

ACTION

Action brings us closer
to our goals

OUR COMMITMENTS



The innovative resource management
and shared value solutions we implement
reflect our daily engagement and
our commitment to the future.

On Circular Economy;
On Biodiversity;
On Climate Change;
On Sustainable Development.





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/01

MESSAGE FROM THE CHAIRMAN

(102-14)

LIPOR is building the future in the present, a future that, in our minds, depends not only of us, but of a group of stakeholders with whom LIPOR is always connected.

Boosting the Sustainability of a Project like LIPOR means understanding that we can't survive on our own; we grow and become stronger together with our Employees, with our associated Municipalities, the Official Bodies that regulate our activities and the Waste Sector, with Customers, Suppliers, the Companies contracted to operate our main Waste Recovery/Treatment Plants (waste being our resources), and the Citizens of the region we are inserted in and whom we serve.

Boosting the Sustainability of a Project like LIPOR means focusing on the creation of Value, while understanding that we must share that added Value fairly with all stakeholders, in diverse areas, by boosting Local Economy, providing Social Support, promoting Sports amongst Young People, Culture, Regional Biodiversity, and fostering a tenacious fight against Climate Change, among other things.

With focus on LIPOR's Business, the Board of Directors and the Professional Management Group must permanently and attentively monitor our external environment, which may limit the natural course of our Strategy, and the constraints to the fulfilment of the defined Objectives.

For 2018, our Short-Term Strategy was evident and greatly focused on the development and increase of waste sorted at the source for multimaterial and organic recovery. For this reason, we've shored up our

associated Municipalities through the provision of Technical Support and Investment in Equipment and Awareness Campaigns. As a result of that work, we've surpassed the Goals imposed on us by PERSU 2020, increased Product Sales and Provision of Services, and our Turnover and Profits continued to grow.

On a medium-term view, we are evidently following up the final result of the revision of PERSU 2020, the national Strategic Plan under the responsibility of the Portuguese Environment Agency (APA).

It is clear that more ambitious objectives are needed and will certainly be imposed on all Waste Management Systems; however, LIPOR is prepared for such scenario, as a result of its hard work in terms of waste collection (by City Councils) and material recovery, for which LIPOR is responsible.

Still in the medium term, we are focused on projects that will reinforce our production capacity regarding biowaste, the multimaterial fraction and even the fraction entitled "RESIDUAL WASTE", for which a 3rd line will be implemented in the Energy Recovery Plant, in Maia.

The impact of these important Investments on LIPOR's Balance Sheet has been duly taken into account, for which purpose LIPOR has prepared Applications to Community Funds and sought for Long-Term Funding by specialised Financial Institutions, such as the EIB (European Investment Bank).

In the long-term prospect, it is generally agreed within the Organisation that, in 10 years' time, LIPOR's Business Model will be very different from the current one.

To this end, we're expanding the Organisation's literacy regarding Circular Economy, reinforcing LIPOR's Innovation Unit and developing Projects that aim to promote the creation of new Products, new Services and new Competences, in order to create more Value, more Wealth and more Jobs.

To sum up, we may state that an Organisation that seeks to strengthen its Current activities, to project growth for the Future, by expanding its traditional business and also diversifying it, in order to counteract adverse external influences, is a solid Organisation that demonstrates a Vision of optimal Business Sustainability.



Aires Pereira

Chairman of LIPOR's Board of Directors



/02

LIPOR

LIPOR IN 2018

SERVIÇO INTERMUNICIPALIZADO DE GESTÃO DE RESÍDUOS DO GRANDE PORTO (INTERMUNICIPAL WASTE MANAGEMENT OF GREATER PORTO) (102-1)



648 KM²

ESPINHO, GONDOMAR, MAIA, MATOSINHOS, PORTO, PÓVOA DE VARZIM, VALONGO AND VILA DO CONDE (102-4, 102-6)



BAGUIM DO MONTE

GONDOMAR (102-3)



191

EMPLOYEES (102-7)



3 AWARDS

1ST PLACE IN THE PUBLIC SECTOR CATEGORY, IN THE "EXCELLENCE AT WORK INDEX"

1ST PRIZE "EXCELLENCE IN CONTINUOUS IMPROVEMENT" - KAIZEN INSTITUTE

WINNER DESIGN AWARD IN THE FAMAE - THE WORLD LARGEST GREEN INNOVATION CHALLENGE

LIPOR Composting Plant - outside view

CORPORATE STRATEGY (102-15)

In 2017, LIPOR has revised its Vision, Mission, Values and Policies so that they reflect its position and establish its Purpose.

In 2018, LIPOR revised, in turn, its Strategic Agenda.

Mapping the main drivers associated with LIPOR's activity and knowing their impact on the Business allowed to identify the main challenges and opportunities for the Organisation.

Political, legal and fiscal changes are definitely emerging (and will continue to evolve), as well as economic, cultural, social, technological and ecological changes, as a response to our very complex global context.

LIPOR HAS A CLEAR VISION OF WHERE IT WANTS TO BE TOMORROW AND HOW IT WANTS TO WALK THAT ROAD, SO IT IS FUNDAMENTAL TO CONTINUE TO SET THE PACE OF THE FUTURE.

How is this possible? Through knowledge!

- Knowledge about Legislative Policies and fiscal changes planned for the sector, so that LIPOR can anticipate an operational maximisation characterised by keeping materials in the productive cycle, with added value;
- Knowledge about the emergence of a new demographic structure and lifestyle, with the implementation of a new approach based on shared value among LIPOR's Stakeholders;
- Knowledge about new technologies and technological development, that allows LIPOR to take a distinctive stance, to promote a regenerative dynamic and mobilising interface strategies.

The above framework might help the Organisation to reflect on a new Business Model that will be the foundation of its future activities and will be put into practice through the redefinition of the concept of "waste" and a revision of the concept of "resource".

CORPORATE GOVERNANCE

LIPOR – SERVIÇO INTERMUNICIPALIZADO DE GESTÃO DE RESÍDUOS DO GRANDE PORTO (INTERMUNICIPAL WASTE MANAGEMENT OF GREATER PORTO) IS A MUNICIPALITIES ASSOCIATION THAT SERVES THE MUNICIPALITIES OF ESPINHO, GONDOMAR, MAIA, MATOSINHOS, PORTO, PÓVOA DE VARZIM, VALONGO AND VILA DO CONDE, AS A PUBLIC LAW LEGAL PERSON WITH LEGAL PERSONALITY AND ADMINISTRATIVE, FINANCIAL AND ASSET MANAGEMENT AUTONOMY.

It is governed by its own Statutes and the Laws applicable to Municipalities Associations and aims to ensure a sustainable and legally defined final destination to municipal solid waste produced by the population of the associated Municipalities, as well as to manage, maintain and develop the infrastructures required for that purpose.

LIPOR has built its 36 years of history based on a solid Governance and being characterised by visionary leadership and a cohesive and coherent structure, making intentions turn into actions and principles turn into values.

As LIPOR is a Municipalities Association, its Management and Governance models are very specific and different from the most common Governance models.

Our Governance structure is based on the Board of Directors. The Intermunicipal Assembly, which is LIPOR’s deliberative body, appoints, on a proposal from the Board of Directors, the Chief Executive Officer, who is in charge of the professional executive management of the Association, with the support of the heads of the several Organisational Units, who are part of the Organisation’s staff (102-23).

LIPOR’s services are organised into Organisational Units: Departments, Divisions and Units.

MISSION

To implement innovative waste management solutions, promoting a circular approach and the creation of shared value.

VISION

We want to participate in the global market and create trends for a sustainable future.

VALUES

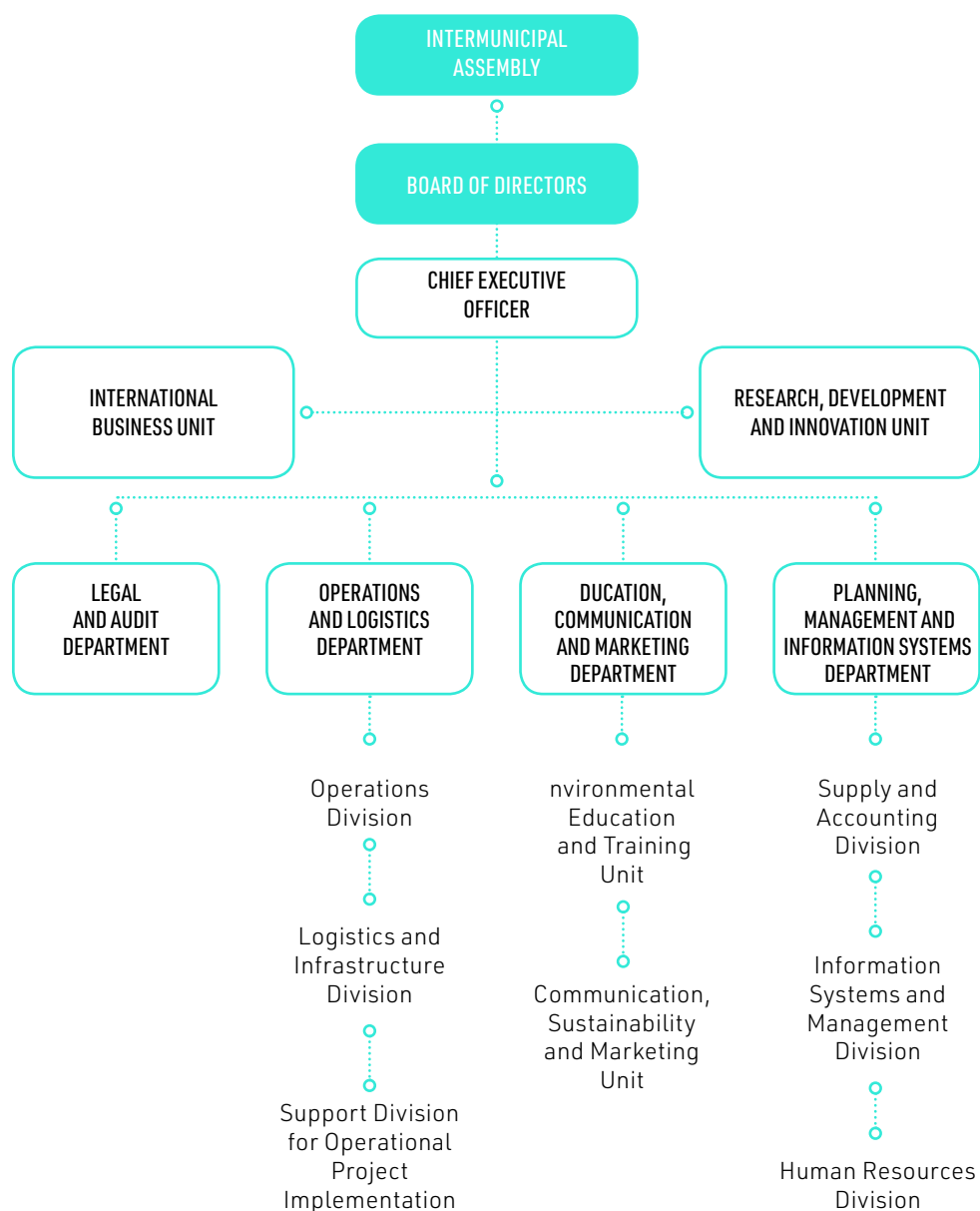
To be Ambitious and passionate, To be Creative and think positive, To be Responsible and rigorous, To be Ethical and a TEAM!

WE ARE COMMITTED TO LIPOR

POLICY

Within the scope of its Sustainable Management Strategy, LIPOR has established for all of its activities, products and services, as well as its relationship with all stakeholders, a Quality, Environmental, Energy, Safety and Health, Social Accountability and Innovation Policy.

The Organigram that entered into force on 1st October 2016 was reviewed in 2018, having currently the following Macrostructure (102-18):



LIPOR'S ETHICS CODE

The Ethics Code is intended to be a conduct guide for the Organisation and its Employees that lives up to the specific requirements imposed on LIPOR as a public organisation (102-16). Bearing in mind these requirements, there's a need for a set of common values, complemented by transparent principles, with the purpose of better serving public interest and local Citizens. In our internal and external relationships, we are ethically responsible and act according to the law, guided by a sense of social accountability and public service.

We believe that LIPOR's Ethics Code is an instrument that helps us build, maintain and strengthen our corporate culture, as we aim to be more meticulous in our activities, to honour our commitments, fulfil our duties and maintain and improve our reputation and seriousness.

A revision of this document is planned for 2019, in order to adjust it to new requirements.

Regarding internal and external mechanisms for concerns about ethics, Employees may resort to several reporting channels at their disposal, namely:

- Intranet
- Suggestion box
- Worker Representative

Furthermore, given LIPOR's certification according to the SA8000 Social Accountability Standard, it has been implementing several control mechanisms that ensure a high level of trust in the System. It is worth highlighting the quarterly Social Accountability Visits, where random Employees from all areas are interviewed. The Organisation itself is subject to internal and external third-party audits twice a year. Besides checking working conditions on site, these audits also include anonymous interviews to detect any possible fault that may escape from the Organisation's ordinary control (102-17).

103

MATERIALITY

LIPOR considers mutual and collaborative commitment with and among Stakeholders to be a fundamental element. We believe that Stakeholder engagement in LIPOR's strategies and commitments is essential to our Success, ensuring a sustainable development of our business, from a shared value creation perspective.

This Sustainability Report focuses on Materiality, which, in turn, has a larger scope, as it is also an integral part of our Corporate Strategy, of decision making and the value creation process itself (102-46).

In a Materiality process, there's an identification and prioritisation of the most relevant aspects on an environmental, social and economic level, both from the Stakeholders' and the Organisation's perspective. On the basis of the AA1000APS (AccountAbility Principles Standard), LIPOR implements the measures required to get Stakeholders involved in inclusivity, and in the identification of and responsiveness to material issues. A material issue is "an issue that will influence the decisions, actions and performance of an organisation or its stakeholders", according to the AccountAbility Standard (102-44).

In order to fulfil this purpose, we've carried out the following activities in 2018, which will take place again in 2020, due to their biennial nature:



STAKEHOLDERS

Stakeholders are “those individuals, groups of individuals or organisations that affect and/or could be affected by an organisation’s activities, products or services and by the associated performance”.

The Stakeholder update carried out in 2018 resulted in the following identification:

LIPOR'S STAKEHOLDERS ARE (102-40)

Associations (national and international)	Regulatory Authorities	Product Customers	Service Customers	International Customers	Employees
Monitoring Committees	Community	Board of Directors	Funding Bodies	Managing Entities	Educational Institutions
Suppliers	Financial Institutions	Parish Councils	Opinion Leaders	Associated Municipalities	Plant Operators
Media	Other Local Institutions	Other Waste Management Systems	Partners (from an Internationalisation perspective)	Service Providers from the Associated Municipalities	Insurance Companies
Trade Union	Universities, Technology Centres, Research Centres				

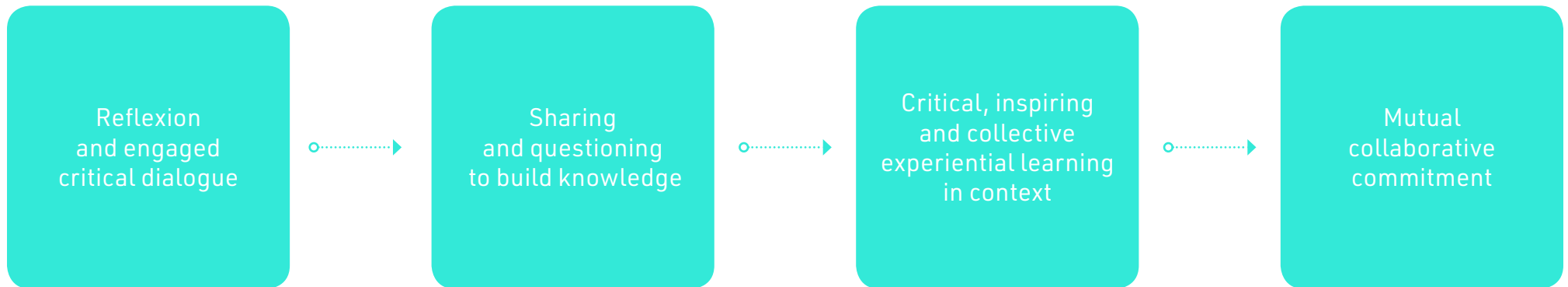
INFLUENCE/DEPENDENCE MATRIX

After identifying our Stakeholders, we've mapped them according to "dependence" and "influence" criteria in relation to the Organisation, producing the following Matrix (102-42):

		STAKEHOLDER INFLUENCE ON THE ORGANISATION (project or line of business)			
		NO INFLUENCE	LITTLE INFLUENCE	SOME INFLUENCE	HIGH INFLUENCE FORMAL POWER
STAKEHOLDER DEPENDENCE ON THE ORGANISATION (project or line of business)	HIGH DEPENDENCE			<ul style="list-style-type: none"> • Product Customers • Service Customers • Suppliers • Universities, Technology Centres and Research Centres 	<ul style="list-style-type: none"> • Associated Municipalities • Regulatory Authorities • Employees • Plant Operators • Community • Managing Entities
	LOW DEPENDENCE	<ul style="list-style-type: none"> • Other Local Institutions 	<ul style="list-style-type: none"> • Trade Union • Partners (from an Internationalisation perspective) • Insurance Companies • International Customers • Other Waste Management Systems 	<ul style="list-style-type: none"> • National and International Associations • Service Providers from the Municipalities • Educational Institutions • Parish Councils • Media • Opinion Leaders • Monitoring Committees 	<ul style="list-style-type: none"> • Board of Directors • Financial Institutions • Funding Bodies

TEMAS MATERIAIS

On 17th September 2018, we held a workshop destined to our Stakeholders, entitled "We want to hear your Opinion!", with the purpose of enquiring them about their expectations regarding LIPOR and defining material issues to work on in the 2018-2020 biennium, based on the following motivations (102-21):

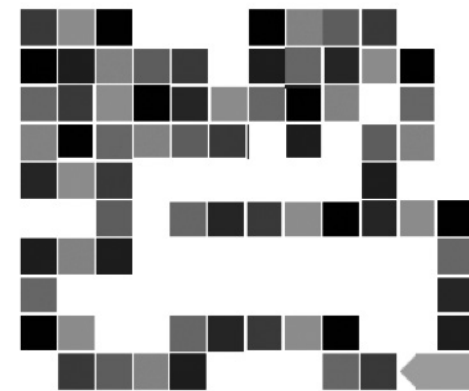


Taking on a pluralist approach that mirrors the complexity and multidimensional nature of organisations, we resorted to non-formal education as an educational-methodological strategy.

For this purpose, we've applied active and participative methods, on a complementary basis, in 3 different moments: "Defying Perceptions", "(Mis)aligning parts" and "Building LIPOR's Mosaic".

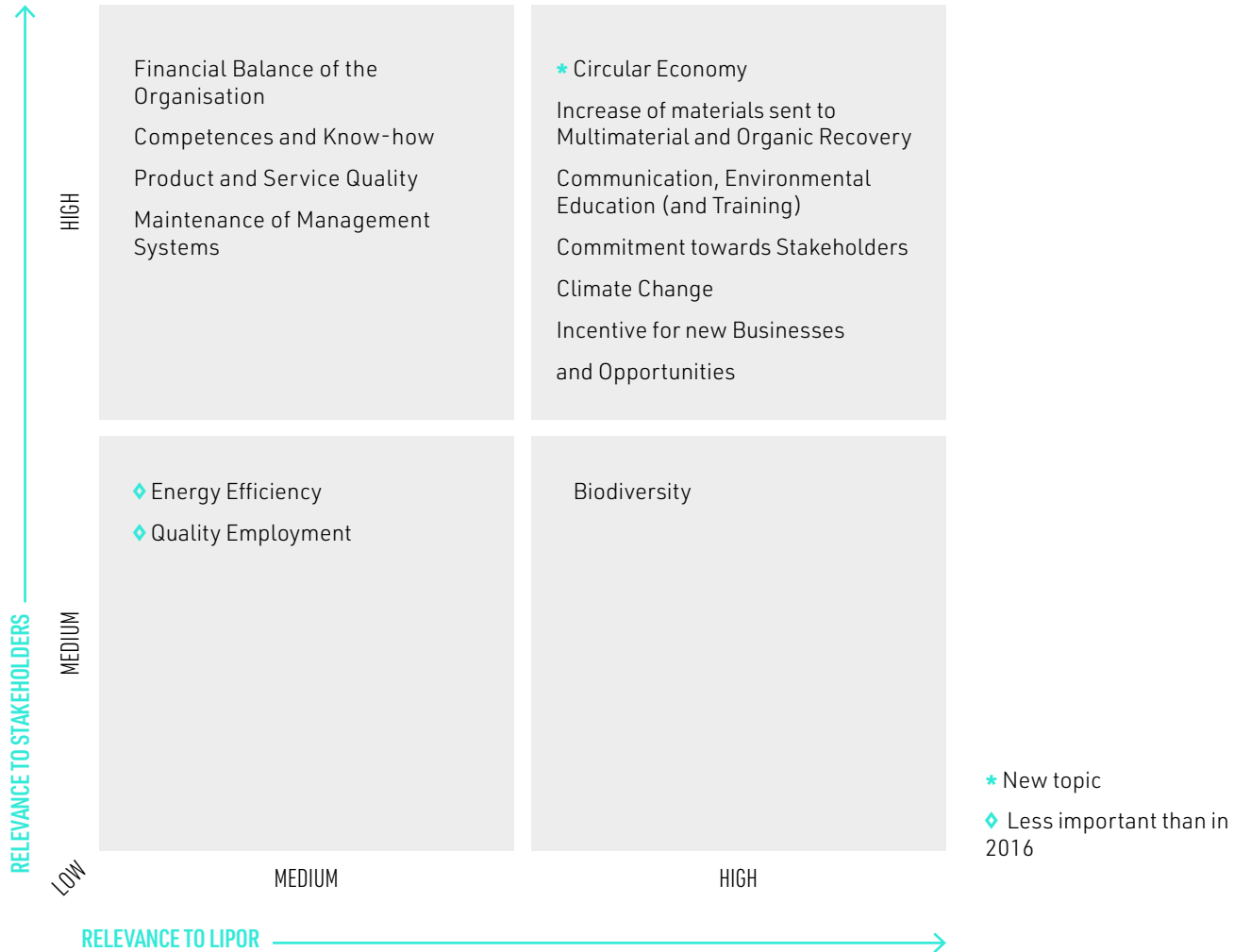
We've used the concept of "mosaic" as a metaphor for the establishment of a strategic, organisational structure around the identification and prioritisation of material issues for Stakeholders.

The Management Team, in turn, has defined as material topics those in which LIPOR will continue to invest, based on the strategic orientation for the next years.



MATERIALITY MATRIX

The intersection of the material topics identified by Stakeholders and those defined by LIPOR's Top Management (104-47) resulted in the following Materiality Matrix:



ENGAGEMENT MECHANISMS

In 2018, Stakeholder engagement at a Communication level had a very positive outcome. This engagement influenced, for instance, the number of published news and the elaboration of communication contents, having an impact on the number of people reached as well. The digital media used by LIPOR for communication purposes have also yielded interesting results.

The main results of Stakeholder Communication and Engagement Mechanisms are shown below (102-43):

2592

COMMUNICATION CONTENTS

1335

PUBLISHED NEWS

1.568.035

PEOPLE REACHED

7,1

COMMUNICATION CONTENTS/DAY

3,65

PUBLISHED NEWS/DAY

4.295

PEOPLE REACHED/DAY



OUR COMMITMENTS

Since its very beginning, LIPOR has always included an approach to sustainability in its core activity, which consists of managing and recovering municipal waste produced in our 8 Associated Municipalities, as a complementary objective.

More recently, especially since 2005, the new motto “Towards Sustainability” defined for LIPOR’s strategy depicts a sustainable management that combines the three main principles of Sustainable Development. Considering Sustainability to be a permanent an integral part of its business, LIPOR commits to continuously promote Sustainability.

PRINCIPLE 1

To provide **employees** the ideal conditions for their personal and professional development and contribute to **community** development, by boosting cultural and educational activities and supporting social initiatives

PRINCIPLE 2

To protect the environment, by investing in cleaner processes and technologies, developing environmental rehabilitation projects and raising awareness among the population of environmentally friendly behaviour

PRINCIPLE 3

Always strive to maintain the Organisation’s **financial balance**, keeping in mind LIPOR’s responsibility towards the Community and its Employees

PRINCIPLE 4

To promote corporate growth and development, **creating** intrinsic **value** for stakeholders

In the last biennium, LIPOR took a step further and reinforced its commitment through the creation of the Shared Value Sustainability Agenda. This transversal Sustainability Agenda, which reflects a comprehensive vision of the Organisation itself, combines LIPOR’s material issues, its alignment with the Sustainable Development Goals and the Projects developed by the Organisation.

The main principles of action promote a close relationship with our Stakeholders, boost the quality of life of our People and the entire Planet, aiming at Prosperity, through the establishment of Partnerships for the creation of shared value. In addition, emerging issues are identified and considered in the Agenda, in order to lead the way for new trends.

WE ARE INSPIRED BY THE FUTURE AND DRIVEN BY THE COMMUNITY.

LIPOR’S SUSTAINABILITY PRINCIPLES ARE (102-16):

LIPOR SUSTAINABILITY AGENDA

PLANET

MATERIAL TOPICS:

- Circular Economy
- Increase of the amount of materials received with potential for Multimaterial and Organic Recovery
- Climate Change
- Biodiversity

PEOPLE

MATERIAL TOPICS:

- Competences and Know-how
- Communication, Environmental Education and Training
- Product and Service Quality



PROSPERITY

MATERIAL TOPICS:

- Financial balance of the Organisation
- Incentive for New Businesses and Opportunities
- Maintenance of Management Systems

PARTNERSHIPS

MATERIAL TOPICS:

- Commitment towards Stakeholders

WE PRIORITISE PEOPLE



MATERIAL TOPIC: COMPETENCES AND KNOW-HOW

The dedication, engagement and collective commitment of the Community, the Board of Directors, our Employees, the associated Municipalities and all our Business Partners are LIPOR’s great inspiration in its quest for Excellence.

In order to generate added value, LIPOR has been focusing on different strategic challenges regarding human resources, namely the development of New Organisational Competences, the need for Interdepartmental Mobility, Knowledge Management and Talent Recognition and Management.

TOTAL NUMBER OF EMPLOYEES AND EMPLOYEE TURNOVER BY AGE GROUP, GENDER AND REGION (401-1)

	2018										TOTAL	BY GENDER	
	18-24 years	25-29 years	30-34 years	35-39 years	40-44 years	45-49 years	50-54 years	55-59 years	60-64 years	> 65 years		Female	Male
Entries	2	2	3	4	1	2	2	0	0	0	16	6	10
Exits	1	3	4	3	3	3	2	0	2	0	21	4	17
No. of Employees	0	1	23	38	35	29	25	21	16	3	191	58	133
Employee Turnover	-	500.00%	30.43%	18.42%	11.43%	17.24%	16.00%	0.00%	12.50%	0.00%	19.37%	17.24%	20.30%

WORKFORCE BY EMPLOYMENT TYPE, EMPLOYMENT CONTRACT, REGION AND GENDER (102-8)

TYPE OF LINK WITH LIPOR		2016			2017			2018		
		Men	Women	Total	Men	Women	Total	Men	Women	Total
Direct Employees	Permanent Staff	138	53	191	138	56	194	133	58	191
	Self-employed Workers	0	0	0	0	0	0	0	0	0
Supervised Workers	Trainees	0	0	0	0	0	0	0	0	0
	"Vida-Emprego" (Life-Employment) Project	0	0	0	0	0	0	0	0	0
	CEI (Employment-Inclusion Contract)	15	0	0	2	0	2	0	0	0
	Total	15	0	15	2	0	2	0	0	0
Casual Workers (independent)	Temporary Workers	0	0	0	0	0	0	0	0	0
	Consultants	0	0	0	0	0	0	0	0	0
	Total	153	53	206	140	56	196	133	58	191

The LIPOR System comprises all direct and supervised Employees. Regarding working hours, all direct and supervised LIPOR Employees worked full time in 2018 (7 daily hours).

Supervised Employees have a fixed-term employment contract for the duration of the application to IEFP (Institute for Employment and Vocational Training). These employees maintain their unemployment allowance, to which is added a monthly grant from LIPOR. (102-8).

Employment created by our Business Partners (Citrup, Ferrovial, Hidurbe, Veolia) through the operation and exploitation of the Composting Plant, the Multimaterial Recovery Plant, the Energy Recovery Plant and the Landfill is essential to the results achieved by LIPOR.

ÍNDICE DA
EXCELÊNCIA
2018

These results have been extremely satisfactory and worthy of external recognition in the past years. In 2018, LIPOR was the winner of the medium business Public Sector category of the "Excellence at Work Index".

This award recognised LIPOR as a Company of Excellence, in an "Excellence Index" developed by Neves de Almeida | HR Consulting, in partnership with Human Resources Portugal, Executive Digest and INDEG-ISCTE.

DIVERSITY AND GENDER EQUALITY

LIPOR’s certification according to the SA8000 standard is an important assurance to all Employees of the Organisation’s commitment to Social Accountability principles, of which we highlight the Diversity and Gender Equality policies.

GENDER AND AGE GROUP OF LIPOR'S EMPLOYEES (405-1)

	2018																							
	M	F	Total	18-24 years		25-29 years		30-34 years		35-39 years		40-44 years		45-49 years		50-54 years		55-59 years		60-64 years		> 65 years		
				M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	
Managers	8	7	15	0	0	0	0	0	0	2	1	3	5	1	1	1	0	0	0	0	1	0	0	0
Senior Technicians	14	39	53	0	0	0	1	2	4	4	13	4	11	2	9	1	1	0	0	1	0	0	0	0
Technical Assistants	27	9	36	0	0	0	0	8	0	8	4	3	2	2	1	2	0	2	0	2	2	0	0	0
Operational Assistants	84	3	87	0	0	0	0	9	0	6	0	6	1	13	0	19	1	19	0	10	0	2	1	1
TOTAL	133	58	191	0	0	0	1	19	4	20	18	16	19	18	11	23	2	21	0	14	2	2	1	1

% OF LIPOR EMPLOYEES BY GENDER (405-1)

	2018	
	M	F
Managers	53.33%	46.67%
Senior Technicians	26.42%	73.58%
Technical Assistants	75.00%	25.00%
Operational Assistants	96.55%	3.45%
TOTAL	69.63%	30.37%



WOMEN AT LIPOR:

- Of 191 Employees, 30.37% are female;
- 3 of the 5 Department Heads are female, corresponding to 60%;
- The Management team has 50% female managers, i.e., 7 of the 14 members.

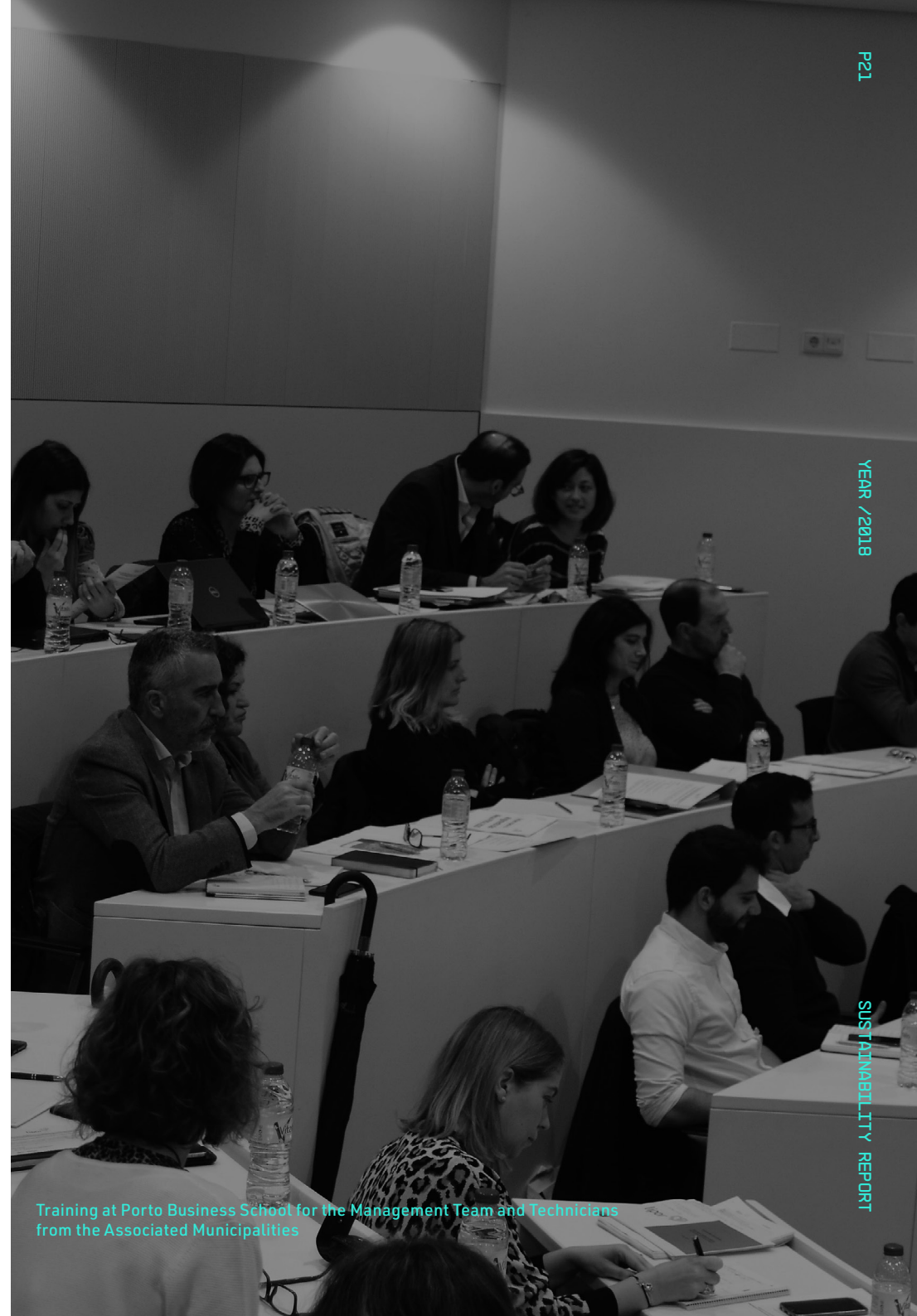
CONTINUOUS IMPROVEMENT AND TRAINING

LIPOR's Human Resource Management Strategy is based on a competence development philosophy that comprises individual development programmes, such as the Talent Management Programme, in connection with the Competences Management System and the Integrated Management and Performance Assessment System for Public Administration.

The Public Administration career unfreeze process, defined in article 18 of the 2018 State Budget Law (LOE2018), was initiated on 1st January 2018, giving rise to compulsory changes in salary grades, progressions and changes in level or step. Furthermore, there's an effort to promote the professional development of Employees, giving them the opportunity to assume new job positions or duties, through internal competitions. So, we may state that Career Management follows the respective legal procedures. In this context, LIPOR has conceived a Talent Management programme, that contributed to the provision of training to boost the competences assessed by means of the Subsystem for Performance Assessment of Public Administration Employees (SIADAP 3) (404-2).

Preparing Employees to be open to changes in LIPOR's business was the motto for the "Design Thinking" Training, a need identified in the Individual Development Plan of several Employees. In this training, which aimed to raise awareness of the importance of Creativity and Design Thinking for innovation processes within Organisations and to encourage behaviours that promote a creative mindset at work, the collective creation process was put into practice.

LIPOR is a public law legal person, bound to the Contractual Ties, Career and Remuneration scheme for Employees in Public Service. Therefore, Career Management follows the proper legal procedures defined in Law no. 35/2014



Training at Porto Business School for the Management Team and Technicians from the Associated Municipalities

of 20 June. Employee performance is assessed by use of the Integrated System for Management and Performance Assessment of the Public Administration (SIADAP), applied in accordance with Law no. 66-B/2007 of 28 December, and adapted for application to Local Administration by the Implementing Decree no. 18/2009 of 4 September. This system is based on two areas: individual or shared Objectives and Competences. With the changes made in the past years, SIADAP 3 became biannual. LIPOR's Employees are currently under the 2017/2018 assessment cycle. According to Law no. 35/2014 of 20 June, mobility is a tool that can be used for public interest purposes, namely when it serves the economy, effectiveness and efficiency of bodies or services. In this context, in 2018, LIPOR used this tool to move to upper grades 28 workers, who had proven to have the competences required for their new duties (404-3).

AVERAGE TRAINING HOURS PER YEAR, BY EMPLOYEE CATEGORY AND GENDER (404-1)

		2018		TOTAL
		Male	Female	
Training Hours	Managers	1,248.00	899.00	2,147.00
	Senior Technicians	1,461.85	3,354.30	4,816.15
	Technical Assistants	962.45	760.50	1,722.95
	Operational Assistants	740.00	1.00	741.00
	TOTAL TRAINING HOURS	4,412.30	5,014.80	9,427.10
Employees	Managers	8.00	7.00	15.00
	Senior Technicians	14.00	39.00	53.00
	Technical Assistants	27.00	9.00	36.00
	Operational Assistants	84.00	3.00	87.00
	TOTAL EMPLOYEES	133.00	58.00	191.00
Training Hours per Employee	Managers	156.00	128.43	143.13
	Senior Technicians	104.42	86.01	90.87
	Technical Assistants	35.65	84.50	47.86
	Operational Assistants	8.81	0.33	8.52
	TOTAL	33.18	86.46	49.36

OCCUPATIONAL HEALTH AND SAFETY

Since 2015, LIPOR has been developing the “Comportamentos Seguros” (Safe Behaviour) project.

In the 2017-2018 biennium, this project focused mainly on the operational area, reinforcing initiatives already implemented and developing new ones, with the purpose of reducing by 10% the frequency rate of workplace accidents and, consequently, the absenteeism rate, as compared to 2016.

Some of the most important initiatives are:

- Training provided to operational areas, around the topic “Sensory Lab and Risk Circuit”;
Safety dialogues;
- Implementation of safety observatories, after provision of training to selected Observers;
- Weekly visits to workplaces, with recording of non-compliant situations.

This project ended in July 2018, but the Safety Dialogues initiatives still take place weekly in operational areas. It is no longer mandatory to print Safety Observatories, so their computerisation is planned for 2019.

Since the beginning of the project, in 2015, there was:

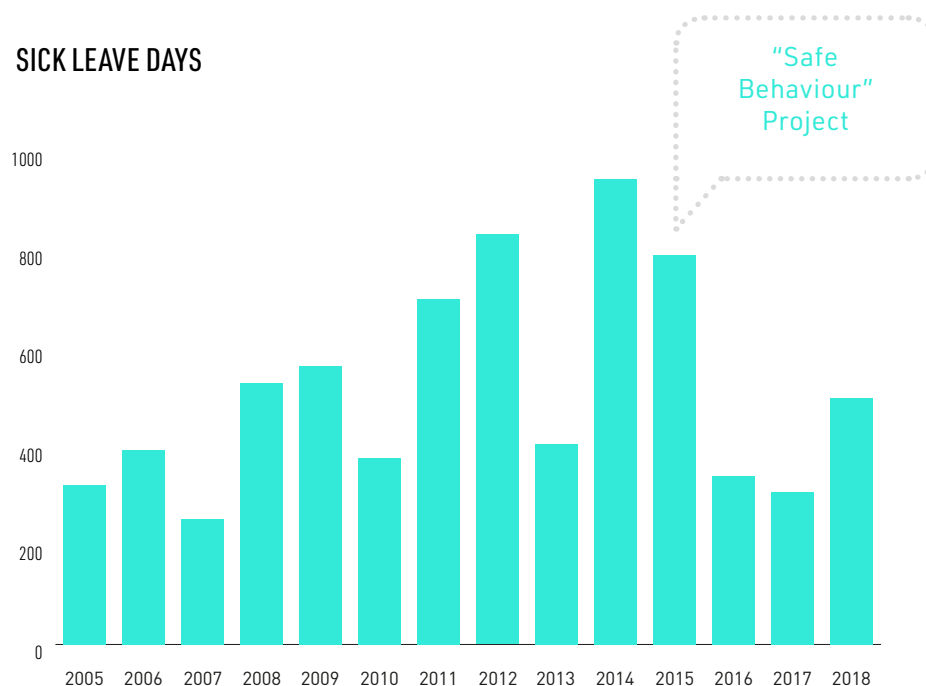
- A 31% reduction in total accidents;
- A 42% reduction in accidents with sick leave;
- A 37% reduction in the number of lost days due to workplace accidents.

In 2018, there were 20 workplace accidents, 15 of which involved sick leave. These 15 accidents resulted in the loss of 500.56 workdays, which correspond to 23.8 months of work.

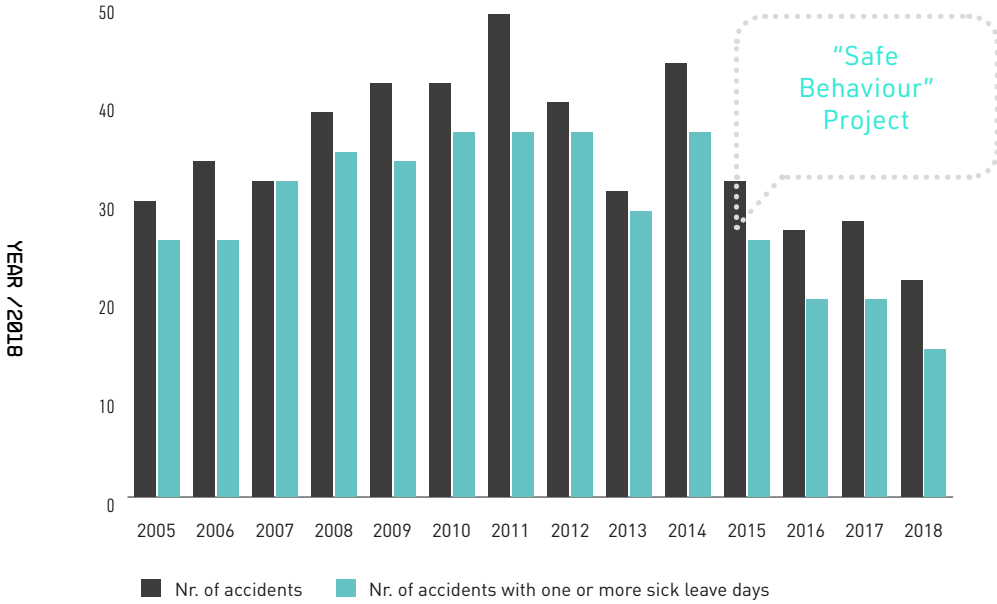
When comparing 2018 with 2017, there is a 24% decrease in total accidents and a 25% decrease in the number of accidents with sick leave. The frequency rate decreased by 24.3%.

When comparing with 2017, in 2018 there was a 62% increase in the number of lost days due to workplace accidents, with a 63.6% increase in the workplace accidents severity rate.

SICK LEAVE DAYS



EVOLUTION OF THE NUMBER OF ACCIDENTS



ABSENTEEISM RATE (102-48; 403-2)

DIRECT EMPLOYEES

	2017		TOTAL	2018		TOTAL
	Male	Female		Male	Female	
Total Absenteeism Rate	11,00%	9,12%	10,49%	12,60%	10,44%	11,98%
GRI Calculation*	7,07%	3,33%	6,06%	10,27%	6,91%	9,32%

SUPERVISED EMPLOYEES

	2017		TOTAL	2018		TOTAL
	Male	Female		Male	Female	
Total Absenteeism Rate	8,13%	0,53%	7,20%	7,14%	0,94%	5,56%
GRI Calculation*	1,69%	0,00%	1,48%	0,86%	0,00%	0,64%

	DIRECT EMPLOYEES		SUPERVISED EMPLOYEES	
	Male	Female	Male	Female
No. of accidents	12	2	1	0
Frequency (Tf)	41,93	6,99	3,49	0
Severity (Tg)	1690	31	28	0
Sick Leave Days	483,56	9	8	0
Occupational Diseases (HR data)	1	0	0	0
Fatal Accidents	0	0	0	0

BENEFITS GRANTED TO EMPLOYEES

Within the scope of the SA8000 standard certification and according to the principle of equality, LIPOR takes Supervised Employees into account in the Social Accountability visits, giving them the opportunity to express their views on issues regarding their employment relation, among others. These employees are also invited to participate in general meetings regarding the Organisation's Strategy, Objectives and Performance Communication. There is also an effort to grant equal benefits to LIPOR's Employees and Supervised Employees (401-2).

One of the aspects worth highlighting is Workplace Gymnastics, which was further enhanced: the new sessions are quite lively and now include music, having new trainers, schedules and sites.



Employees at a Workplace Gymnastics session

MATERIAL TOPIC: COMMUNICATION, ENVIRONMENTAL EDUCATION AND TRAINING

The promotion of integrated and creative communication, environmental education and training solutions that boost shared value and change is the strategic guideline that will allow us to cope with the current challenges in these areas.

COMMUNICATION, ENVIRONMENTAL AND EDUCATION TRAINING PLAN (PCEA):



EXTERNAL COMMUNICATION

To boost the Stakeholder Communication Strategy.



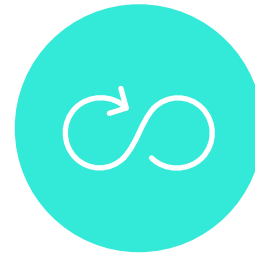
INTERNAL COMMUNICATION

To promote Employee engagement in LIPOR.



SOCIAL ACCOUNTABILITY

To reinforce LIPOR's action among Local Communities.



SUSTAINABILITY

Embodied in transversal projects and the Sustainability Report.



ENVIRONMENTAL EDUCATION

To promote Citizen engagement and a change in mindsets regarding environmental protection

COMMUNICATION

The reinforcement of the LIPOR Brand Activation Strategy among its internal and external audiences, focusing on brand positioning and an integrated communication in line with the Organisation, provides results and materialises the concepts and values of the Brand. Our goal is to help our audiences acknowledge and experience LIPOR's values.

In order to fulfil this, our external communication focuses on the development of mass communication strategies (communication campaigns) and on direct marketing and public relations (proximity communication, grants, seminars, relationship with the media, etc.).

Internal communication is based on the promotion of the LIPOR Brand Culture, reinforcing commitment to the Organisation's Values:

-▶ **TO BE AMBITIOUS AND PASSIONATE**
-▶ **TO BE CREATIVE AND THINK POSITIVE**
-▶ **TO BE RESPONSIBLE AND RIGOROUS**
-▶ **TO BE ETHICAL AND A TEAM!**
-▶ **WE ARE COMMITTED TO LIPOR**

LIPOR Intranet, the differentiation of corporate TV contents and the development of several strategic initiatives are important means to promote interaction with and among Employees.

Nowadays, it's vital to be constantly connected. The Digital Strategy, which will be further developed in 2019, provides an overview of all on-line activities and digital channels, namely the website, search engines (internal or paid), social networks, e-marketings, newsletters, digital advertising or mobile apps.

It is also worth mentioning all the work developed within the scope of the Awareness and Communication Campaign to promote the Residential Door-to-Door Circuit in 7 Municipalities, including assistance in communication material planning and production, the organisation of Press Conferences and Campaign dissemination. This assistance was permanently provided in strict coordination with the Municipalities.

ENVIRONMENTAL EDUCATION AND TRAINING

LIPOR's Environmental Education and Training (EFA) area has been continuously developed since 1996 and is a particularly important strategic guideline for the Organisation, representing the Board's continuous effort to promote an environmental culture amongst the Community. It is based on 3 major lines of action: Adopting Circular Economy, Enhancing the Territory and Training the Community, in line with the National Environmental Education Strategy (ENEA 2020).

In 2018, the Projects and Initiatives that form the Environmental Education Strategy included 3,328 direct intervention actions, with the participation of 110,190 Citizens (L1).

To Adopt Circular Economy, it is necessary to adopt a technical educational method to educate and put into practice a behavioural change, supported by the optimisation of environmental management and continuous follow-up processes, which are part of the "LIPOR Geração+" (LIPOR Generation+) Project. This Project covers a large part of LIPOR's area of influence, involving 230 institutions and the development of 1,452 direct intervention actions, in which 35,454 people participated. This led to 21 certification renewals and 50 new "Coração Verde" (Green Heart) certifications. One of the goals of the "Generation+" Project for 2019 is the implementation of the "LOCAL" axis through a pilot project to be developed in the Parish of Ermesinde.

During 2018, there were a lot of enquiries by external institutions, which demanded a great effort in terms of technical support and monitoring, leading to the implementation of a customised Environmental Intervention Service.

This structured work is integrated in concrete development strategies, providing immediate return through small-scale interventions and helping to change citizen and institutional practices, thus closing the cycle and supporting transition to a circular resource management:



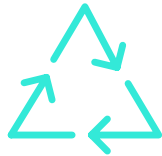
**PROCESS
MANAGEMENT
OPTIMISATION**



**BALANCE IN
RESOURCE
MANAGEMENT**



**CONSOLIDATION
OF GOOD
PRACTICES**



**ENVIRONMENTAL
AWARENESS
ENHANCEMENT**

The enhancement of Citizens' Environmental Literacy is a permanent challenge that can only be overcome through a solid strategy for environmental awareness of Heads, Technicians and the Community in general. The purpose of this line of action is to give access, in a structured way, to training programmes destined for specific audiences, more or less interested, more or less knowledgeable, mainly aiming to Train the Community.

This goal is consolidated by LIPOR Academy, which aims to develop and enhance competences through training and qualification, using advanced educational methods and equipment. The Academy's training offer encompasses different knowledge areas, including courses or training actions especially devised to meet the market's needs. From technical training to advanced or even tailor-made training (according to the customer's needs), it is intended to make training accessible to everybody, wherefore the Academy also offers e-learning training, which allows for temporal and spatial flexibility.

In 2018, LIPOR Academy held 50 courses, with a total of 340 training hours and the participation of about 1,032 trainees, with particular reference to Tailor-Made Training for Companies.

MATERIAL TOPIC: PRODUCT AND SERVICE QUALITY

“To participate in the global market and create trends for a sustainable future” is LIPOR’s Vision for the present and the future. But this is only possible if we present distinctive, competitive and value-added services and products.

OUR SERVICE AND PRODUCT PORTFOLIO COMPRISES (102-2):

SERVICES

LIPOR Academy

Eco Shop

Adventure Park &
Ecological Trail

Holiday Camps
(3 holiday camps)

Group Visits
(7 tours)

PRODUCTS

Electricity

Recyclable Materials

Organic Soil
Improver
(Nutrimais)



Nutrimais compost produced in LIPOR’s Composting Plant

OUR ACTIVITY IN 2018 (102-2, 102-7):



56.479 T
 WASTE FORWARDED
 FOR **ORGANIC RECOVERY**



62.285 T
 WASTE FORWARDED
 FOR **MULTIMATERIAL RECOVER**



402.151 T
 WASTE FORWARDED
 FOR **ENERGY RECOVERY**



12.119 T
*** NUTRIMAIS**



62.616 T
**** RECYCLABLE MATERIALS**



197.496 MWH
ENERGY

Recyclable Materials, Organic Soil Improver (Nutrimais) and Energy are the products that LIPOR sells to the Portuguese market. None of these products are banned in Portugal and LIPOR was never questioned nor has ever received a complaint that questioned their sale (102-6).

* Compost produced

**Including Iron Scrap from the Energy Recovery Plant



LIPOR Composting Plant - outside view

In order to assess Customer satisfaction regarding the services provided, LIPOR tasks an independent external entity to carry out a Customer Satisfaction Study, which enables comparison with the results of previous years, in order to respond to the expectations and improve critical aspects identified by Customers.

In 2018, the existing instrument (questionnaire) was updated and adjusted to the current assessment needs. An analysis of customer satisfaction in general and also by product/service area was carried out. With an annual sample of 650 customers, 678 interviews were conducted and validated.

The results gathered, which are deemed very satisfactory, are analysed by the Management Team, being an excellent tool for the definition of strategies to approach the issues identified by Stakeholders.

In order to maintain a close relationship with our partners and the citizens we serve, we provide a quick and convenient contact service, that receives suggestions and complaints. In 2018, LIPOR's Complaint Centre, under the responsibility of the Information Systems and Management Division, didn't receive any environmental grievance. In 2018, there were no environmental grievances (103-2).

THE FOLLOWING ASSESSMENT RESULTS STAND OUT, ON A SCALE OF 0 TO 5 (L3, L4):



4,29

Satisfaction with LIPOR Services



4,52

Trust



4,61

Social Accountability perceived



4,5

Connection to the LIPOR brand

WE ARE ONE WITH THE PLANET

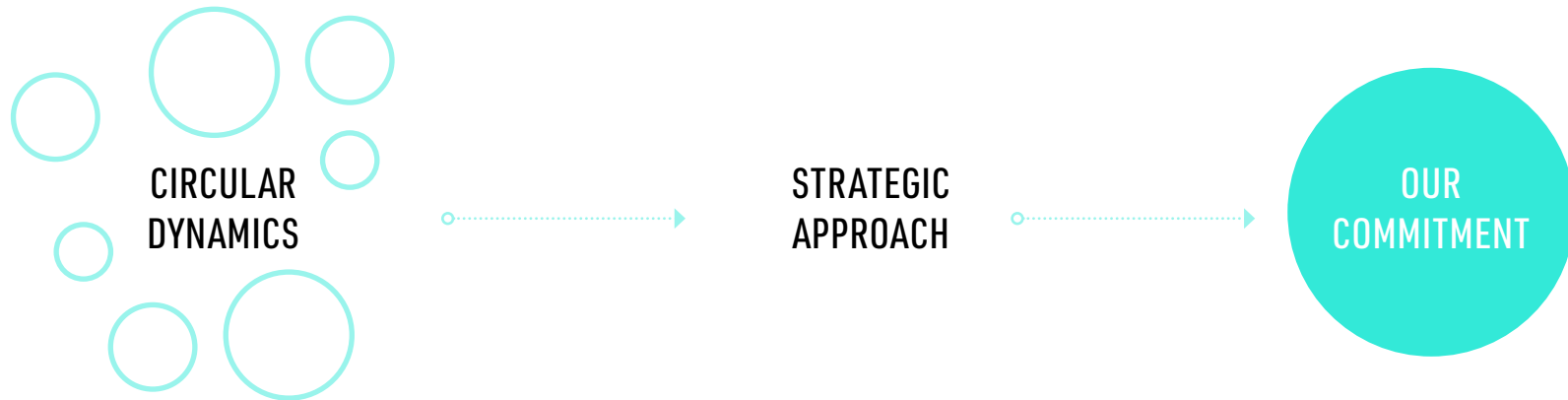


MATERIAL TOPIC: CIRCULAR ECONOMY

In the past years, as a result of the diversity and complexity of the main global contexts and trends, a growing need for change in paradigms has risen. In this context, we approach societal development based on a Circular Economy.

Circular Economy consists of a regenerative and restorative economic model where resources (materials, components, products, services) are managed in a way that preserves their value and usefulness for as long as possible.

OVER THE PAST YEARS, LIPOR HAS BEEN DEVELOPING A SET OF STRATEGIES RELATED TO CIRCULAR ECONOMY, SUCH AS:



EFFICIENT RESOURCE MANAGEMENT & BEHAVIOURAL CHANGE

To further develop our Circular Economy Strategy, in line with the main National and European Policies, in 2018, LIPOR emphasised its formal Voluntary Commitment to the Circular Economy Principles with an application submitted to and accepted by the European Circular Economy Stakeholder Platform.

As a contribution to the “Vision for a Plastics Circular Economy”, LIPOR has declared its Commitment to Action, within the scope of the European Commission’s Strategy for Plastics in the Circular Economy. With this statement, LIPOR became one of the 250 organisations that signed this global commitment led by the Ellen MacArthur Foundation, which mainly aims to create a “new reality” for plastic packages.



By reinforcing its commitment, LIPOR asserts its role as a driving force for the transition from a Waste Management sector into a Resource Management sector, as it is clear in its Mission of “Implementing innovative waste management solutions, promoting a circular approach and the creation of shared value”.

MATERIAL TOPIC: INCREASE OF THE AMOUNT OF MATERIALS RECEIVED WITH POTENTIAL FOR MULTIMATERIAL AND ORGANIC RECOVERY

The European Union’s approach to waste management is based on the “waste hierarchy”, that sets an order of priorities within waste policies and waste management at an operational level. The Prevention of Waste Production is the first priority defined in this policy.

A sustainable economic growth is only possible through the implementation of Strategies based on the reduction, reuse, recovery and reintroduction principles, keeping resources in continuous flow, for as long as possible. For this purpose, it’s important to strongly boost Prevention.

In cooperation with the associated Municipalities, LIPOR strives to act as a catalyst for change, using a set of policies, programmes and actions that promote and stimulate the progress of LIPOR’s area of intervention towards a more sustainable future.

15.422T

DIVERTED WASTE

900

PARTNERS

30.000

PEOPLE INVOLVED

3.239T

CO₂ AVOIDED

85%

LEVEL OF EXECUTION
PREVENTION ACTIVITIES PLAN

LIPOR's perspective of "waste as a resource" serves as a guideline for its activities until 2020, as well as for the accepted challenge of a sustainable and sustained management of municipal waste produced in Greater Porto. In this context, Residential Door-to-Door selective collection projects are regarded by the Organisation and the associated Municipalities as core projects. Bearing in mind the goals defined in LIPOR's Strategic Plan and in the municipal PAPERSUs, the Residential Door-to-Door collection project is, in fact, essential to the fulfilment of the objectives and goals set for the LIPOR system.

LIPOR also plans to expand projects, such as:

- Green Waste Collection, through the enhancement of the selective collection networks for this type of waste
- Organic Waste Selective Collection (door-to-door, NON-RESIDENTIAL)
- Multimaterial selective collection in Festivities & Pilgrimages
- Sustainable management of waste produced in Events
- Multimaterial selective collection in Public Buildings

In order to scale up these projects, LIPOR, supported by funding from the PO-SEUR Programme, has invested 1.9 million euros in New Vehicles to support selective collection of recyclable and organic waste. 13 vehicles were offered to the associated Municipalities, 9 of which are gas powered. Besides the main objective of reinforcing selective collection of recyclable materials, this investment also resulted from the search for alternative solutions that help decrease air pollution and noise in big urban centres. Natural gas is an important fuel for the future, both regarding costs and environmental impact, as it doesn't release sulphur, hydrocarbons or particles and has low CO2 emissions. This investment brings a double positive impact, as it increases the amount of recyclable waste collected and decreases pollution in urban areas.

As a result of this investment and other efforts undertaken by LIPOR and the associated Municipalities, the amount of materials sent for recycling increased, totalling 66,339 tons, which corresponds to an increase of 9.40% in comparison with 2017.



A RECYCLABLE WASTE COLLECTION MACHINE WAS THIS CHRISTMAS PRESENT TO THE MUNICIPAL MARKET OF PÓVOA DE VARZIM

"Recycle to Win" is the motto of an innovative project developed by LIPOR and tested in Póvoa de Varzim, which aims to promote waste sorting amongst citizens and significantly increase the amount of packaging waste selectively collected and recycled.

For each waste submission, the machine renders a discount ticket with a different amount of points, according to the type of waste submitted. This is an excellent way of recovering waste while protecting the environment.

MATERIAL TOPIC: CLIMATE CHANGE



LIPOR considers that its commitment to a sustainable development should imply the integration of climate change in its business strategy, thus assuming its responsibilities as a GHG producer and managing entity and as a promoter of knowledge, action and mobilisation amongst citizens and the society. The adoption of the “LIPOR 3M – menos Resíduos, menos Carbono, mais Clima” (LIPOR 3M – less Waste, less Carbon, more Climate) strategy represents its commitment to action, aiming to contribute to the fulfilment of Climate Policy objectives defined for the European Union, Portugal and Porto.

Here, LIPOR has been working in two areas: Mitigation and Adaptation.

While in the Mitigation area, LIPOR addresses the causes, by reducing its greenhouse gas (GHG) emissions, in the Adaptation area, it strives to reduce risks caused by the consequences of climate change in its management chain. The scale of recent tragedies that devastated Portugal clearly shows that we must place the same level of importance on Adaptation and Mitigation.

ADAPTATION

Regarding Adaptation, during 2017, LIPOR approved its Adaptation Plan, which includes 25 measures that will allow the minimisation of predictable effects of climate change on the entire waste management chain run by LIPOR. This plan, which was implemented in 2018, was based on a study, which identified potential impacts of climate change on LIPOR and assessed the Organisation’s main vulnerabilities. These two components were applied in a structured way to all of LIPOR’s facilities and to upstream and downstream waste management activities.

The information gathered revealed that, regarding already observed impacts and recent incidents, weather events of greater importance to LIPOR’s activities are essentially related with heavy rainfall, strong winds, the increase in maximum temperature (heat waves) and droughts.

Bearing in mind the identified risk situations, certain adaptive measures were defined based on three main objectives: building adaptive capacity, increasing resilience and promoting the engagement and awareness of main Stakeholders (201-2).

MITIGATION

As a mobilising agent, LIPOR develops waste recovery activities with lower environmental impacts on economic activities. In this context, every year, LIPOR calculates potential GHG emissions avoided in its several activities.

In 2018, 323,544 tCO₂e were emitted in connection with LIPOR’s activities, representing a reduction of 0.3% in emissions, in comparison with 2017.

As compared to 2006 (reference year for the goals of the 3M Strategy), there was a decrease in emissions that surpassed the goal defined for 2018 (-18%) (305-5).

Bearing in mind LIPOR’s direct emissions (scope 1 and 2) that resulted from waste received at LIPOR’s facilities and originating from the 8 associated Municipalities, LIPOR registers an emissions intensity of 0,628 tCO₂/t (305-4).

LIPOR’s Climate Change Strategy will be recasted in 2019, as the goal proposed for 2020 of a 20% reduction in greenhouse gas emissions (in comparison with the reference year of 2006) has already been reached in 2018!

TOTAL GREENHOUSE GAS (GHG) EMISSIONS (305-1; 305-2; 305-3)

VALUES IN T CO ₂ E	2006	2016	2017	2018	Δ 2017-18	Δ 2006-18
Total LIPOR GHG Emissions – 3M TARGETS	402 807	331 679	324 524	323 544	-0,30%	-19,70%
Scope 1 – Direct Emissions	401 011	328 697	322 497	321 460	-0,30%	-19,80%
Waste Treatment and Recovery	399 635	327 520	321 292	320 377	-0,30%	-19,80%
Technical Confinement	191 464	108 925	103 728	97 549	-6,00%	
Organic Recovery (CVO)	4 393	7 589	7 264	7 755	6,80%	
Energy Recovery (CVE)	203 778	211 007	210 300	215 074	2,30%	
Fuel consumption in the facilities	805	588	586	456	-22,30%	-43,40%
Natural Gas	805	575	582	435	-25%	
Sorting Plant (RMM)	4,3					
Composting Plant (CVO)	33	116	137	109	-20%	
Energy Recovery Plant (CVE)	760	449	434	317	-27%	
LIPOR in general	8	10	12	9	-23%	
Diesel (CVE)	N.D.	13,4	4,29	20,7	383%	
Transportation and Mobility	570	588	619	627	1,20%	9,80%
Self-owned Fleet	314	203	202	209	3%	
Light Vehicles Fleet	57					
Heavy Vehicles Fleet	206					
Ecofone Fleet	51					
Mobile Machinery	256	385	417	418	0,30%	63,30%
Sorting Plant (RMM)	256	108	120	144	20%	
Composting Plant (CVO)	N.D.	201	220	227	4%	
Technical Confinement (Landfill of Maia)	N.D.	76	77	47	-39%	
Scope 2 – Indirect Emissions (electricity)	1 749	2 837	1 832	1 868	1,90%	6,80%
Sorting Plant (RMM)	230					
Composting Plant (CVO)	1 117	2 335	1 663	1 738	5%	
Energy Recovery Plant (CVE)	0	54	0	0	–	
Technical Confinement (CT)	0	221	170	130	-23%	
LIPOR in general	401	227	0	0	–	
Scope 3 – Other Indirect Emissions	47	145	194	216	39,70%	357,40%
Work Travels	47	52	37	37	0,40%	-21,40%
Train	0,5	0,7	0,7	0,4	-43%	-15,00%
Aeroplane	47	51	34	36	6%	-23,10%
Passenger car (rental)	N.D.	0,1	0,2	0,4	80%	
Bus/Coach (rental)	N.D.	0,2	2,1	0,4	-82%	
Third parties' fleet (transportation of slag, scrap and ashes)	N.D.	93	157	179	48,90%	

ENERGY EFFICIENCY

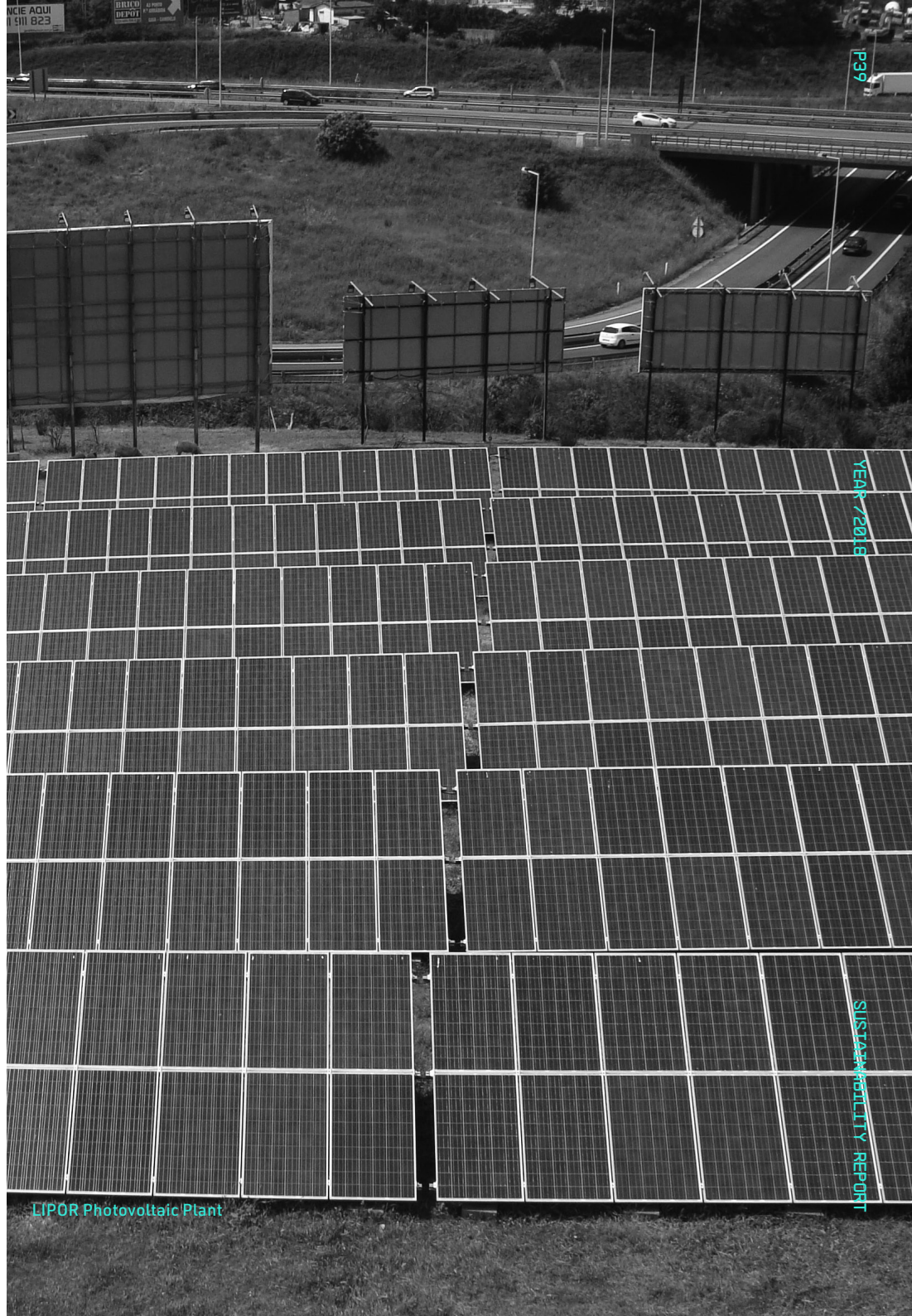
Within the scope of the Quality, Environmental, Safety and Energy Management Systems, we must stress the consolidation of practices associated with the ISO 50001 standard.

Being based on the continuous improvement cycle – Plan, Do, Check, Act – the ISO 50001 standard specifies the most important requirements to identify, control and monitor significant energy consumption within an Organisation, as well as to manage and improve its entire Management System.

During 2014, LIPOR implemented an Energy Management System according to the ISO 50001 standard, in all its activities, in Baguim do Monte, under the Organisation's direct management. This implementation allowed for new inputs that helped and still help to manage energy-related issues, in a systematic and integrated way.

In 2017, when all procedures were matured, LIPOR applied for certification by APCER, having this process been completed in June 2018, with the 2nd Audit stage. In September 2018, LIPOR had its Energy Management System certified, having accomplished one more step in its optimisation and excellence strategy. 2018 was also the last year of the Rationalisation Agreement for Energy Consumption (ARCE) signed between the Directorate-General for Energy and Geology and LIPOR. This Agreement set for LIPOR as a legal target for 2018 a ratio of waste received per toe higher than 123.9 tons/toe.

By the end of 2018, LIPOR had reached 150 tons/toe, having surpassed the goal agreed by 21.52%. Furthermore, LIPOR reduced its energy consumption by 30.47%, in comparison with 2010 (base year for ARCE), with 365 toe, having registered an energy intensity of 0.076 GJ/t (302-3). This is a very important value chain indicator, as it translates the ratio between Treated Waste and Energy Consumption (tons/toe).



LIPOR Photovoltaic Plant

YEAR 2018

SUSTAINABILITY REPORT

During 2018, several improvements were implemented with direct impact on energy consumption reduction and the Carbon Footprint, such as (302-4):

- Replacement of lamps in outdoor pathways and façades;
- Replacement of translucent roofing in the Sorting Plant;
- Replacement of geared motors in the conveyors of the Sorting Plant;
- Replacement of indoor lamps in the Sorting Plant building;
- Shutdown of the pond water circulation system;
- Internal awareness and communication actions regarding Energy and Carbon;
- Purchase of green energy;
- Expansion of the metering system;
- Implementation of Low-Carbon Purchases.

DIRECT ENERGY CONSUMPTION BY PRIMARY ENERGY SOURCE (IN GJ) (302-1):

Facility	Source	2016	2017	2018
Composting Plant	Natural gas	2,065	2,435	1,921.13
	Fuel (diesel)	2,738	2,988	3,063.38
	Electricity	16,724	16,211	16,737.12
Energy Recovery Plant	Natural gas	8,000	7,721	5,589.26
	Fuel (diesel)	182	109	278.89
	Electricity	1,328	582	794.06
Landfill	Fuel (diesel)	1,032	1,053	632.73
	Electricity	1,383	1,265	1,252.01
Closed Landfills (Ermesinde and Matosinhos)	Matosinhos - Electricity	117	65	0.00
	Ermesinde - Electricity	416	320	402.27
LIPOR (in general)	Electricity	4,250	4,364	4,023.15
	Natural gas	173	211	159.98
	Fuel (diesel)	4,309	4,435	4,925.11
	Fuel (gasoline)	137	145	108.07

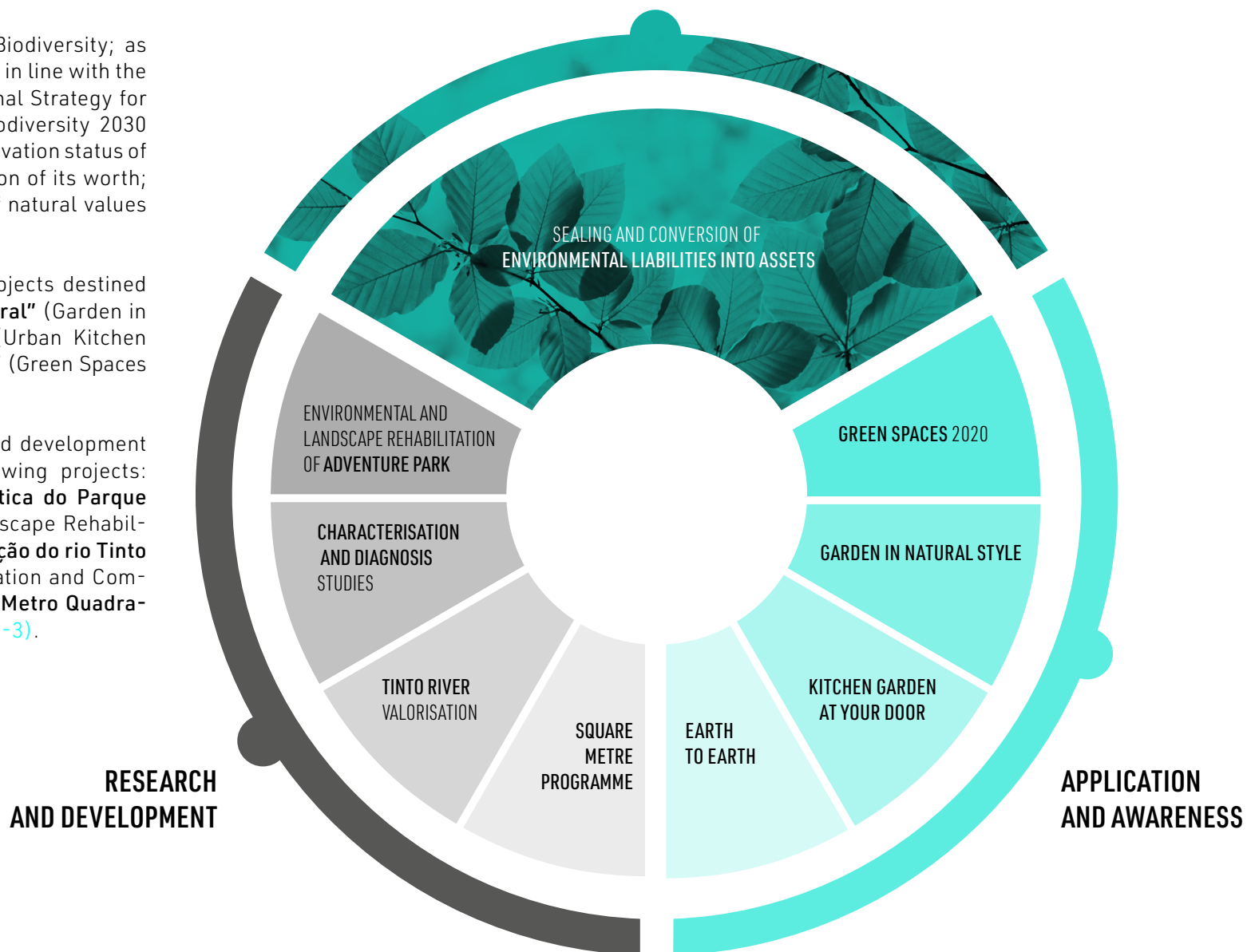
MATERIAL TOPIC: BIODIVERSITY

One of LIPOR's goals is to boost Biodiversity; as such, it promotes a series of projects in line with the strategic areas defined in the National Strategy for the Conservation of Nature and Biodiversity 2030 (ENCNB 2030): improving the conservation status of natural heritage; fostering recognition of its worth; and boosting society's awareness of natural values and biodiversity.

In this context, we've developed projects destined to Citizens, such as **"Jardim ao Natural"** (Garden in Natural Style), **"Hortas Urbanas"** (Urban Kitchen Gardens) and **"Espaços Verdes 2020"** (Green Spaces 2020).

Within the scope of the research and development component, we highlight the following projects: **"Qualificação Ambiental e Paisagística do Parque Aventura"** (Environmental and Landscape Rehabilitation of Adventure Park), **"Valorização do rio Tinto à Comunidade"** (Tinto River Valorisation and Community Restitution), and **"Programa Metro Quadrado"** (Square Metre Programme) (304-3).

CONTEXTUALISATION





Grazing at Adventure Park

EU GREEN WEEK
 GREEN CITIES FOR A GREENER FUTURE
 #EUGREENWEEK
 21 > 25 May 2018

An initiative of the European Commission

Communication is a fundamental tool for all projects.

In this sense, on 22nd May we celebrated the International Day for Biological Diversity with a Workshop around the theme “The importance of Biodiversity for Soils” and, in the afternoon, a technical visit to “Discover LIPOR’s Biodiversity”. This event was submitted to the Green Week 2018, being thus considered a satellite event.

Enhancing the Territory implies understanding the social, cultural and sustainability roles of natural systems and being aware of their worth. The protection of soils, the sustainable management of water resources, the recovery of environmental liabilities and the promotion of nature and biodiversity are paramount to the establishment of balanced, sustainable territories. To this end, it is essential to provide citizens with experiences that will bring them into contact with productive cycles and natural processes, by creating Sustainable Green Spaces in urban areas, namely through the following projects:

“Horta à Porta” (Kitchen Garden at your Door) is an urban kitchen gardens Project which promotes contact with nature, a healthy diet and quality of life, prevents the production of organic waste and seeks to encourage sustainable behaviours amongst the population of the eight Municipalities. In 2018, this Project comprised 57 kitchen gardens, with an organic farming area of about 123,326 m², split over 1,836 plots.

"Terra à Terra" (Earth to Earth) is a Project that promotes the practice of home composting, thus fostering the use of organic compost as an alternative to chemical fertilisers, improving soil structure and life. 1,429 people received training and 1,303 composters were distributed in 2018, allowing for a potential diversion of 552 t/year of organic waste.

The **"Jardim ao Natural"** (Garden in Natural Style) project aims to raise awareness of sustainable green space maintenance amongst the population. The promotion of biodiversity through good environmental practices provides natural green spaces that can be enjoyed by the population.

In 2018, 10 spaces received the "Garden in Natural Style" certification, 27 training actions were held,

a partnership was established with the District Court of Porto, including support and provision of 130 native trees and shrubs from the "FUTURE – 100.000 trees project", and 37 monitoring actions took place, with a total of 115 activities. About 900 m² of new sustainable green spaces received certification, in 2018.

The purpose of the **"Espaços Verdes 2020"** (Green Spaces 2020) Project is to rehabilitate LIPOR's green spaces. It aims to cut back maintenance costs and water consumption, while creating biodiverse spaces. One year after the implementation of this project, sustainable gardening techniques allowed the conversion of one of LIPOR's gardens into a WATERING-FREE space, in 2018.

The rehabilitation of Tinto River plays an important role in LIPOR's Biodiversity and Social Accountability strategy. During 2018, the **Tinto River Valorisation Project** was greatly developed, with the important contribution of LIPOR's River Keeper, a post brought back in 2015. Being in charge of the daily surveillance and monitoring of the river within LIPOR's area, the River Keeper has played an essential role in terms of incident detection and photographic recording. All the work done has rendered very positive results, with a continuous enhancement of the river's biodiversity: animals such as mallard ducks, midwife toads, newts and salamanders have been observed more and more frequently, which is proof that the ecosystem is improving.



Newt



Salamander



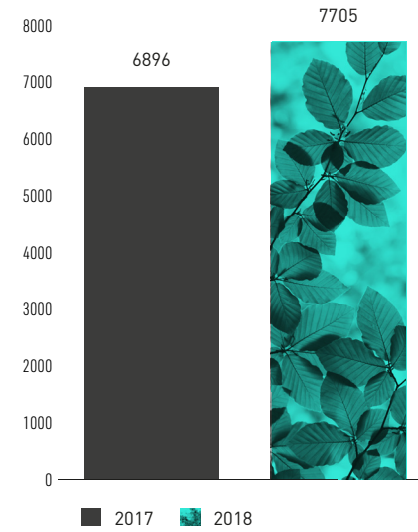
Duck



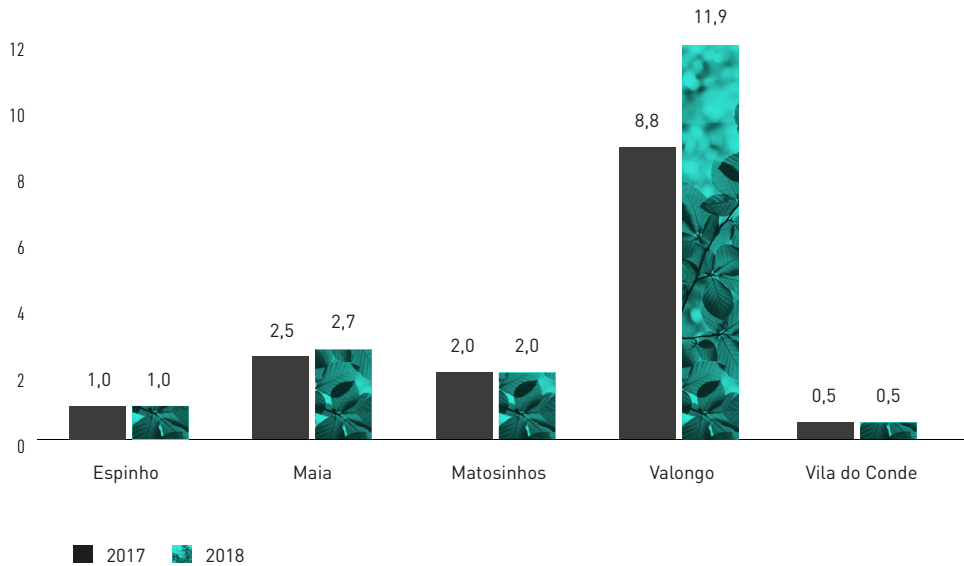
As part of LIPOR's Biodiversity Strategy, the **"Programa Metro Quadrado"** (Square Metre Programme) aims to promote the implementation of native forest areas under public management in LIPOR's 8 Municipalities, and ensure maintenance operations that include delimitation, protection, bush clearing, tree pit correction, invasive species control, gap filling, shape pruning and monitoring activities. The purpose of this project is to promote biodiversity, ecosystems services, adaptation to climate change, landscape enhancement, community well-being and to reduce fire risk.

Main results in 2018 (304-3):

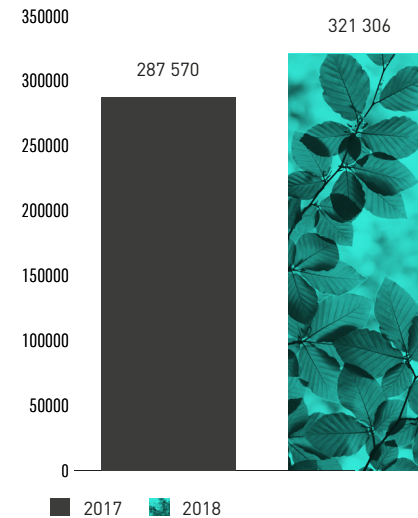
MONITORED TREES



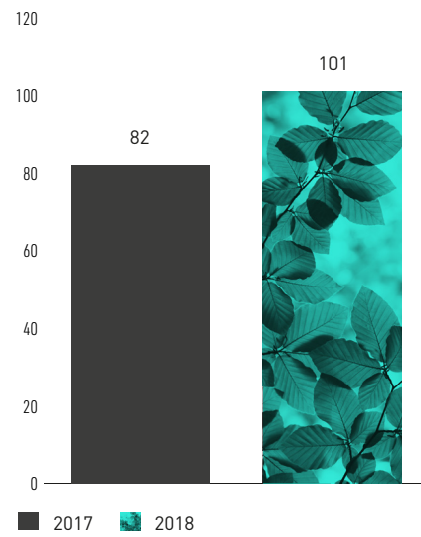
SQUARE METRE AREA BY MUNICIPALITY (Ha)



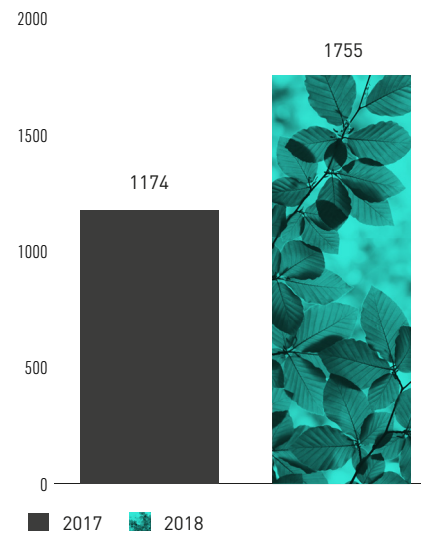
ECONOMIC VALUE OF TREES (€/YEAR)



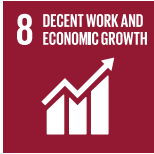
CARBON STORAGE POTENTIAL (tCO₂/year)



OPERATIONAL WORK HOURS



WE AIM FOR PROSPERITY



MATERIAL TOPIC: FINANCIAL BALANCE OF THE ORGANISATION

We currently live in an age of great transformation, which will revolutionise humans' lives and, consequently, companies' lives. The challenges are substantial, and the opportunities are vast.

These changes have also been strongly affecting the waste sector in Portugal.

The year 2018 was, once again, an important year for the assertion of the LIPOR Project. In 2018, our financial performance was particularly impressive, year-over-year, regarding Turnover and Net Income, of 2.22% and 26.03% respectively. EBITDA fell 6.17%, in comparison with the previous year.

LIPOR kept its upward trend and finished the year with a 2% growth year-over-year, reaching a total Turnover of about 39.6 million euros. This performance was driven by growth in both Product Sales (about 2%) and the Provision of Services (3%) (102-7).



Sustainable pond and visitor reception building

DIRECT ECONOMIC VALUE GENERATED € (201-1)

REVENUES	VALUE 2016	VALUE 2017	VALUE 2018
Sales and Provision of Services	36,929,782	38,723,275	39,582,550
Supplementary Income	229,611	218,351	365,603
Transfers and Subsidies Obtained	6,375,504	6,599,533	7,028,772
Interests from Deposits	82,544	47,724	28,418
Cash Discounts Obtained	1	0	0
TOTAL	43,617,441	45,588,885	47,005,343

ECONOMIC VALUE DISTRIBUTED €

Operating Costs	2016	2017	2018
External Services and Supplies	41,775,499	42,410,854	44,135,781
Salaries and Employee Benefits	3,660,383	3,946,593	4,073,171
Payments to Capital Providers	2,867,510	2,403,582	1,947,750
Payments to the Government	17,287	18,917	7,142
Community Investments	144,408	225,785	183,908
- Environmental awareness	63,516	101,805	71,715
- Prevention projects	698	17,362	343
- Home Composting and Organic Farm-ing projects	72,008	106,617	73,320
- Landfill of Ermesinde/Adventure Park	8,186	6,621	0
- Promotion of Food Waste Reduction amongst Restaurants and Citizens			24,981
TOTAL	48,465,088	49,005,731	50,347,751

LIPOR'S SUPPLIERS

Being a fundamental and transversal element to the entire Organisation, LIPOR regards all its suppliers as essential partners to the pursuit of its Values, Mission and Vision.

Aiming to build a cooperation and sharing environment, while improving service quality and creating sustainable value, LIPOR fosters the establishment of closer relationships with its suppliers and the development of partnerships based on Ethics, Transparency and Trust.

LIPOR seeks cooperation with reference entities across different activity sectors, in order to ensure compliance with its high standards. Therefore, several actions are put in place to ensure that its Supplier chain complies with labour legislation in effect.

Within the scope of the SA8000 Standard certification, Suppliers and Subcontractors receive a Conduct Code and have to sign a Statement of Commitment to the principles stated in said Code.

Every six months, LIPOR assesses all Suppliers that reach sales volumes of €10,000 or higher, or a billing volume of 5 (five) invoices or more during that period.

The Statement of Commitment's duration corresponds to a certification cycle (3 years). Once that period expires, all of LIPOR's Suppliers go back to stage 0 (zero) and the action plan's premises/requirements are once again activated.

2018 was the first year of a new cycle. This year's analysis revealed that 748 Suppliers did business with LIPOR, 359 of which meet these requirements.

In this context, it should be reported that:



In 2018, 122 Conduct Codes and respective Statements of Commitment were sent.

277 duly signed and stamped Statements of Commitment were received, including the 122 that were sent (100%), while the remaining pertain to Public Procurement Procedures over €5,000 (414-1).

The annually devised Supplier and Subcontractor Control Programme (Mod.339) bears in mind a classification given to Suppliers (A or B) based on the following criteria:

1. Provides services within LIPOR's scope of activity;
2. Provides services within LIPOR's facilities;
3. Was assessed within the last Supplier performance evaluation.

Suppliers are thus classified and subjected to the following type of control:

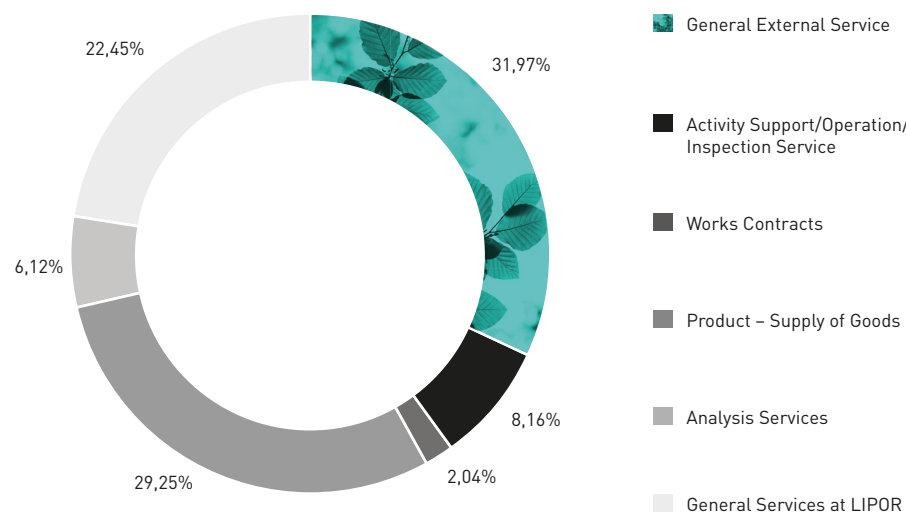
- A) Classified with 3 criteria: subject to audit;
- B) Classified with 1 or 2 criteria: no action.

However, it is important to mention that the elaboration of the Supplier Control Programme bears in mind the availability of LIPOR’s human and financial resources, and that other Suppliers may be included whenever it is considered relevant for LIPOR’s activities.

Suppliers that are subject to audit receive from LIPOR the audit report with the results regarding SA8000 requirements and are urged to develop actions to solve the identified problems.

LIPOR also performs a Supplier Performance Evaluation. In 2018 (1st semester and 2nd semester), 294 Suppliers were evaluated, which corresponds to 42.49% of all of LIPOR’s suppliers.

PERCENTAGE OF EVALUATED SUPPLIERS BY CATEGORY



SCOPE OF THE SUPPLIER AND SUBCONTRACTOR CONTROL PROGRAMME (414-2)	2018
Second party audits	2
Visits (LIPOR facilities)	4
Total	6



LIPOR Energy Recovery Plant - outside view

MATERIAL TOPIC: INCENTIVE FOR NEW BUSINESSES AND OPPORTUNITIES

LIPOR boosts new businesses and opportunities through its Internationalisation and Innovation Strategies.

RESEARCH, DEVELOPMENT AND INNOVATION

The Research, Development and Innovation Unit (UIDI) primarily aims to promote value creation within the Organisation. This goal is to be achieved through two components: the promotion of an Innovation Culture across the entire Organisation (Innovation Management) and the implementation of Projects that generate added value (Innovation).

92%

INNOVATION CULTURE PROMOTION PLAN

The Innovation Culture Promotion Plan was devised with the purpose of encouraging Employee engagement in Innovation and increasing their knowledge on this matter. Responsiveness to the Project management support tools and follow-up reports has been quite interesting.

SELF-EVALUATION REGARDING THE ORGANISATION'S LEVEL OF INNOVATION

In order to assess the Organisation's performance in terms of Innovation, LIPOR submitted the Innovation Scoring to COTEC, based on 2018 figures, in the new available version of this tool, having scored 802,5 out of 1,000 possible scores (L2).



KNOWLEDGE RETENTION:

49

VISITS
AND SEMINARS

11

PUBLISHED
ARTICLES

LIPOR's BinUp recycling bin wins Design contest in Paris:

in partnership with the company Ernesto São Simão, located in Maia, and LNEG, LIPOR presented the "BinUp: Domestic Recycling Bin" project, a recycled polypropylene container for wall mounting, which was designed and developed based on eco-design and product life cycle analysis studies. BinUp was one of the two winners in the "Design Prize" category, and the award was presented in the VivaTechnology event in Paris, on 26th May.

PARTICIPATION IN CO-FINANCED PROJECTS TO DATE:



INTERNATIONALISATION

LIPOR's Internationalisation is one of its strategic pillars for business development and the promotion of the Organisation and its Brand.

LIPOR's International Business Unit (UNI) provides customised solutions, tailored to the needs of each customer and adjusted to the size and culture of the target countries. In 2018, LIPOR established business relationships with 27 countries.

The development of contacts with potential new Customers and the search for new business opportunities resulted in 14 expressions of interest, the development of 7 preliminary studies and the presentation of 7 business proposals, of which 3 have been approved (L5).



Promoting our Brand in a commercial context is one of the main challenges we face. In this context, it's important to mention the road show that took place in the European Commission, with the purpose of coming in contact with the Directorates-General responsible for the priority Markets defined by LIPOR, and of finding funding opportunities by international Projects. Also relevant are the meetings held with important European groups, well placed in terms of European procurement, with the intent of approaching them and inquiring about their interest in a future integration in international consortia.



MATERIAL TOPIC: MAINTENANCE OF MANAGEMENT SYSTEMS

LIPOR's Policy reflects the Board of Directors' standards and commitment to ensure quality, pollution prevention, environmental protection, health and safety management, social accountability and research, development and innovation. LIPOR has implemented and obtained certification for the following Management Systems:



OPERATIONAL UNIT	2002	2003	2004	2005	2006	2008	2009	2012	2014	2018
Sorting Plant	•									
Energy Recovery Plant		•	•							
Landfill of Maia				•	•					
Composting Plant							•	•		
Entire Organisation						•		•	•	•

Caption:

- Certification of the Quality Management System (ISO 9001)
- Certification of the Environmental Management System (ISO 14001)
- Certification of the Occupational Health, Safety and Hygiene Management System (OHSAS 18001)
- Certification of the Social Accountability Management System (SA8000)
- Certification of the Research, Development and Innovation Management System (NP 4457)
- Certification of the Energy Management System (ISO 50001)

LIPOR's Quality Management System is certified according to the NP EN ISO 9001 standard and has been implemented across the entire Organisation with regard to municipal waste management and the promotion of environmental education and awareness.

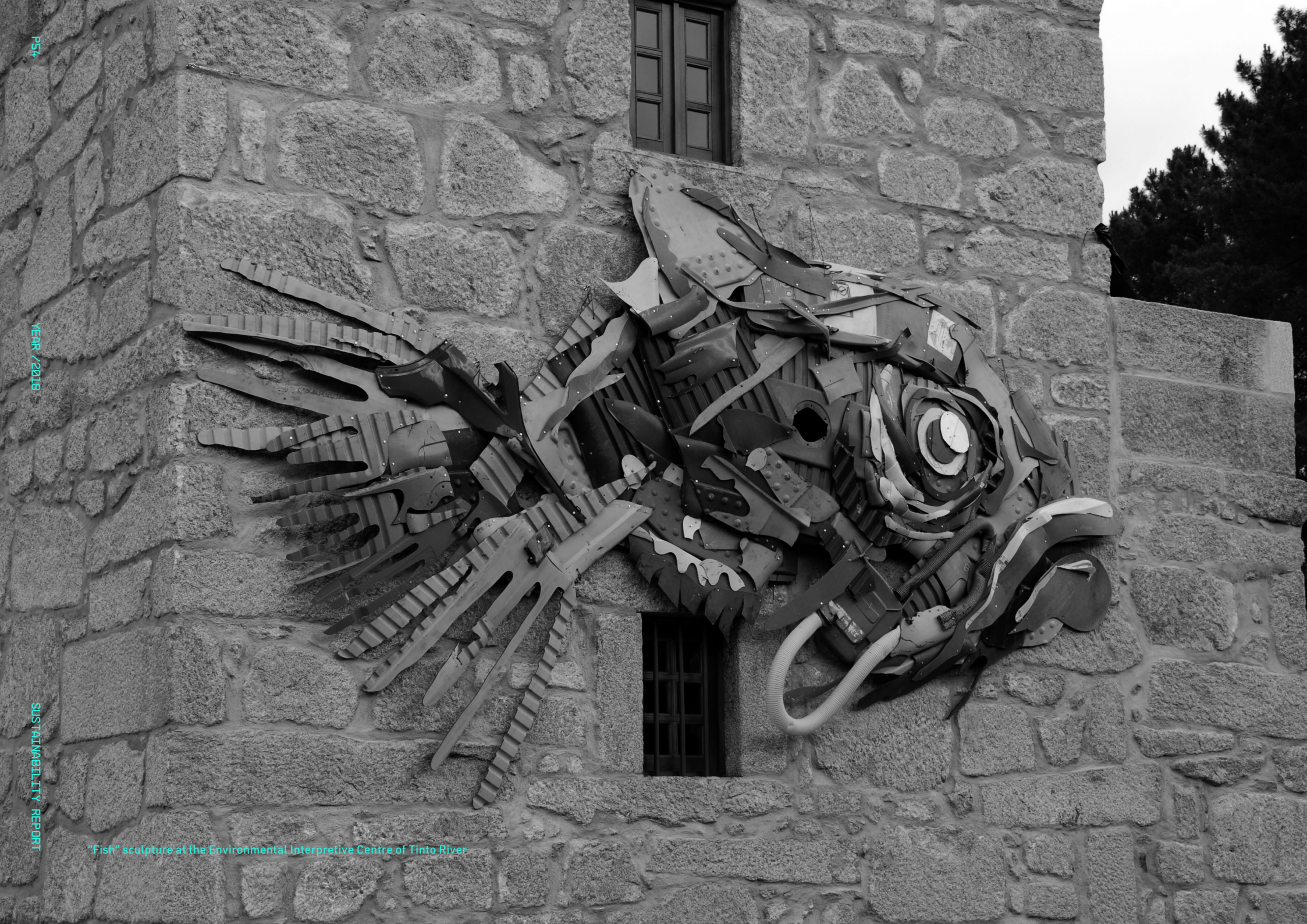
LIPOR's Environmental Management System is certified according to the NP EN ISO 14001 standard and has only been implemented in certain areas and activities.

LIPOR's Occupational Health and Safety Management System is certified according to the OHSAS 18001/NP 4397 standard and has only been implemented in certain areas and activities.

After one more year working to boost Social Accountability and to improve the implemented Management System, LIPOR has renewed the Certification of its Social Accountability Management System according to the SA8000 standard, which has been implemented across the entire Organisation.

The implementation of the Research, Development and Innovation Management System, according to the NP 4457 standard, allows LIPOR to manage several interfaces and interactions between scientific and technological knowledge, the Organisation and its surroundings.

LIPOR's Energy Management System is certified according to the ISO 50001 standard, having been implemented along the perimeter of LIPOR's facilities in Baguim do Monte.



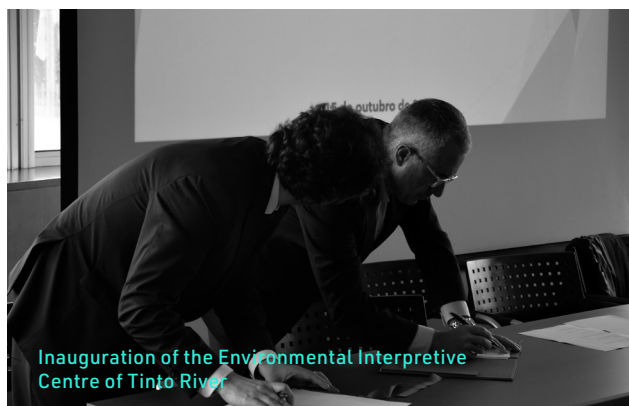
"Fish" sculpture at the Environmental Interpretive Centre of Tinto River

THROUGH PARTNERSHIPS WE CREATE VALUE



MATERIAL TOPIC: COMMITMENT TOWARDS STAKEHOLDERS

LIPOR and the Municipalities Association Parque das Serras do Porto (Porto Mountains Park) have signed a Collaboration Protocol to foster activities in several locations of the region, within the scope of LIPOR's Biodiversity Strategy. In the last trimester of 2018, LIPOR contracted a specialist consultant to perform a Study for the establishment of a Structured Afforestation Programme to generate carbon credits in the Porto Mountains Park. The result of this study will be presented in 2019.



Inauguration of the Environmental Interpretive Centre of Tinto River

In June 2018, LIPOR inaugurated the sculpture "Fish" by the artist Bordalo II and the River Mill - Environmental Interpretive Centre of Tinto River, located in LIPOR's Ecological Trail. This sculpture symbolises, on the one hand, the Tinto River re-naturalisation and rehabilitation process in course near LIPOR's Ecological Trail and, on the other hand, Circular Economy and reuse principles, according to which waste is looked at as raw materials. The Environmental Interpretive Centre aims to boost Community awareness of the need to protect the river's ecosystem and the precious resource that is water.



Inauguration of the Environmental Interpretive Centre of Tinto River

The 5th edition of Bioblitz - "Discover Serralves Park's Nature", organised in partnership with the CIBIO-InBIO (Research Centre in Biodiversity and Genetic Resources) and with LIPOR's support, aimed to divulge scientific knowledge on urban Biodiversity through the free participation in educational and scientific activities and contact with Researchers. This is a unique initiative, as it provides for a fast inventory of species, carried out together with the participants - educational community, families and other community members - and also because it is held in the important historic urban Park of Serralves.



Inauguration of Bioblitz



Activity included in Bioblitz

Taking one further step regarding electrical and electronic waste management and Circularity, LIPOR and ERP Portugal have signed a protocol for the development of Waste Electrical and Electronic Equipment Recovery Centres (CREW). This educational cooperation intends to promote technical skills in the field of electrical and electronic equipment repair and maintenance, at a level equivalent to professional social reintegration training, which will allow joint participation in electrical equipment recovery and training projects. It will also contribute to the development of the institution's beneficiaries, namely to a better professional preparation, fostering a cooperation and responsibility culture, knowledge sharing and continuous improvement. This initiative will be further developed and possibly provide fruitful results in 2019.

LIPOR and the Municipality of Seia signed a Collaboration Protocol with regard to the Environmental Film Festival "CineEco", for the organisation of a Festival extension in LIPOR's area of intervention. CineEco is a festival dedicated to the environment, in a broader sense, which is held annually since 1995, on the initiative of the Municipality of Seia, being one of the oldest environmental film festivals in the world.



Inauguration of CREW in Santo António Educational Centre



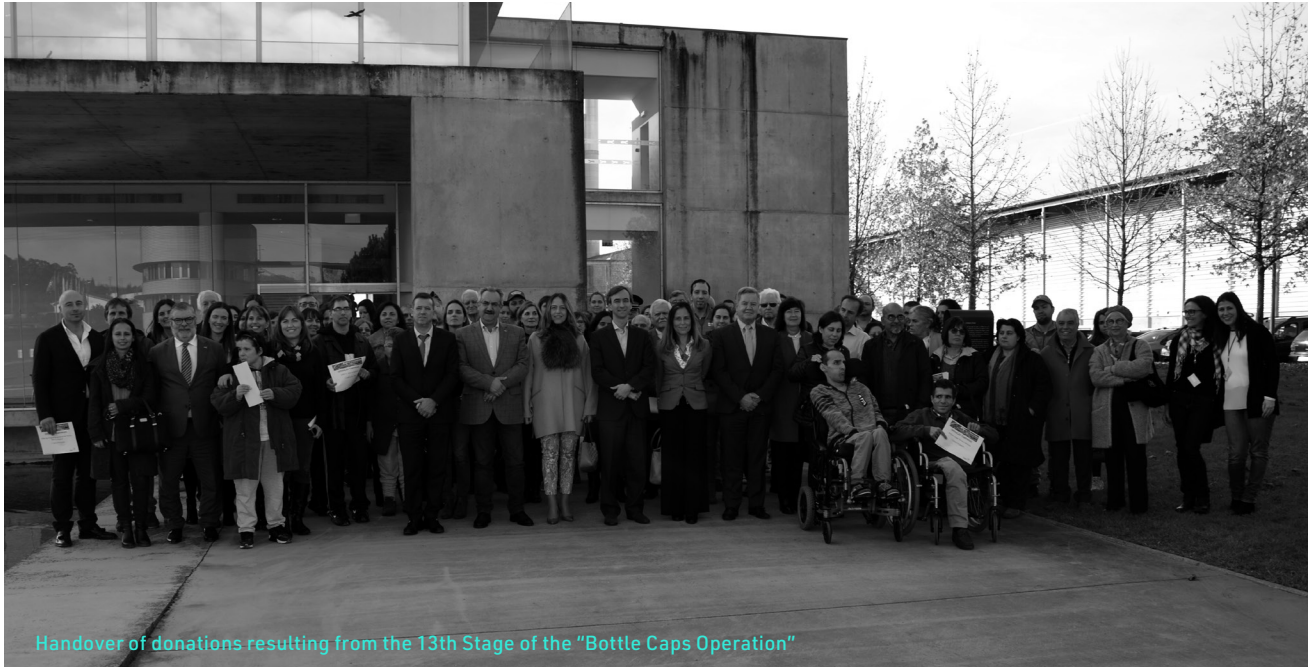
CineEco - Porto Extension



Océlia Ferro - Girl Mover



Training Session of the "JUNTAR Programme"



Handover of donations resulting from the 13th Stage of the "Bottle Caps Operation"

LIPOR was once again part of a unique initiative with Transforming Impact. "Estágios de Vida 2018" (Life Internships 2018) is an Advanced Leadership and Social Entrepreneurship Programme developed by GIRL MOVE Academy that welcomes young women/ Girl Movers, aiming to widen their horizons and to allow them to get to know and experience different realities, at all levels of human living, so that they may "Gain the World in order to change it". LIPOR welcomed the Girl Mover Océlia Ferro with a "Life Internship" in accordance with her traits and profile.

Within the scope of its efforts to work in close cooperation with local agents, LIPOR held a work session destined for the Parish Councils of its associated Municipalities to promote a support programme entitled "Programa JUNTAR: soluções locais de Economia Circular" (JUNTAR Programme: Local Circular Economy Solutions), launched by the Ministry of the Environment and the Environmental Fund, which is specifically intended to Parish Councils, to promote the development of Projects related to local Circular Economy solutions.

LIPOR organised an Event to hand over donations resulting from the 13th stage of "Operação Tampinhas" (Bottle Caps Operation). In this stage, LIPOR gathered about 46 tons in total, which made it possible to benefit 50 (individual and collective) Entities. With the "Bottle Caps Operation", LIPOR and its associated Municipalities encourage Civil Society to sort plastic bottle caps, with revenue from sales being totally used to purchase orthopaedic material/ equipment and similar equipment, which is donated to individuals and Institutions.



LIPOR Composting Plant - inside view

105

MAIN HIGHLIGHTS FOR 2019

GREEN HEART CERTIFICATION

For all LIPOR
projects and
services

COMMUNICATION CAMPAIGN

For a linguistic
adaptation
of Recycling
communication

GLOBAL DIGITALISATION

To modernise
infrastructures

DOOR-TO-DOOR CAMPAIGNS

With focus on
material quality and
sustainability

NETWORKED CO-CREATION

To maximise
innovation

EMPLOYEE PROFILE

To develop the
Organisation's
human capital

/06

ABOUT THE REPORT



LIPOR Composting Plant - outside view

For the 15th consecutive year, LIPOR publishes its Sustainability Report and Report and Accounts to report its activities during the calendar year of 2018, from 1st January to 31st December 2018 (102-50). Since its first edition in 2004, LIPOR has been publishing its reports on an annual basis (102-51, 102-52).

With the purpose of divulging the Organisation's performance and the development of economic, environmental, social and operational issues, this report is also an analysis tool to assess the organisational strategy and proximity to our Stakeholders. Therefore, the publication of this important document represents for LIPOR and its associated Municipalities the reinforcement of their commitment to the principles of transparency and Stakeholder engagement.

So, this report is for You.

For You, who know us better than anyone, and for You, who don't know us that well yet.

This year, we wanted to divulge OUR COMMITMENTS.

Therefore, over the several chapters, you can learn more about our Commitment to the Sustainable Development Goals of the United Nations 2030 Agenda, as well as Climate Change, Biodiversity and Circular Economy.

According to the best practices and to ensure data reliability and veracity, LIPOR's Sustainability Report 2018 was duly audited by ERNST E YOUNG AUDIT E ASSOCIADOS - SROC S.A. (102-56), having the Board of Directors received the External Assurance Statement and the AA1000APS Standard Licence, as stated on page 66 of this report.

This report has been prepared in accordance with the GRI Standards: Core option (102-54). The GRI Standards, by the Global Reporting Initiative (GRI), are the first global sustainability standards for sustainability reports, thus representing the best global practice to report the economic, environmental and social impacts of Organisations. Feedback on these GRI contents can be found in the Table on page 79 of this report.

The full Report is only available in digital version, and there is also a summarised printed version, in the form of a brochure, which contains the main disclosures. These documents follow the new Portuguese orthographic agreement and are available in Portuguese and English.

For more information and feedback on this report, please contact (102-53):

diana.nicolau@lipor.pt | rosa.veloso@lipor.pt

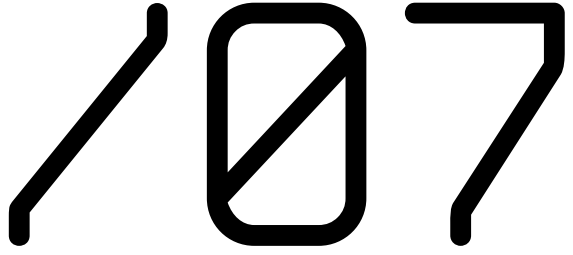
LIPOR- Serviço Intermunicipalizado de Gestão de Resíduos do Grande Porto

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MANAGEMENT APPROACH (103)

MATERIAL TOPIC DESIGNATION	MATERIAL TOPIC AND BOUNDARY (103-1)	MANAGEMENT APPROACH AND ITS COMPONENTS (103-2)	EVALUATION OF THE MANAGEMENT APPROACH (103-3)
<p>Increase of the Amount of Materials Received with Potential for Multimaterial and Organic Recovery</p>	<p>LIPOR and its Associated Municipalities devised a clear and well-structured strategy for sustained and sustainable waste management, which is based on door-to-door selective collection strategies and information management.</p> <p>The GRI environmental topics "Materials" and "Effluents and Waste" relate to the "Increase of the Amount of Materials Received with Potential for Multimaterial and Organic Recovery" topic identified as materially relevant through the described materiality exercise process (page 10).</p>	<p>This topic is approached in the following LIPOR policies and commitments:</p> <ul style="list-style-type: none"> - LIPOR's Strategic Plan 2015-2020 - Mission, Vision, Values and Policy - Quality, Environmental, Energy, Health and Safety, Social Accountability and Innovation Policy - Certification according to the ISO 14001 Standard - Environmental Management System. 	<p>In order to increase the amount of materials received, several projects have been developed to respond to the actions defined in Area ii (increase of preparation for reuse and recycling and of recyclable waste quality) of LIPOR's Strategic Plan. The monitoring of the fulfilment of the goals laid down for LIPOR and its Associated Municipalities is available in the "Observatório de Resíduos" Portal.</p>
<p>Communication, Environmental Education and Training</p>	<p>LIPOR regards communication, environmental education and training of the community it serves as one of its primary responsibilities. Hence, in order to promote citizen engagement and a change in mindsets, LIPOR's Education, Communication and Marketing Department, which comprises the Environmental Education and Training Unit and the Communication, Sustainability and Marketing Unit, develops several initiatives for different target audiences, aiming to encourage citizens to commit themselves to good environmental practices and to boost the acquisition of competencies for a broader civic participation, so that to increase and consolidate environmentally responsible and sustainable processes.</p> <p>Through its Academy, LIPOR aims to develop and enhance competences through training and qualification, using advanced educational methods and equipment.</p> <p>The "Communication, Environmental Education and Training" topic was identified as materially relevant through the described materiality exercise process (page 10).</p>	<p>LIPOR resorts to the following policies and commitments to manage this material topic:</p> <ul style="list-style-type: none"> - Mission, Vision, Values and Policy - LIPOR's Strategic Plan 2015-2020 - Communication, Environmental Education and Training Strategy 	<p>LIPOR's effort to promote Communication, Environmental Education and Training is reflected by the diversity of the developed projects and initiatives, and the number of realised actions and sensitised citizens.</p> <p>Regarding training, an Annual Training Plan is defined based on the assessment of the needs of the different areas and employees, including specific training. The level of fulfilment of this Plan is analysed in the management system review meetings.</p>
<p>Circular Economy</p>	<p>LIPOR links its Circular Business Model to the Integrated Waste Management System, with the clear vision that waste is a resource and totally focused on a regenerative and restorative view of waste within the Value Chain. Having clearly recognised that waste management must be approached in a resource perspective, LIPOR focuses all its efforts on proper waste recovery, based on the projection of a circular business model and the development of projects that demonstrate auxiliary circular practices.</p> <p>The GRI environmental topics "Materials" and "Effluents and Waste" relate to the "Circular Economy" topic identified as materially relevant through the described materiality exercise process (page 10).</p>	<p>LIPOR resorts to the following policies and commitments to manage this material topic:</p> <ul style="list-style-type: none"> - Mission, Vision, Values and Policy - LIPOR's Strategic Plan 2015-2020 - Voluntary Commitment to Circular Economy principles - Statement regarding the Plastics and Single-Use Plastics Strategy 	<p>Circular Economy is much more than just waste, wherefore LIPOR's circular business model is complemented and supported by several Circularity Practices. Here, we highlight the development of sustainable public procurement projects and environmental education and intervention programmes, the enhancement of prevention strategies, the fight against food waste, training courses and voluntary commitments regarding biodiversity and carbon. LIPOR's approach to Circular Economy focuses on a SPEED UP, SCALE UP and IMPACT ON perspective: it bases its intervention on divulging the need for a paradigm shift and on the concept of circular economy, providing technical expertise to increase skills through a certified competences training plan, and creating integrated circular economy dynamics among several civil society actors, at a local and national level.</p>

MATERIAL TOPIC DESIGNATION	MATERIAL TOPIC AND BOUNDARY (103-1)	MANAGEMENT APPROACH AND ITS COMPONENTS (103-2)	EVALUATION OF THE MANAGEMENT APPROACH (103-3)
<p>Commitment towards Stakeholders</p>	<p>LIPOR's development has been based on its commitment towards Stakeholders. Sustainability principles are integrated in the Organisation's daily management:</p> <ul style="list-style-type: none"> - To take on the challenge of Sustainability - To promote Prevention - To strengthen its relationship with stakeholders - To regard waste as a resource - To define and implement a Waste Management Hierarchy - To be a self-sufficient Organisation - To apply the "Polluter Pays" principle and the Producer Responsibility policy. <p>Having taken on the Sustainability challenge and committed itself to the global priorities of the Sustainable Development Goals, LIPOR interconnects them with its business strategies.</p> <p>The "Commitment towards Stakeholders" topic was identified as materially relevant through the described materiality exercise process (page 10).</p>	<p>The Organisation's management approach is evident in its policies, as well as the commitments it subscribes to:</p> <ul style="list-style-type: none"> - Mission, Vision, Values and Policy - LIPOR's Strategic Plan 2015-2020 - BCSO Charter of Principles - SDGs Alliance Portugal. 	<p>LIPOR develops a wide range of projects that approach the environmental, energy, social accountability, prevention, environmental education and awareness areas, demonstrating its unequivocal commitment to Sustainability. It should be noted that some of these projects are long-term projects, allowing the consolidation of its relationship with Stakeholders and the achievement of consistent results. In 2017, LIPOR's Sustainability Agenda was created in order to reinforce this commitment. The monitoring of the projects included in the Agenda allows measuring its execution goal. In 2018, the Agenda was updated as a result of a material topic update.</p>
<p>Climate Change</p>	<p>As a part of its commitment to sustainable development, LIPOR considers essential to fully integrate the climate change issue in its activities, thus regarding:</p> <ul style="list-style-type: none"> - Climate Change as the main threat to global sustainability and, hence, the top priority of its environmental and sustainable development policy; - The Fight against and Adaptation to Climate Change as structuring strategies for its action, given its responsibilities as a GHG emissions managing agent and producer, and as a promoter of knowledge, action and mobilisation amongst citizens and the society. <p>An efficient use of energy is, more and more, a major priority, leading to a reduction of operating costs and a sustainable policy.</p> <p>The GRI material topics "Emissions" and "Energy" relate to the "Climate Change" topic identified as materially relevant through the described materiality exercise process (page 10).</p>	<p>This topic is approached in the following LIPOR policies and commitments:</p> <ul style="list-style-type: none"> - LIPOR's Strategic Plan 2015-2020 - 3M - less Waste, less Carbon, more Climate Strategy - Implementation of the ISO 50001 Standard - Energy Management. 	<p>The adoption of the LIPOR 3M - less Waste, less Carbon, more Climate strategy represents its commitment to action:</p> <ul style="list-style-type: none"> Area 1: To be aware of and disseminate its emissions profile and assess the potential for avoided emissions; Area 2: To reduce its emissions and compensate the inevitable emissions from its fleet; Area 3: To mobilise citizens and partners for the reduction of carbon emissions; Area 4: To cooperate in order to disseminate good practices, promote innovation and knowledge. <p>Following the establishment of an efficiency goal, with the purpose of reducing energy consumption associated with its activities, LIPOR is resorting to the implementation of more efficient technological solutions.</p>

MATERIAL TOPIC DESIGNATION	MATERIAL TOPIC AND BOUNDARY (103-1)	MANAGEMENT APPROACH AND ITS COMPONENTS (103-2)	EVALUATION OF THE MANAGEMENT APPROACH (103-3)
<p>Incentive for New Businesses and Opportunities</p>	<p>LIPOR has a Research, Development and Innovation Unit (IDI) and an International Business Unit (UNI), both working to Stimulate New Businesses and Opportunities. After being acknowledged by the Organisation as strategic priorities in 2013, both are now classified as Organisational Units.</p> <p>LIPOR boosts different types of innovation: product innovation, process innovation, organisational innovation and marketing innovation. On the other hand, due to the nature of its activity, the concepts of social innovation and eco-innovation are evident in various RDI projects developed by the Organisation. As far as research is concerned, LIPOR is currently developing several applied research studies, but also intends to undertake efforts to develop fundamental or basic research.</p> <p>The international approach is a result of the experience and know-how gathered over 35 years of activity, made available to international partners and customers, adding value through resource enhancement, social accountability and performance eco-efficiency.</p> <p>The "Incentive for New Businesses and Opportunities" topic was identified as materially relevant through the described materiality exercise process (page 10).</p>	<p>The following organisational policies and commitments reflect the management approach to this topic:</p> <ul style="list-style-type: none"> - Mission, Vision, Values and Policy - LIPOR's Strategic Plan 2015-2020. - Quality, Environmental, Energy, Health and Safety Policy - Certification according to the NP 4457 Standard – Research, Development and Innovation Management System. 	<p>In 2016, LIPOR maintained the certification of its Research, Development and Innovation Management System, according to the NP 4457 Standard, which enables the management of several interfaces and interactions between scientific and technological knowledge, the organisation and its surroundings, aiming to: (1) promote creativity, and foster and manage ideas and opportunities; (2) efficiently monitor the organisation's interaction with the technological world, the market, the most recent innovations, patents, licences; (3) systematise RDI activities; (4) make RDI project management more efficient and effective; (5) adopt an RDI management model based on a policy and on objective management.</p> <p>The International Business Unit ensures customised solutions. LIPOR is fully committed to the projects, provides comprehensive solutions and the reliability of a brand with 36 years of experience. The development of LIPOR's projects is supported by a network of well-known and highly skilled technological and services partners.</p>
<p>Financial Balance of the Organisation</p>	<p>As a Municipalities Association, LIPOR's purpose is not to obtain profit; however, it constantly focuses on the optimisation of its performance, in order to decrease its dependence on the fees charged to the Associated Municipalities, which is why this is a material topic for LIPOR.</p> <p>The GRI economic topic "Economic Performance" relates to the "Financial Balance of the Organisation" topic identified as materially relevant through the described materiality exercise process (page 10).</p>	<p>LIPOR resorts to the following policies and commitments to manage this material topic:</p> <ul style="list-style-type: none"> - LIPOR Statutes - LIPOR's Strategic Plan 2015-2020 - LIPOR's Corruption Risk and Related Offences Management Plan. 	<p>LIPOR's strong investment in the community reflects its commitment to its Mission. In order to ensure the Organisation's economic sustainability, there's a Balance Tariff that reflects the real costs of waste management. The Organisation's performance is monitored using COGNOS, a Business Intelligence tool.</p>
<p>Biodiversity</p>	<p>LIPOR has always based its action on sustainability principles, resulting in the development of numerous sustainability, social accountability and environmental education projects. In this context, the inherent concerns regarding the protection and enhancement of biodiversity are substantiated through the development of several related projects.</p> <p>The GRI environmental topic "Biodiversity" relates to the "Biodiversity" topic identified as materially relevant through the described materiality exercise process (page 10).</p>	<p>LIPOR resorts to the following policies and commitments to manage this material topic:</p> <ul style="list-style-type: none"> - LIPOR's Strategic Plan 2015-2020 - Certification according to the NP 4457 Standard – Research, Development and Innovation Management System - Biodiversity Strategy. 	<p>In order to assess the impact of its activities on Biodiversity, LIPOR develops minimisation strategies and/or actions to compensate those impacts.</p> <p>To implement these strategies, several projects intended for citizens are developed within the scope of the research and development component and the application and awareness component.</p>

MATERIAL TOPIC DESIGNATION	MATERIAL TOPIC AND BOUNDARY (103-1)	MANAGEMENT APPROACH AND ITS COMPONENTS (103-2)	EVALUATION OF THE MANAGEMENT APPROACH (103-3)
<p>Competences and Know-how</p>	<p>LIPOR strives every day to fulfil its Mission, Vision, Values and Quality, Environmental, Safety, Social Accountability, Energy and Innovation Policy. Issues like Child Labour, Discrimination (race, gender or others), Slave or Compulsory Labour, etc. are duly controlled in order to ensure the thorough fulfilment of the legal requirements applicable to LIPOR (e.g., regarding recruitment and remuneration) and the requirements of the SA8000 – Social Accountability standard.</p> <p>As far as training is concern, LIPOR deems it essential to the promotion of the Organisation’s development, wherefore it has continued to invest in training, competences development and the granting of social benefits to its Employees.</p> <p>The GRI social topics “Employment”, “Occupational Health and Safety”, “Training and Education”, “Diversity and Equal Opportunity” and “Supplier Social Assessment” relate to the “Competences and Know-how” topic identified as materially relevant through the described materiality exercise process (page 10).</p>	<p>This topic is approached in the following LIPOR policies and commitments:</p> <ul style="list-style-type: none"> - Mission, Vision, Values and Policy - Communication, Environmental Education and Training Strategy - Quality, Environmental, Energy, Health and Safety Policy - Certification according to the SA8000 Social Accountability Standard - Certification according to the AA1000APS Standard - Ethics Code - Portuguese Diversity Charter. 	<p>The LIPOR Academy 2018 training offer encompasses different knowledge areas, including courses or training actions especially devised to meet the market’s needs.</p> <p>In order to ensure compliance with the requirements of the Social Accountability Management System - SA8000, which is transversal to the entire Organisation, annual goals are set, and regular audits are conducted.</p> <p>Within the scope of the Integrated Quality, Environmental, Safety and Hygiene Management System, annual objectives regarding safety and hygiene are defined and periodically evaluated by the Board. In system review meetings, the Organisation’s main risks and workplace accidents are analysed, being then established action plans to cope with them.</p>
<p>Product and Service Quality</p>	<p>Product and service quality is a decisive factor for LIPOR’s success, wherefore the Organisation’s ultimate goal is Excellence.</p> <p>The GRI social topics “Customer Health and Safety” and “Marketing and Labelling” relate to the “Product and Service Quality” topic identified as materially relevant through the described materiality exercise process (page 10).</p>	<p>LIPOR resorts to the following policies and commitments to manage this material topic:</p> <ul style="list-style-type: none"> - Mission, Vision, Values and Policy - Quality, Environmental, Energy, Health and Safety, Social Accountability and Innovation Policy - LIPOR’s Strategic Plan 2015-2020 - Certification according to the ISO 9001 Standard – Quality Management System. 	<p>The operational areas are duly certified according to the ISO 14001, ISO 9001 and OHSAS 18001 standards, ensuring that all requirements are duly met, and are subject to periodical audits.</p> <p>In order to monitor customer satisfaction, a Customer Satisfaction Study is carried out every year, serving as a basis for an Action Plan devised to implement/respond to the issues raised.</p>
<p>Maintenance of Management Systems</p>	<p>LIPOR’s Quality, Environmental, Energy, Health and Safety, Social Accountability and Innovation Policy reflects its standards and the Board of Directors’ commitment regarding quality assurance, pollution prevention, environmental protection and preservation, safety management, social accountability and investment in research, development and innovation.</p> <p>The GRI environmental topics “Environmental Compliance” and “Environmental Grievance Mechanisms” and the GRI social topics “Socioeconomic Compliance” and “Grievance Mechanisms” relate to the “Maintenance of Management Systems” topic identified as materially relevant through the described materiality exercise process (page 10).</p>	<p>The management approach to this topic is mostly evident in the Quality, Environmental, Energy, Health and Safety, Social Accountability and Innovation Policy.</p>	<p>Several long-term projects are developed to ensure the system’s conformity, allowing the consolidation of the relationship with Stakeholders and the achievement of consistent results.</p>

GRI CONTENT INDEX (102-55)
GRI STANDARDS | CONTENT



For the GRI Content Index Service, GRI Services reviewed that the GRI content index is clearly presented and the references for all disclosures included align with the appropriate sections in the body of the report. This service was performed on the Portuguese version of the report.

GRI STANDARDS CONTENT	DESCRIPTION	PAGE LOCATION REPORT	OMISSIONS	EXTERNAL ASSURANCE
GRI 101: Foundation 2016				
GRI 102: Standard Disclosures 2016				
ORGANISATIONAL PROFILE				
102-1	Name of the organisation.	Page 6: LIPOR in 2018	None	✓
102-2	Activities, brands, products and services.	Page 29: Our Commitments - Product and Service Quality CURRENT page: For more information https://www.LIPOR.pt/pt/residuos-urbanos/valorizacao-multimaterial/descricao-do-processo/ https://www.LIPOR.pt/pt/residuos-urbanos/valorizacao-organica/descricao-do-processo/ https://www.LIPOR.pt/pt/residuos-urbanos/valorizacao-organica/nutrimais/ https://www.LIPOR.pt/pt/residuos-urbanos/valorizacao-energetica/descricao-do-processo/ https://www.LIPOR.pt/pt/servicos/	None	✓
102-3	Location of the organisation's headquarters.	Page 6: LIPOR in 2018	None	✓
102-4	Number of countries where the organisation operates.	Page 6: LIPOR in 2018	None	✓
102-5	Nature of ownership and legal form.	CURRENT page: For more information http://www.LIPOR.pt/pt/a-LIPOR/quem-somos/historial/	None	✓
102-6	Markets served.	Page 6: LIPOR in 2018 Page 30: Our Commitments - Product and Service Quality	None	✓
102-7	Scale of the organisation.	Page 6: LIPOR in 2018 Page 30: Our Commitments - Product and Service Quality Page 46: Our Commitments - Financial Balance of the Organisation	None	✓
102-8	Information on employees and other workers.	Page 19: Our Commitments - Competences and Know-how	None	✓
102-9	Organisation's supply chain.	CURRENT page: For more information 692 LIPOR Suppliers on 31 st December 2018: SUPPLIER COSTS (EUROS) International: 672,267.98 National: 11,142,287.74 TOTAL: 11,817,055.70	None	✓
102-10	Significant changes to the organisation and its supply chain.	CURRENT page: For more information No significant changes occurred during the reporting period.	None	✓
102-11	Precautionary principle or approach.	CURRENT page: For more information http://www.lipor.pt/pt/sustentabilidade-e-responsabilidade-social/projetos-de-responsabilidade-social/norma-aa1000aps-partes-interessadas/principios-da-norma-aa1000-2008/	None	✓

GRI STANDARDS CONTENT	DESCRIPTION	PAGE LOCATION REPORT			OMISSIONS	EXTERNAL ASSURANCE	
102-12	Charters, principles, or other initiatives to which the Organisation subscribes.	CURRENT page: For more information: LIPOR subscribes to the Aalborg Charter, the Charter of European Cities & Towns Towards Sustainability. This subscription occurred within the scope of the promotion of the "Sustainable Future" project and the implementation of Local Agenda 21 processes in the Parishes within LIPOR's area of intervention. Regarding the Food Waste issue, LIPOR endorsed the DON'T WASTE OUR FUTURE Charter 2015. In 2017, LIPOR subscribed the Portuguese Diversity Charter, the BCSD Portugal Charter of Principles for Sustainable Management and the Terms of Reference for the SDGs Alliance Portugal.			None	✓	
102-13	Membership of associations, and national or international organisations.	CURRENT page: For more information http://www.LIPOR.pt/pt/a-LIPOR/quem-somos/parcerias/			None	✓	
STRATEGY AND ANALYSIS							
102-14	Message from the Chairman of LIPOR's Board of Directors.	Page 4: Message from the Chairman			None	✓	
102-15	Key impacts, risks and opportunities.	Page 7: Corporate Strategy			None	✓	
ETHICS AND INTEGRITY							
102-16	Organisation's values, principles, standards, and norms of behaviour.	Page 9: Corporate Governance Page 16: Our Commitments CURRENT page: For more information: https://www.lipor.pt/pt/a-lipor/quem-somos/missao-visao-valores-e-politica/			None	✓	
102-17	Internal and external mechanisms for concerns about ethics.	Page 9: Corporate Governance			None	✓	
GOVERNANCE							
102-18	Governance structure of the organisation.	Page 9: Corporate Governance			None	✓	
		CURRENT page: For more information					
		Composition Of LIPOR's Management 2018					
		Gender Composition of Management	Male	Female			TOTAL
		Intermunicipal Assembly	18	6			24
Board of Directors	6	2	8				
102-20	Indication of whether the organisation has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body.	CURRENT page: For more information https://www.lipor.pt/pt/a-lipor/quem-somos/o-governo-da-organizacao/processo-de-designacao-de-cargos-e-funcoes-de-nivel-executivo/			None	✓	
102-21	Indication of processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics.	Page 13: Materiality			None	✓	
102-23	Indication of whether the chair of the highest governance body is also an executive officer.	Page 8: Corporate Governance			None	✓	

GRI STANDARDS CONTENT	DESCRIPTION	PAGE LOCATION REPORT	OMISSIONS	EXTERNAL ASSURANCE
STAKEHOLDERS				
102-40	List of stakeholder groups engaged by the organisation.	Page 11: Materiality	None	✓
102-41	Percentage of employees covered by collective bargaining agreements.	CURRENT page: For more information LIPOR and SINTAP (Public Administration Workers' Trade Union) concluded a Public Employer Collective Agreement, which was published in the "Diário da República", 2 nd series, on 28 th January 2016 (pages 3372 to 3377). This Public Employer Collective Agreement covers workers affiliated to the signatory Trade Unions with an employment contract in public service, as well as the remaining workers integrated into LIPOR's career system or performing duties at LIPOR, unless there is an explicit opposition by a non-union worker or by a trade union that hasn't subscribed to the Agreement, concerning its members. This Agreement, which had an initial duration of one year, entered into force the day after its publication in the 2 nd series of the "Diário da República", be-ing successively renewed for one-year periods. The Agreement is estimated to cover about 200 (two hundred) workers, wherefore 100% of LIPOR's Employees are covered by collective employment contracts.	None	✓
102-42	Basis for identification and selection of stakeholders.	Page 12: Materiality	None	✓
102-43	Approach to stakeholder engagement.	Page 15: Materiality CURRENT page: For more information https://www.lipor.pt/pt/sustentabilidade-e-responsabilidade-social/projetos-de-responsabilidade-social/norma-aa1000aps-partes-interessadas/principios-da-norma-aa1000-2008/	None	✓
102-44	Key topics and concerns that have been raised by stakeholders and group response.	Page 15: Materiality	None	✓
REPORTING PRACTICE				
102-45	Entities included in the consolidated financial statements.	CURRENT page: For more information LIPOR Report and Accounts 2018 http://www.lipor.pt/pt/bibliotecas/	None	✓
102-46	Process for defining report content.	Page 10: Materiality	None	✓
102-47	Material topics identified in the process for defining report content.	Page 14: Materiality	None	✓
102-48	Restatements of information given in previous reports.	No exceptions were identified throughout the Report	None	✓
102-49	Significant changes from previous reporting periods.	Page 86: For more information - Methodological Notes	None	✓
102-50	Reporting period.	Page 61: About the Report	None	✓
102-51	Date of most recent previous report.	Page 61: About the Report	None	✓
102-52	Reporting cycle.	Page 61: About the Report	None	✓
102-53	Contact point for questions regarding the re-port.	Page 61: About the Report	None	✓
102-54	Claims of reporting in accordance with the GRI.	Page 61: About the Report	None	✓
102-55	GRI Content Index	Page 67: For more information - GRI Content Index	None	✓
102-56	Policy and practice with regard to external assurance.	Page 61: About the Report	None	✓

MATERIAL TOPICS

MATERIAL TOPIC: ECONOMIC PERFORMANCE

GRI 103: MANAGEMENT APPROACH 2016

GRI STANDARDS CONTENT	DESCRIPTION	PAGE LOCATION REPORT	OMISSIONS	EXTERNAL ASSURANCE
103-1	Material Topic and Boundary	Page 65: For more information	None	✓
103-2	Management approach and its components	Page 65: For more information	None	✓
103-3	Evaluation of the management approach	Page 65: For more information	None	✓

GRI 201: ECONOMIC PERFORMANCE 2016

GRI STANDARDS CONTENT	DESCRIPTION	PAGE LOCATION REPORT	OMISSIONS	EXTERNAL ASSURANCE
201-1	Direct economic value generated and distributed, including revenues, operating costs, Employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	Page 47: Our Commitments – Financial Balance of the Organisation	None	✓
201-2	Financial implications and other risks and oppor-tunities for the organisation's activities due to climate change.	Page 37: Our Commitments – Climate Change	None	✓

GRI 103: MANAGEMENT APPROACH 2016

GRI STANDARDS CONTENT	DESCRIPTION	PAGE LOCATION REPORT	OMISSIONS	EXTERNAL ASSURANCE
103-1	Material Topic and Boundary	Page 63: For more information	None	✓
103-2	Management approach and its components	Page 63: For more information	None	✓
103-3	Evaluation of the management approach	Page 63: For more information	None	✓

GRI 301: Materials 2016				
GRI STANDARDS CONTENT	DESCRIPTION	PAGE LOCATION REPORT	OMISSIONS	EXTERNAL ASSURANCE
301-1	Materials used by weight or volume.	CURRENT page: More information	None	✓

301-1 SORTING PLANT				
Materials	2016	2017	2018	
Raw materials for production (tons)				
Sorted recyclable materials	46,791	47,304	11,450.8	
Materials				
Wood (tons)	63.3	71.898	80.1	
Plastic (tons)	23.1	24.814	27.672	
Paper and Cardboard (tons)	0	0	0	
Raw materials for production (tons)				
Sorted organic waste	47,944.00	50,911	52,178.50	
Energy Recovery Plant				
USE OF REAGENTS				
Hydrated Lime (tons)	4,258.1	4,170.0	4,008.6	
Urea (tons)	1,338.6	1,495.4	1,491.0	
Activated Charcoal (tons)	165.9	185.4	192.0	
Caustic Soda (tons)	20.0	23.3	26.4	
HCl (tons)	26.4	26.7	30.3	
Raw materials for production (tons)				
Unsorted waste	391,835.0	393,740	406,468.5	
CVE's Auxiliary Landfill				
REAGENTS FOR THE WWTP				
Sulphuric Acid (tons)	6.37	4.14	4.30	
Acetic Acid (tons)	3.242	2.62	0.80	
Soda (tons)	24.02	14.28	17.90	
Anti-foam (litres)	154	52	37	
LIPOR - IN GENERAL				
Stationery				
White Paper (kg)	742.4	910.87	258.90	
White Stationery (kg)	771.9	50.45	1,335.90	
Total white	1,514.30	961.32	1,594.80	
Recycled Paper (kg)	1,933	2,396	149.40	
Recycled Stationery (kg)	12.9	51.01	269.80	
TOTAL RECYCLED	1,946	2,447	419	
TOTAL	3 460,20	3 408,32	2 014,00	

MATERIAL TOPIC: ENERGY

GRI 103: MANAGEMENT APPROACH 2016				
GRI STANDARDS CONTENT	DESCRIPTION	PAGE LOCATION REPORT	OMISSIONS	EXTERNAL ASSURANCE
103-1	Material Topic and Boundary	Page 64: For more information	None	✓
103-2	Management approach and its components	Page 64: For more information	None	✓
103-3	Evaluation of the management approach	Page 64: For more information	None	✓
GRI 302: ENERGY 2016				
GRI STANDARDS CONTENT	DESCRIPTION	PAGE LOCATION REPORT	OMISSIONS	EXTERNAL ASSURANCE
302-1	Direct energy consumption by primary energy source.	Page 40: Our Commitments - Climate Change	None	✓
302-2	Energy consumption outside of the Organisation.	CURRENT page: More information	None	✓
302-3	Energy Intensity.	Page 39: Our Commitments - Climate Change	None	✓
302-4	Reduction of Energy consumption.	Page 40: Our Commitments - Climate Change	None	✓

302-2	GJ	2016	2017	2018
	Scope 3 – Energy	187,130	138,941	177,313
	C.03 – Energy and fuels	76,688	64,406	64,771
	C.04 – Transportation (upstream)	98,093	61,662	101,185
	C.06 – Business travels	736	522	508
	C.07 – Employee commuting	4,136	4,237	4,237
	C.09 – Transportation (downstream)	7,477	8,114	6,612
	C.10 – Processing of intermediate products	n.d.	n.d.	n.d.
	C.11 – Use of goods and services	n.d.	n.d.	n.d.

MATERIAL TOPIC: BIODIVERSITY

GRI 103: MANAGEMENT APPROACH 2016				
GRI STANDARDS CONTENT	DESCRIPTION	PAGE LOCATION REPORT	OMISSIONS	EXTERNAL ASSURANCE
103-1	Material Topic and Boundary	Page 65: For more information	None	✓
103-2	Management approach and its components	Page 65: For more information	None	✓
103-3	Evaluation of the management approach	Page 65: For more information	None	✓
GRI 304: BIODIVERSITY 2016				
GRI STANDARDS CONTENT	DESCRIPTION	PAGE LOCATION REPORT	OMISSIONS	EXTERNAL ASSURANCE
304-3	Habitats protected or restored.	Pages 41 to 45: Our Commitments - Biodiversity	None	✓

MATERIAL TOPIC: EMISSIONS

GRI 103: MANAGEMENT APPROACH 2016				
GRI STANDARDS CONTENT	DESCRIPTION	PAGE LOCATION REPORT	OMISSIONS	EXTERNAL ASSURANCE
103-1	Material Topic and Boundary	Page 64: For more information	None	✓
103-2	Management approach and its components	Page 64: For more information	None	✓
103-3	Evaluation of the management approach	Page 64: For more information	None	✓
GRI 305: EMISSIONS 2016				
GRI STANDARDS CONTENT	DESCRIPTION	PAGE LOCATION REPORT	OMISSIONS	EXTERNAL ASSURANCE
305-1	Direct Greenhouse Gas (GHG) Emissions (Scope 1)	Page 38: Our Commitments - Climate Change Page 87: For more information - Methodological Notes	None	✓
305-2	Energy Indirect Greenhouse Gas (GHG) Emissions (Scope 2)	Page 38: Our Commitments - Climate Change Page 87: For more information - Methodological Notes	None	✓
305-3	Other Indirect Greenhouse Gas (GHG) Emissions (Scope 3)	Page 38: Our Commitments - Climate Change Page 87: For more information - Methodological Notes	None	✓
305-4	Greenhouse Gas (GHG) Emissions Intensity	Page 37: Our Commitments - Climate Change	None	✓
305-5	Reduction of Greenhouse Gas (GHG) Emissions	Page 37: Our Commitments - Climate Change	None	✓

MATERIAL TOPIC: EFFLUENTS AND WASTE

GRI 103: MANAGEMENT APPROACH 2016				
GRI STANDARDS CONTENT	DESCRIPTION	PAGE LOCATION REPORT	OMISSIONS	EXTERNAL ASSURANCE
103-1	Material Topic and Boundary	Page 63: For more information	None	✓
103-2	Management approach and its components	Page 63: For more information	None	✓
103-3	Evaluation of the management approach	Page 63: For more information	None	✓
GRI 306: EFFLUENTS AND WASTE 2016				
GRI STANDARDS CONTENT	DESCRIPTION	PAGE LOCATION REPORT	OMISSIONS	EXTERNAL ASSURANCE
306-2	Total weight of hazardous and non-hazardous waste, with a breakdown by the following disposal methods.	CURRENT page: More information Page 87: For more information - Methodological Notes	None	✓

306-2	REJECTED WASTE FROM THE SORTING PLANT			
		2016	2017	2018
	Flat Products Line – Paper and Cardboard (tons)	0	0	0
	Bulky Items Line – Packaging (tons)	928.20	957.42	1,092.24
	Fines (tons)	1,360.38	1,420.38	1,550.38
	Pre-sorting (tons)	453.36	405.32	498.4
	Total (tons)	2,741.94	2783.12	3,141.02
Destination – Energy Recovery Plant				
Rejected waste from the Energy Recovery Plant				
		2016	2017	2018
	Inert ashes (tons)	28,202.4	18,657.88	0
	Fly ashes (tons)	0	5,021.72	13,343.08
	Slag (tons)	78,326	80,266.44	78,348.48
Destination – Landfill of Maia				

306-2	WASTE PRODUCED BY THE SYSTEM			
	2016	2017	2018	HAZARDOUS
Mineral Oils (litres)	9,208	11,871	11,258	yes
Oily Water (litres)	10,900	11,620	28,640	yes
Total (litres)	20,108	23,491	39,898	
Cooking Oil (kg)	1,212	1,140	182	no
Sawdust and oily rags (kg)	231	356	208	yes
Contaminated packaging* (kg)	637	931	814	yes
Small batteries (kg)	4,060	5,840	4,180	yes
Batteries (kg)	1,020	860	1,920	yes
Syringes (kg)	38	37	72	yes
Fluorescent Lamps (kg)	27,106	26,717	18,416	yes
Other municipal waste and similar waste (kg)	167	167	138	no
Ink Cartridges and Toners (kg)	15,940	18,320	17,020	yes
Tyres (kg)	1,360	2,760	700	no
Inert materials	389,600	560,940	462,800	yes
Total (kg)	441,371.40	618,068.30	506,449.85	
Destination - Companies licensed for Recovery/Treatment				
Iron Scrap (tons)	5,261	5,831	5,800	no
Total (tons)	5,261	5,831	5,800	
Destination - Recycling				

MATERIAL TOPIC: ENVIRONMENTAL COMPLIANCE

GRI 103: MANAGEMENT APPROACH 2016				
GRI STANDARDS CONTENT	DESCRIPTION	PAGE LOCATION REPORT	OMISSIONS	EXTERNAL ASSURANCE
103-1	Material Topic and Boundary	Page 66: For more information	None	✓
103-2	Management approach and its components	Page 66: For more information	None	✓
103-3	Evaluation of the management approach	Page 66: For more information	None	
GRI STANDARD CONTENT				
DESCRIPTION	PAGE LOCATION REPORT	OMISSIONS	EXTERNAL ASSURANCE	
307-1	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and/or regulations.	CURRENT page: For more information	None	✓
307-1	In 2018, no fine was imposed on LIPOR due to violation of environmental laws and norms.			

MATERIAL TOPIC: EMPLOYMENT

GRI 103: MANAGEMENT APPROACH 2016				
GRI STANDARDS CONTENT	DESCRIPTION	PAGE LOCATION REPORT	OMISSIONS	EXTERNAL ASSURANCE
103-1	Material Topic and Boundary	Page 66: For more information	None	✓
103-2	Management approach and its components	Page 66: For more information	None	✓
103-3	Evaluation of the management approach	Page 66: For more information	None	✓
GRI 401: EMPLOYMENT 2016				
GRI STANDARDS CONTENT	DESCRIPTION	PAGE LOCATION REPORT	OMISSIONS	EXTERNAL ASSURANCE
401-1	Total number and rates of new employee hires and employee turnover by age group, gender and region.	Page 18: Our Commitments – Competences and Know-how Page 87: For more information See methodological notes	None	✓
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation.	Page 25: Our Commitments – Competences and Know-how CURRENT page: For more information	None	✓

MATERIAL TOPIC: OCCUPATIONAL HEALTH AND SAFETY

GRI 103: MANAGEMENT APPROACH 2016				
GRI STANDARDS CONTENT	DESCRIPTION	PAGE LOCATION REPORT	OMISSIONS	VERIFICAÇÃO EXTERNA
103-1	Material Topic and Boundary	Page 66: For more information	None	✓
103-2	Management approach and its components	Page 66: For more information	None	✓
103-3	Evaluation of the management approach	Page 66: For more information	None	✓
GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2016				
GRI STANDARDS CONTENT	DESCRIPTION	PAGE LOCATION REPORT	OMISSIONS	VERIFICAÇÃO EXTERNA
403-2	Type and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and gender.	Page 24: Our Commitments – Competences and Know-how	None	✓
403-3	Workers with high incidence or high risk of diseases related to their occupation.	CURRENT page: For more information	None	✓
403-3	<p>LIPOR has no facilities in countries with high risk or incidence of communicable diseases and, according to the legislation in effect (Law no. 59/2008, Annex II, point 2 of article 133), LIPOR's activities are not considered high risk activities.</p> <p>Within the scope of the OHSAS 18001 and SA8000 certifications, LIPOR has identified all risks associated with the organisation's operations, continuously striving to control them. LIPOR has been implementing several prevention measures to minimise those risks.</p> <p>Occupational Medicine provides support in risk prevention and control, allowing to anticipate and act in some risk cases.</p> <p>Several visits to workplaces were carried out to check the employees' working conditions and implement eventually identified improvements.</p> <p>Regarding severe occupational diseases, some initiatives were implemented to help minimise them, such as a 15-minute practice of workplace gymnastics, in administrative and operational areas, before each shift, and the uniform washing procedure, which is carried out internally.</p> <p>In addition to Occupational Medicine, a General Practitioner is also available for employees once a week, and occasionally a nurse, thus giving access to curative medicine.</p>			

TEMA MATERIAL: TRAINING AND EDUCATION

GRI 103: MANAGEMENT APPROACH 2016				
GRI STANDARDS CONTENT	DESCRIPTION	PAGE LOCATION REPORT	OMISSIONS	EXTERNAL ASSURANCE
103-1	Material Topic and Boundary	Page 63: For more information	None	✓
103-2	Management approach and its components	Page 63: For more information	None	✓
103-3	Evaluation of the management approach	Page 63: For more information	None	✓
GRI 404: TRAINING AND EDUCATION 2016				
GRI STANDARDS CONTENT	DESCRIPTION	PAGE LOCATION REPORT	OMISSIONS	EXTERNAL ASSURANCE
404-1	Average training hours per year per Employee, by gender and employee category.	Page 22: Our Commitments - Competences and Know-how	None	✓
404-2	Programmes for skills management and lifelong learning that support the continued employability of Employees and assist them in managing career endings.	Page 21: Our Commitments - Competences and Know-how	None	✓
404-3	Percentage of Employees receiving regular performance and career development reviews, by gender.	Page 22: Our Commitments - Competences and Know-how	None	✓

MATERIAL TOPIC: DIVERSITY AND EQUAL OPPORTUNITY

GRI 103: MANAGEMENT APPROACH 2016				
GRI STANDARDS CONTENT	DESCRIPTION	PAGE LOCATION REPORT	OMISSIONS	EXTERNAL ASSURANCE
103-1	Material Topic and Boundary	Page 66: For more information	None	✓
103-2	Management approach and its components	Page 66: For more information	None	✓
103-3	Evaluation of the management approach	Page 66: For more information	None	✓
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016				
GRI STANDARDS CONTENT	DESCRIPTION	PAGE LOCATION REPORT	OMISSIONS	EXTERNAL ASSURANCE
405-1	Composition of governance bodies and breakdown of Employees per employee category according to gender, age group, minority group membership and other indicators of diversity.	Page 20: Our Commitments – Competences and Know-how	None	✓
405-1	EMPLOYEE NATIONALITY	2018		
		Portuguese	Foreign	Total
	Managers	15	0	15
	Senior Technicians	51	2	53
	Technical Assistants	35	1	36
	Operational Assistants	84	3	87
	Total	185	6	191
	% OF EMPLOYEES BY NATIONALITY AND CATEGORY			
		Portuguese	Foreign	
	Managers	100.00%	0.00%	
	Senior Technicians	96.23%	3.77%	
	Technical Assistants	97.22%	2.78%	
	Operational Assistants	96.55%	3.45%	
	Total	96.86%	3.14%	
GRI STANDARDS CONTENT	DESCRIPTION	PAGE LOCATION REPORT	OMISSIONS	VERIFICAÇÃO EXTERNA
405-2	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.	CURRENT page: More information	None	✓
405-2	Career-based remuneration is defined by specific legislation applicable to all Employees in Public Service (Law no. 35/2014 of 20 June and Implementing Decree no. 14/2008 of 31 July), so LIPOR can't apply different remunerations. Annual salary review for Public Administration Employees, as well as daily subsistence, meal and travel allowances scales are defined by Order no. 1553-C/2008 of 31 December. At LIPOR, the salary scale is applied in the same way to the determination of basic salary by gender, so there's no discrimination regarding remuneration. In 2018, the national minimum wage amounted to €580.00, as determined by the Decree-Law no. 156/2017 of 28 December 2017.			
	EMPLOYEE CATEGORY	TOTAL EMPLOYEES	REMUNERATION	RATIO (M/W)
	Managers	15	2,025.35	1
	Senior Technicians	53	995.51	1
	Technical Assistants	36	683.13	1
	Operational Assistants	87	580.00	1
Total	191	-	-	

MATERIAL TOPIC: SUPPLIER SOCIAL ASSESSMENT

GRI 103: MANAGEMENT APPROACH 2016				
GRI STANDARDS CONTENT	DESCRIPTION	PAGE LOCATION REPORT	OMISSIONS	EXTERNAL ASSURANCE
103-1	Material Topic and Boundary	Page 66: For more information	None	✓
103-2	Management approach and its components	Page 66: For more information	None	✓
103-3	Evaluation of the management approach	Page 66: For more information	None	✓
GRI 414: SUPPLIER SOCIAL ASSESSMENT 2016				
GRI STANDARDS CONTENT	DESCRIPTION	PAGE LOCATION REPORT	OMISSIONS	EXTERNAL ASSURANCE
414-1	Percentage of new suppliers that were screened using labour practices criteria.	Page 48: Our Commitments - Financial Balance of the Organisation	None	✓
414-2	Significant actual and potential negative impacts for labour practices in the supply chain and actions taken.	Page 49: Our Commitments - Financial Balance of the Organisation	None	✓
GRI 103: MANAGEMENT APPROACH 2016				
GRI STANDARDS CONTENT	DESCRIPTION	PAGE LOCATION REPORT	OMISSIONS	EXTERNAL ASSURANCE
103-2	Number of grievances about labour practices filed, addressed, and resolved through formal grievance mechanisms.	CURRENT page: More information	None	✓
103-2	In 2018, LIPOR's Board of Directors decided to initiate 3 disciplinary proceedings. On 31 st December 2018, two of them were still in progress, having the third one culminated in the imposition of a 30-day disciplinary suspension penalty, suspended for a period of one year.			

MATERIAL TOPIC: CUSTOMER HEALTH AND SAFETY

GRI 103: MANAGEMENT APPROACH 2016				
GRI STANDARDS CONTENT	DESCRIPTION	PAGE LOCATION REPORT	OMISSIONS	EXTERNAL ASSURANCE
103-1	Material Topic and Boundary	Page 66: For more information	None	✓
103-2	Management approach and its components	Page 66: For more information	None	✓
103-3	Evaluation of the management approach	Page 66: For more information	None	✓
GRI 416: CUSTOMER HEALTH AND SAFETY 2016				
GRI STANDARDS CONTENT	DESCRIPTION	PAGE LOCATION REPORT	OMISSIONS	EXTERNAL ASSURANCE
416-1	Life cycle stages of products and services in which health and safety impacts are assessed for improvement, and percentage of products and services subject to such procedures.	CURRENT page: More information	None	✓
416-2	Total number of incidents of noncompliance with regulations and voluntary codes concerning consumer health and safety impacts of products and services during their life cycle, by type of product and incident.	CURRENT page: More information	None	✓
416-1	<p>In 2009, we launched Nutrimais for Organic Farming, which is certified by SATIVA for use as a production factor in organic farming. In 2014, we continued to sell organic and natural products with very low impact in terms of health and safety, either for direct consumers (farmers), or for other people in touch with the products (children and/or adults). On the other hand, this product's Life Cycle is natural and, therefore, difficult to change. All parameters which are fundamental to the process are continuously controlled (humidity, oxygen, temperature), thus ensuring the best results. The entire production is subject to sampling and analysis in accordance with a compost quality verification plan, which includes physical, chemical and biological parameters. Bearing this in mind, improvements in the life cycle are not assessed, namely in production methods aiming at the reduction of its hazardous content, as it is already almost non-existent.</p>			
416-2	<p>During 2018, there was no noncompliance of this kind.</p>			

MATERIAL TOPIC: MARKETING AND LABELLING

GRI 103: MANAGEMENT APPROACH 2016				
GRI STANDARDS CONTENT	DESCRIPTION	PAGE LOCATION REPORT	OMISSIONS	EXTERNAL ASSURANCE
103-1	Material Topic and Boundary	Page 66: For more information	None	✓
103-2	Management approach and its components	Page 66: For more information	None	✓
103-3	Evaluation of the management approach	Page 66: For more information	None	✓
GRI 417: MARKETING AND LABELLING 2016				
GRI STANDARDS CONTENT	DESCRIPTION	PAGE LOCATION REPORT	OMISSIONS	EXTERNAL ASSURANCE
417-1	Type of product and service information required by labelling procedures, and percentage of products and services subject to such requirements.	CURRENT page: More information	None	✓
417-2	Incidents concerning product labelling.	CURRENT page: More information	None	✓
417-3	Total number of incidents of non compliance with regulations and voluntary codes concerning communication and marketing, including advertising, promotion and sponsorship, by type.	CURRENT page: More information	None	✓
417-1	Labelling issues are now regulated by Decree-Law no. 103/2015. In the cases of renewal / new marketing authorisation, a label proposal must be included in the process, which will later be validated by the DGAE. In addition to the information conveyed in labels, LIPOR provides its customers an advice and recommendation service regarding compost. Nutrimais Compost complies with all requirements defined by the legislation in effect, and its marketing authorisation is valid until 2021.			
417-2	During 2018, there was no noncompliance of this kind.			
417-3	During 2018, there was no noncompliance of this kind.			

MATERIAL TOPIC: SOCIOECONOMIC COMPLIANCE

GRI 103: MANAGEMENT APPROACH 2016				
GRI STANDARDS CONTENT	DESCRIPTION	PAGE LOCATION REPORT	OMISSIONS	EXTERNAL ASSURANCE
103-1	Material Topic and Boundary	Page 66: For more information	None	✓
103-2	Management approach and its components	Page 66: For more information	None	✓
103-3	Evaluation of the management approach	Page 66: For more information	None	✓
GRI 419: SOCIOECONOMIC COMPLIANCE 2016				
GRI STANDARDS CONTENT	DESCRIPTION	PAGE LOCATION REPORT	OMISSIONS	EXTERNAL ASSURANCE
419-1	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations.	CURRENT page: More information	None	✓
419-1	In 2018, no fine was imposed on LIPOR due to violation of laws regarding the provision and use of products and services.			

MATERIAL TOPIC: LIPOR

GRI 103: MANAGEMENT APPROACH 2016				
GRI STANDARDS CONTENT	DESCRIPTION	PAGE LOCATION REPORT	OMISSIONS	EXTERNAL ASSURANCE
103-1	Material Topic and Boundary	Page 63: For more information	None	✓
103-2	Management approach and its components	Page 63: For more information	None	✓
103-3	Evaluation of the management approach	Page 63: For more information	None	✓
LIPOR CATEGORY	DESCRIPTION	PAGE LOCATION REPORT	OMISSIONS	EXTERNAL ASSURANCE
L1	Total Population Reached with Environmental Education and Awareness actions	Page 27: Our Commitments – Communication, Environmental Education and Training	None	✓
GRI 103: MANAGEMENT APPROACH 2016				
GRI STANDARDS CONTENT	DESCRIPTION	PAGE LOCATION REPORT	OMISSIONS	EXTERNAL ASSURANCE
103-1	Material Topic and Boundary	Page 65: For more information	None	✓
103-2	Management approach and its components	Page 65: For more information	None	✓
103-3	Evaluation of the management approach	Page 65: For more information	None	✓
LIPOR CATEGORY	DESCRIPTION	PAGE LOCATION REPORT	OMISSIONS	EXTERNAL ASSURANCE
L2	Innovation scoring result	Page 51: Our Commitments – Incentive for New Businesses and Opportunities	None	✓
GRI 103: MANAGEMENT APPROACH 2016				
GRI STANDARDS CONTENT	DESCRIPTION	PAGE LOCATION REPORT	OMISSIONS	EXTERNAL ASSURANCE
103-1	Material Topic and Boundary	Page 66: For more information	None	✓
103-2	Management approach and its components	Page 66: For more information	None	✓
103-3	Evaluation of the management approach	Page 66: For more information	None	✓
LIPOR CATEGORY	DESCRIPTION	PAGE LOCATION REPORT	OMISSIONS	EXTERNAL ASSURANCE
L3	Level of Connection to the LIPOR Brand – Opinion Barometer	Page 32: Our Commitments – Product and Service Quality	None	✓

GRI 103:MANAGEMENT APPROACH 2016				
GRI STANDARDS CONTENT	DESCRIPTION	PAGE LOCATION REPORT	OMISSIONS	EXTERNAL ASSURANCE
103-1	Material Topic and Boundary	Page 66: For more information	None	✓
103-2	Management approach and its components	Page 66: For more information	None	✓
103-3	Evaluation of the management approach	Page 66: For more information	None	✓
LIPOR CATEGORY	DESCRIPTION	PAGE LOCATION REPORT	OMISSIONS	EXTERNAL ASSURANCE
L4	Social Accountability Perceived	Page 32: Our Commitments – Product and Service Quality	None	✓
GRI 103:MANAGEMENT APPROACH 2016				
GRI STANDARDS CONTENT	DESCRIPTION	PAGE LOCATION REPORT	OMISSIONS	EXTERNAL ASSURANCE
103-1	Material Topic and Boundary	Page 65: For more information	None	✓
103-2	Management approach and its components	Page 65: For more information	None	✓
103-3	Evaluation of the management approach	Page 65: For more information	None	✓
LIPOR CATEGORY	DESCRIPTION	PAGE LOCATION REPORT	OMISSIONS	EXTERNAL ASSURANCE
L5	No. of approved proposals and preliminary studies/projects	Page 52: Our Commitments – Incentive for New Businesses and Opportunities	None	✓

METHODOLOGICAL NOTES (102-49)

102-8

Teve-se em consideração os Colaboradores CEI - Contrato Emprego Inserção e Both CEI (Employment-Inclusion Contract) Employees and LIPOR's Direct Employees were taken into consideration, as they enjoy the same rights and benefits. CEI Employees have a fixed-term employment contract, for the application's duration. They have a time card and are integrated in the personnel file, just as Employees. CEI Employees maintain their unemployment allowance, only receiving a grant from LIPOR.

301-1

In this disclosure, actual consumption data were used whenever possible. When this wasn't possible, data regarding acquired materials were used.

When separating consumptions, all awareness and stationery materials were considered as stationery materials, except for paper. So, stationery materials include A4 and A5 notebooks, dead files, envelopes, cardboard folders, legal paper and diverse awareness leaflets. White and recycled paper include A3 and A5 paper and A4 recycled paper.

Regarding material data pertaining to the Composting Plant, these were restructured, as we started to use data declared to SPV.

THE FOLLOWING CONVERSION FACTORS WERE USED:

Crude Oil	GJ	Gasoline	GJ	Natural Gas	GJ	Electricity	GJ
barrel	6,22	gallon	0,125	therm	0,1055	kilowatt-hour	0,0036
tonne (metric)	44,8	tonne (metric)	44,8	1000 cubic feet	1,1046	megawatt-hour	3,6
ton (short)	40,64	Diesel		1000 cubic meters	39,01	gigawatt-hour	3600
ton (long)	45,52	gallon	0,138	MMBtu	1,055		
		tonne (metric)	43,33				
		Fuel Oil					
		gallon	0,144				
		tonne (metric)	40,19				

302-1

To calculate this disclosure, natural gas, gasoline and diesel consumptions of the entire facility were taken into consideration (including consumption of LIPOR's fleet vehicles). For the calculation of the amount of gasoline used, we've used the information available at: http://www.concorrenca.pt/vPT/Estudos_e_Publicacoes/Relatorios_periodicos_e_Newsletters/Energia_e_Combustiveis/Documents/Boletim_Mensal_Combustiveis_201202.pdf

To convert litres to gallons, due to the lack of information from the GRI, we've chosen to use the US conversion factor, namely: 1 US gallon » 3.78541178 litres.

302-2

Consumption data were collected from the municipalities/service providers within the scope of LIPOR's GHG Emissions inventory. The calculation was based on fuel consumption (in volume and/or energy) and the emission factor defined in NIR 2019.

305-1, 305-2, 305-3

The methodological notes regarding these disclosures can be found in the LIPOR Portal at:

<https://www.lipor.pt/pt/sustentabilidade-e-responsabilidade-social/projetos-de-sustentabilidade/3m-menos-residuos-menos-carbono-mais-clima/o-nosso-desempenho/notas-metodologicas/>

306-2

The reported data were based on waste managed directly by LIPOR.

401-1

401-1 (%) = [(number of exits + number of entries)/(total employees on 31-12-2017)]*100

403-2

To calculate Severity and Frequency rates, lost days due to sick leave were considered from the day of the accident on. Furthermore, lost days correspond to actual working days.

Regarding the calculation of the Absenteeism Rate, it doesn't include Maternity and Paternity Leaves, bereavement leaves, working student status, blood donation, union trades and family leave. Vacation leaves and days off are also not included. In terms of hours worked, we've only considered workable days (excluding the vacation days the Employee is entitled to); regarding the absenteeism rate and Severity and Frequency rates, we've added overtime hours actually worked.

These rates do not include minor injuries (workplace accidents without sick leave days).

Absenteeism rate (%) = (Total number of lost days/Number of workable days)*100

Frequency rate (Tf) = (Total number of workplace accidents/Number of hours worked) x 1,000,000

Severity rate (Tg) = (Number of lost days/Number of hours worked) x 1,000,000

L1

Comprises all people who took part in LIPOR's activities, including visits, training actions/courses and Adventure Park visitors.

EXTERNAL ASSURANCE REPORT



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LIPOR - Serviço Intermunicipalizado de Gestão de Resíduos do Grande Porto
(Free translation from the Original Independent Limited Assurance Report in Portuguese. In case of any discrepancy, the Portuguese version always prevails)
Independent Limited Assurance Report of the 2018 Sustainability Report
1 of January to 31 of December 2018

(Free translation from the Original Independent Limited Assurance Report in Portuguese. In case of any discrepancy, the Portuguese version always prevails)

Independent Limited Assurance Report of the Sustainability Report

To the Board of Directors of
LIPOR - Serviço Intermunicipalizado de Gestão de Resíduos do Grande Porto

Introduction

1. We were contracted by the Board of Directors of LIPOR - Serviço Intermunicipalizado de Gestão de Resíduos do Grande Porto (LIPOR), to proceed with the independent review of the 2018 Sustainability Report, hereinafter the "Sustainability Report", relating to the sustainability performance from 1 January to 31 December 2018.

Responsibilities

2. The Board of Directors is responsible for preparing the "Sustainability Report" and to maintain an appropriate internal control system that allows the information presented to be free of material misstatements due to fraud or error.
3. It is our responsibility to issue a limited assurance report, professional and independent, based on the procedures performed and described in the "Scope" section below.

Scope

4. Our review procedures have been planned and executed in accordance with the International Standard on Assurance Engagements (ISAE 3000, Revised) - "Assurance engagements other than Audits and Reviews of Historical Financial Information", for a limited level of assurance. It was also considered the AA1000 Assurance Standard (2008), type 2 engagement, for a moderate level of assurance.
5. The procedures performed in a limited assurance engagement, in accordance with ISAE 3000 (revised), vary in timing and nature from, and are less in extent than for, a reasonable assurance engagement, therefore, the assurance provided by these procedures is lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our independent review procedures comprised the following:
 - ▶ Conducting interviews with Management, in order to understand how the information system is structured and assess their level of knowledge of the topics addressed in the report;
 - ▶ Review of the processes, criteria and systems adopted to collect, consolidate, report and validate the data for the year 2018;
 - ▶ Review, on a sample basis, of the data calculated by Management, and of quantitative and qualitative information disclosed in the report;
 - ▶ Confirmation on how collection, consolidation, validation and report procedures are being implemented in selected operating units;
 - ▶ Assessment of the level of adherence to the principles of inclusivity, materiality and responsiveness set by AA1000APS Standard (2008), in the sustainability information disclosure, through the analysis of the contents of the "Sustainability Report" and the internal documents of the Entity; and
 - ▶ Verification of the conformity of the information included in the "Sustainability Report" with the results of our work.

6. Regarding sustainability reporting standards of the Global Reporting Initiative - GRI Standards 2016, we performed a review of the self-evaluation made by Management of the adopted option to apply the GRI Standards 2016.

Quality and independence

7. Our firm applies International Standard on Quality Control 1 (ISQC 1), and consequently maintains a global quality control system which includes documented policies and procedures relating to compliance with ethical requirements, professional standards, and the legal and regulatory provisions applicable and we comply with the independence and ethical requirements of the International Ethics Standards Board for Accountants (IESBA) Code of Ethics and the Code of Ethics of the Order of Chartered Accountants (OROC).

Conclusion

8. Based on our work, nothing has come to our attention that causes us to believe that the systems and procedures for the collection, consolidation, validation and reporting of the "Sustainability Report" are not operating appropriately and the information disclosed is not free from relevant material misstatements.

Additionally, nothing has come to our attention that causes us to believe that the "Sustainability Report" do not include all the required data and information for the option "In accordance - Core", as defined by the GRI Standards 2016.

Furthermore, nothing has come to our attention that causes us to believe that the "Sustainability Report" was not prepared in compliance with the principles defined in the AA1000APS (2008) Standard, namely:

- ▶ Principle of inclusivity: LIPOR is accountable to those who are impacted by or impact the Entity, thus promoting the engagement of its stakeholders in the definition and implementation of its strategic response to sustainability. LIPOR also has several mechanisms for mapping stakeholder groups and obtaining information concerning their expectations, as explained on the 3rd Chapter of the "Sustainability Report".
- ▶ Principle of Materiality: LIPOR periodically reviews (biennial cycle) the materiality of the sustainability topics, as to support its management strategy and communication. For this purpose, the Entity uses objective criteria and established processes. In 2018, LIPOR carried out a stakeholder consultation, in order to assess the relevant sustainability issues for its stakeholders and update its materiality matrix.
- ▶ Principle of responsiveness: LIPOR seeks to address the expectations and concerns of its stakeholders and has sufficient mechanisms to fulfill that purpose. LIPOR updated in 2018 the mechanisms and processes for stakeholder engagement and communication.

Recommendations

9. Concerning the implementation of the principles set by the AA1000APS (2008), we presented our recommendations to the Board of Directors of LIPOR. The most significant recommendations are summarized below:
 - ▶ Principle of Inclusivity: LIPOR has established mechanisms for stakeholder identification and the management of their needs and expectations. We recommend strengthening the approach to stakeholder that can be directly impacted by LIPOR activity.
 - ▶ Principle of Materiality: LIPOR has established processes to identify and assess the material topics included in the "Sustainability Report". We recommend continuing to update the materiality analysis by periodically listening key stakeholders and encouraging their involvement in LIPOR's strategic decision and risk management.



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- ▶ Principle of Responsiveness: LIPOR has efficient mechanisms to communicate with its stakeholders. We recommend that the next developments in sustainability reporting be related to the various mechanisms of communication and interaction between LIPOR and stakeholders.

Lisbon, May 31, 2019

Ernst & Young Audit & Associados - SROC, S.A.
Sociedade de Revisores Oficiais de Contas
Represented by:

(signed)

Manuel Ladeiro de Carvalho Coelho da Mota - ROC nº 1410
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