in the original language. Nevertheless, the resulting obligation and the assessment (*observations* field) shall be recorded in English, Spanish or Portuguese.

5.4.2.2 Update

In order to maintain up to date the identification of compliance obligations, NOVOTEC sends by email a monthly newsletter to the Environmental departments. This newsletter includes the new environmental legislation published in the last month, detailing the facilities affected (for example, all wind farms in operation) and the type of requirement (applicable or informative).

The Environmental department shall review it. In case of disagreement, it shall be notified to NOVOTEC. If NOVOTEC does not receive any communication within 10 days, they will understand that EDPR agrees with the applicable/informative requirements included in the newsletter, and they shall be included in the SALEM tool.

In the business units where temporariness and relevance criteria are implemented, the newsletter also includes a template where this information shall be completed. It is essential to ensure that this information is filled in by the Environmental department for each new legal requirement, and sent back to NOVOTEC in the shortest time possible.

All evidences regarding the update and/or communication of compliance obligations shall be kept.

5.4.3 Evaluation of compliance

Environmental department are responsible for assessing the compliance of the applicable requirements identified, with the collaboration of the other departments involved in the fulfillment (O&M, asset management, etc).

Third parties in charge of the environmental monitoring of the facilities may be also involved in the evaluation of compliance.

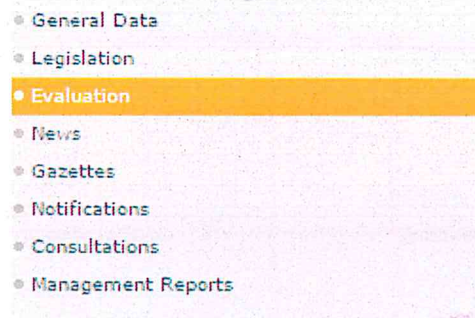
5.4.3.1 Compliance assessment report

Whenever a new facility starts construction or operation phase and the applicable requirements are identified in the SALEM tool, the Environmental department shall assess its compliance.

The compliance assessment report available in the SALEM tool intends to be a working tool which enables control of pending, in progress and fulfilled obligations.

To create an assessment report, the following steps shall be followed:

1. Choose "Evaluation" in the SALEM menu:



2. Using the drop-down menus choose the facility to be assessed ("Service") and the corresponding "Area(s)", "Territory(ies)", "Center(s)" and "Subarea(s)". Choose which requirements to include: "Legislation" (requirements arising from regulations, decisions, laws, etc), "Internal documents" (requirements arising from permits, authorizations, etc), or both. Finally write a name for the report ("Title") and click on "Create Report".

Compliance Assessment Report

Service: * P.E. Belchite (SET Belchite)

Area: [1 selected]

Territory: [4 selected]

Center: ...

Subarea: [36 selected]

Legislation Internal Documents

Title: _____

[Help](#) [Clean](#) [Search](#) [Create Report](#)

3. A new window appears with the Compliance Assessment Report according to the characteristics previously chosen.

Two drop-down menus enable to organize the assessment according to the relevance and/or temporariness of the requirements (in case of working with these criteria).

Area: [0 selected]

Relevance: [0 selected]

Subarea: [36 selected]

Temporality: [0 selected]

If the title of the report has not been included in the previous step, it is important to write it in the Compliance Assessment Report (the system assigns, by default, the name "Evaluation" followed by the date and the hour), as well as the name of the author ("Editor").

Title: ▶ Evaluation 8/10/2015 11:26:18 AM

Editor: ▶ _____

4. The assessment of each requirement shall be recorded in the Accomplishment field choosing any of the following categories:

- **Yes (Y):** the requirement is fulfilled.
- **No (N):** the requirement is not fulfilled.
- **In Process (IP):** the fulfillment of the requirement is in progress (for instance, EDPR has applied for an authorization but it's waiting for the resolution).
- **Does not Apply (DA):** the requirement is not applicable to the facility.
- **Risk of Non-compliance (RI):** it cannot be stated that the requirement is not fulfilled, but there are signs that show a possible risk of non-compliance that recommend taking actions to prevent a potential future breach.

Accomplishment					Observations / File
Y	N	IP	DA	RI	
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="text"/>

Although the procedure for the identification of applicable requirements has been previously described (see 5.4.2. *Identification of compliance obligations*), the category DA (Does not apply) in the Accomplishment field of the compliance report is a second chance to identify requirements not applicable to the facility. The identification of non-applicable requirements in the assessment report shall be notified by email to NOVOTEC who will be responsible for removing them.

In the same way, if any requirement included in the compliance report is considered informative instead of applicable, it shall be assessed as non-applicable (choose DA in the *Accomplishment* field) and the following comment shall be included in the *Observations* field: "informative requirement". The identification of informative requirements in the assessment report shall be notified by email to NOVOTEC who will be responsible for reclassifying them.

Besides recording the assessment in the *Accomplishment* field, additional information about the compliance status of the requirement shall be included in the *Observations* field (even in the case of fulfilled requirements), and/or through the attachment of the corresponding documents or links (by clicking on the magnifying glass) to support the assessment.

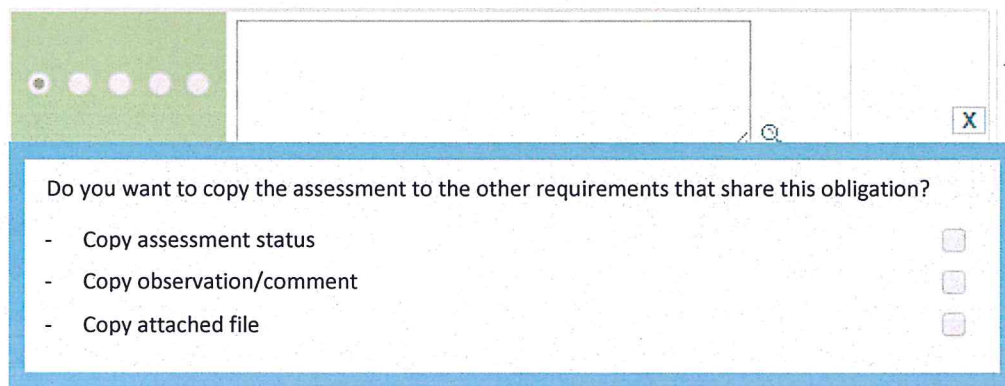
In the event of breach of any applicable requirement or risk of non-compliance, the corresponding non-conformity/subject to monitor (see procedure EXPR-EU/EMS-GEN-00009 "*Non-conformities, Subjects to monitor and Areas of improvement*") shall be attached or its code shall be included in the *Observations* field.

5. Requirements sharing compliance obligation:

The fact that applicable requirements of environmental character derive from different territorial levels: European Union, country, region, town, etc, sometimes means the existence of similar requirements at different levels, for example, legislation regarding waste management at national and regional level.

To optimize the process of compliance evaluation, the SALEM tool enables to assess in one step all the requirements sharing compliance obligation(s).

When assessing a requirement that shares obligation with any other requirement in the compliance report, the following pop-up window appears enabling to copy the assessment status and/or the observation/comment and/or the attached file to the other requirements that share the obligation:



6. Before closing the Assessment Report, ensure that it is saved and that the status of the report is properly filled in the State field (uninitiated, draft, finished).

7. Assessments reports can be exported to an excel or word file.

5.4.3.2 Compliance assessment frequency

Given that construction works are quite dynamic, it is advisable to assess the environmental compliance in a frequent manner. In addition, a compliance assessment at the end of the works is essential to know the compliance status of the facility before starting the operation phase.

Third parties in charge of the environmental monitoring may play an important role in this matter.

Regarding facilities in operation, as a general rule the compliance assessment shall be carried out, at least, every twelve months.

In case of having compliance obligations classified as requirements “with defined periodicity” (see 5.2.1. *Classification of requirements*), their compliance can be assessed conforming to their periodicity, although exceeding the twelve months of assessment frequency established as a general rule.

The compliance assessment shall be performed in a more frequent basis in the following circumstances:

- Whenever a new requirement is identified as applicable, the compliance report shall be “refreshed” to include the new requirement and assess it.
- Whenever there’s any significant change at the facility, the compliance report shall be reviewed to confirm that these changes are considered in the compliance assessment.
- The requirements assessed as “in process”, “non-compliance” or “in risk of non-compliance” shall be updated as circumstances change.

Business units can define its own process of compliance assessment according to the relevance and temporariness of its applicable requirements, the variations in the operating conditions, the changes in compliance obligations and the facility’s performance, with the aim of having an efficient and optimized process of legal compliance. However, all compliance obligations need to be evaluated periodically.

For that purpose, the EMS manager shall prepare a specific executive procedure explaining the process to follow in the business unit and send it to the EDPR EU EMS manager for validation, as established in the procedure EXPR-EU/EMS-GEN-00006 “Control of documents and records”.

5.4.4 Management of the information regarding compliance

The SALEM tool includes a module called Management Reports that allows the users to check the compliance status in a fast and convenient way, without the need to access individual assessment reports.

- General Data
- General Data
- Services
- Legislation
- Evaluation
- News
- Gazettes
- Notifications
- Consultations
- **Management Reports**

This module enables the extraction of compliance information of a particular facility, but also of a group of facilities, the complete business unit or EDPR EU, without getting into the detail of each compliance report.

This easy-to-use tool offers to the final user a global vision of the compliance status at different levels (European, national, regional, facility). It shows graphic comparisons and allows to identify, with some simple steps, the facilities with requirements in risk of compliance, in process of compliance or unfulfilled.

For technical aspects of the tool or doubts about how it works, please check the *SALEM Management Reports Guide*, available in the EMS server.

Management Reports

Publication D. :

From: To:
dd/mm/yyyy dd/mm/yyyy

Country: [0 selected]

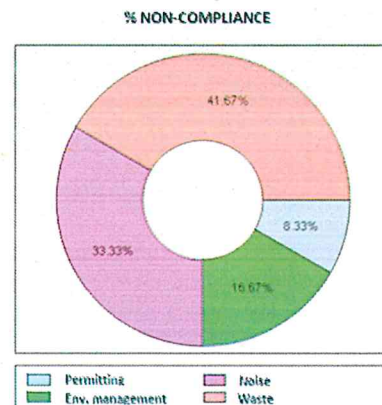
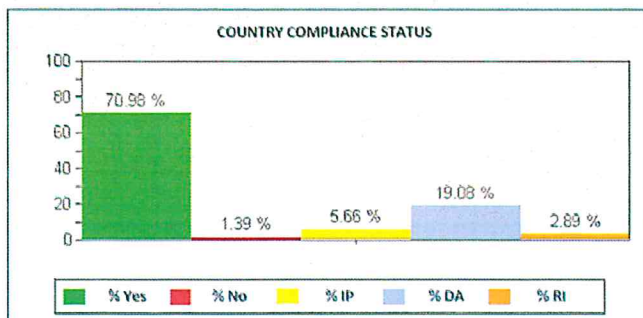
Territories: [0 selected]

Service: [0 selected]

Area: [0 selected]

Parameters: [0 selected]

All Reports
 Last Report





**GENERAL EXECUTIVE PROCEDURE
IDENTIFICATION AND ASSESSMENT
OF COMPLIANCE OBLIGATIONS**

EXPR-EU/EMS-GEN-00002

v.01

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6 RESPONSIBILITIES

Task	Business Units			EDPR EU Sustainability department	NOVOTEC company
	Environmental department	O&M department	Asset management department		
Ensure that new facilities are included in SALEM	Request the inclusion of the new facility to NOVOTEC	n/a	n/a	Support the Environmental department	Include the new facility in SALEM
Identify the applicable environmental aspects	Identify and maintain up to date	Support the Environmental department	Support the Environmental department	Support the Environmental department	Support the Environmental department
Identify the compliance obligations	Ensure that compliance obligations are properly identified and up to date.	n/a	n/a	Support the Environmental department	Identify the compliance obligations. Inform periodically about new applicable obligations.
Perform the compliance assessment	Assess and periodically review	Support the Environmental department	Support the Environmental department	Support the Environmental department	Support the Environmental department
Prepare an action plan in case of failure or risk of failure	Prepare and implement the action plan	Support the Environmental department	Support the Environmental department	Support the Environmental department	n/a

7 TEMPLATES

Not applicable

All evidences regarding periodical update of compliance obligations are considered to be records, despite not having a format; as well as the reports where legal and other requirements are recorded in SALEM, the compliance reports in SALEM and any other document that gives evidence of the process defined in this document.