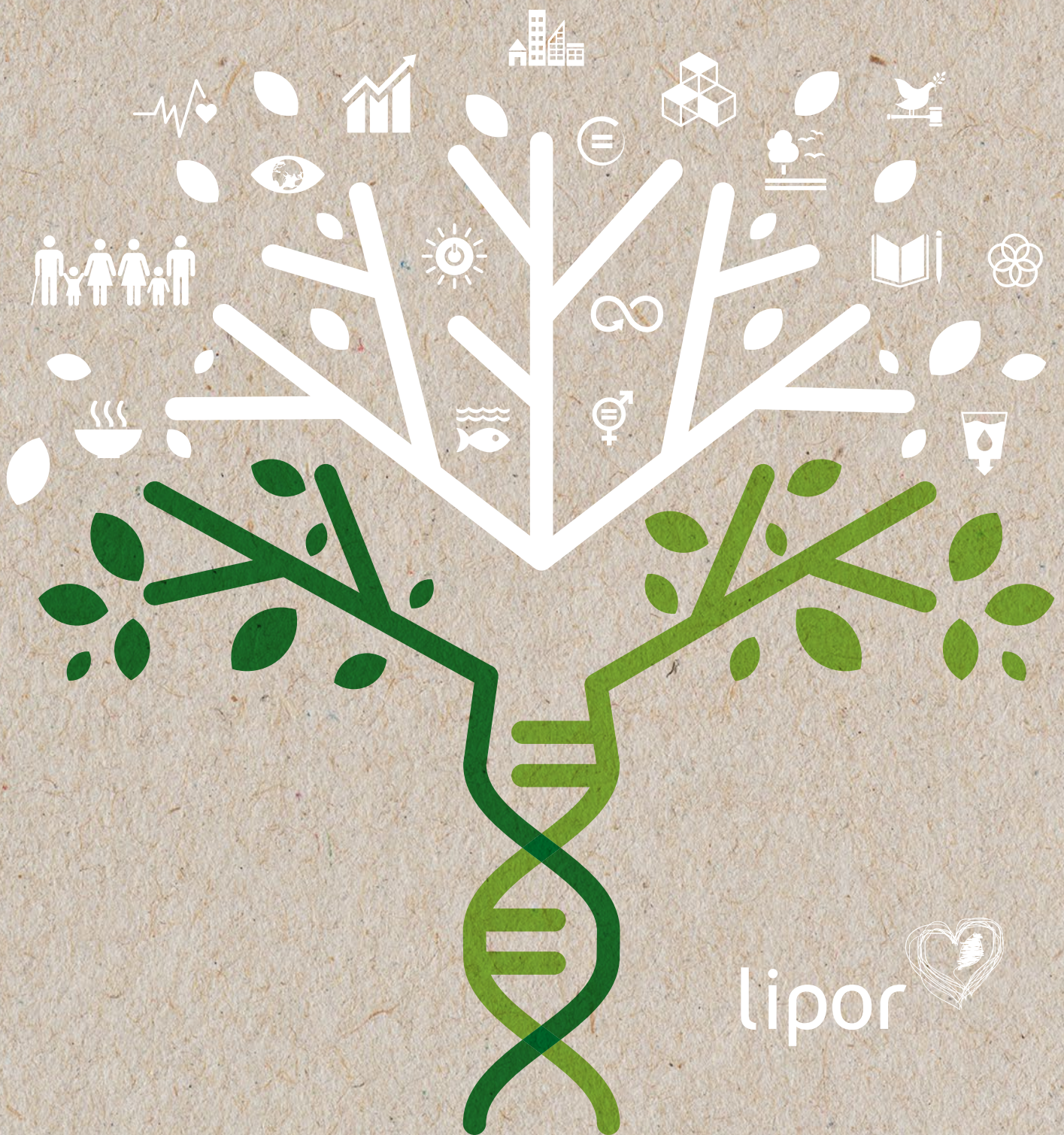


RESPONSIBLE MANAGEMENT IS OUR IDENTITY



INDEX

I - MESSAGE FROM THE CHAIRMAN	3
II - A LIPOR	6
▪ LIPOR IN 2017	7
▪ CORPORATE STRATEGY	8
▪ CORPORATE GOVERNANCE	9
III - LIPOR'S STAKEHOLDERS	12
IV - RESPONSIBLE MANAGEMENT	19
▪ ECONOMIC RESOURCES	20
▪ SOCIAL RESOURCES	31
▪ ENVIRONMENTAL RESOURCES	39
V - LIPOR'S COMMITMENT	55
VI - FOR MORE INFORMATION	57



MESSAGE FROM THE CHAIRMAN





MESSAGE FROM THE CHAIRMAN (102-14)

In 2017, LIPOR celebrated 35 years as an Organisation, whose main mission has always been to manage, recover and treat municipal waste produced in the associated Municipalities, which are currently eight. The main initiatives that took place in 2017 revolved around this significant milestone, celebrating it with our Partners, and included the subscription of important Commitments, the inauguration of an Ecological Trail within our facilities and the favouring of art as an excellent form of expression.

The analysis of our performance reveals very positive results in our core activity, with growth in product sales, thus fulfilling and even surpassing the goals established in the Strategic Plan for Municipal Waste 2020, and in service sales, as a recognition of our know-how.

This mission has been accomplished over the years through the state of the art of the Sector.

In the 1980s, the aim was to promote waste treatment, the closing of landfills and the construction of so-called 1st generation infrastructures.

On the other hand, in the 90s and early 21st century, the development of waste recycling and recovery perspectives gained expression, and Integrated System concepts were boosted in order to recover waste properly. Consequently, LIPOR invested in 3 important Plants: the Sorting Plant, the Composting Plant and the Energy Recovery Plant, complemented by an auxiliary Landfill.

At the time, a Linear Economy concept still prevailed, having only recently (2013/2015) been replaced by a Circular Economy perspective, a new and important Vision that will force Organisations in the Sector to face the need to create a new Business Model in order to survive. In the meantime, we must understand that

Organisations will only be able to achieve this by breaking with old mindsets and “product” and “service” approaches, by investing in constant Innovation in the conception of those “products” and “services”, by always focusing on value creation and sharing, based on the key principle that waste is a resource, hence contributing to the Planet’s Sustainability, since the extraction of natural resources will thus be drastically reduced, waste will be eliminated and pollution will decrease.

In this context, it should be highlighted that LIPOR entered 2017 with the clear mindset that its Business Model will change within a period of 10 years.

Having stated that, it is important to define the general guidelines of our Strategy for the future.

Therefore, in the short term and until 2020, in fulfilment of the National Strategy for the Waste Sector (PERSU 2020), we will optimise Operations, boost multimaterial and organic waste recovery, far exceeding the Goals imposed on us by the national Management Instruments (PERSU 2020).

Regarding Energy Recovery, and in line with circularity perspectives, we’ll make the necessary investments to recover more recyclable materials, such as glass, ferrous metals and non-ferrous metals, and prepare our Maia Unit to produce and allow nearby Customers to make use of our industrial heat and vapour.

Furthermore, we will seek to promote Facilities sharing with Organisations in our Sector, by recovering waste from other sources in our Units.

In the medium term, internal reflection and action are focused on the definition of our new Business Model, with the clear Vision that LIPOR must prepare itself, in cooperation with other Business Partners, to assume the position of a producer of goods and services, going beyond what is considered “normal” in its sector.

The production of the natural organic soil improver **Nutrimais** constitutes a good example, that must be extended to the remaining materials we collect and pre-treat, but currently don’t transform. These are plastics, wood, paper/cardboard, among others.

The reinforcement of the Research, Development and Innovation Unit is a clear manifestation of this Vision.

Formed by a group of 6 professionals fully devoted to it, in 2017, its team will be reinforced in the coming years with specialists from several areas, in order to foster creativity, scientific approach and Innovation at LIPOR.

It is also important to bear in mind that future business solutions and new Business Models must respond to a reality characterised by versatile solutions, high flexibility regarding product and service ranges, short economic cycles, focus on individual solutions for Customers (Citizens), who wish to become ever more independent in their buying decisions and responsibilities regarding the waste they produce.

Those who ignore these disruptive perspectives of the current business model are disregarding the Future and the ambition to be part of it, within a successful Organisation.

LIPOR is definitely already working today to be a prosperous and active part of that Future.

Aires Pereira

Chairman of LIPOR’s Board of Directors

II

LIPOR



- LIPOR IN 2017
- CORPORATE STRATEGY
- CORPORATE GOVERNANCE

LIPOR

LIPOR IN 2017

Serviço Intermunicipalizado de Gestão de Resíduos do Grande Porto
(Intermunicipal Waste Management of Greater Porto) (102-1)



**BAGUIM DO MONTE,
GONDOMAR (102-3)**



648 KM² (102-4, 102-6)

Espinho, Gondomar, Maia,
Matosinhos, Porto, Póvoa de Varzim,
Valongo e Vila do Conde.



**194 EMPLOYEES
(102-7)**



PRODUCTS (102-2)

Energy, Recyclable materials and
Organic Soil Improver - Nutrimais.



SERVICES (102-2)

Ecofone service, LIPOR Academy, Eco Shop,
Adventure Park, Holidays Camps and Group Visits.



OUR COMMITMENTS (102-12)

Aliança ODS Portugal (SDGs Alliance Portugal) · Carta de Princípios do BCSD Portugal (BCSD Portugal Charter of Principles) · Carta Portuguesa para a Diversidade (Portuguese Diversity Charter)



EXTERNAL RECOGNITION

- **ENERGY GLOBE AWARD PORTUGAL**, "Geração+" (Generation+) Project.
- **HONOURABLE MENTION AT THE GREEN PROJECT AWARDS 2017**, in the Mobilisation Initiatives category, for the "Generation+" Project.
- **1ST PLACE IN THE EXCELLENCE AT WORK INDEX**, in the Public Sector Medium Business category.



Since its very beginning, LIPOR has clearly defined the path it intends to pursue, which has been reflected in its actions throughout its 35 years of existence.

In the future, LIPOR wants to go even further, and move up the value chain in an upcycling perspective.

Bearing in mind the high variability of current contexts, LIPOR has been implementing resilience strategies, in order to ensure its continuity, but mostly to ensure the same levels of excellence amongst its Stakeholders.

The follow-up of Environmental Policies, namely European and National Laws regarding Circular Economy and the revision of PERSU 2020, the redefinition of strategies with the purpose of reviewing Business Plans, the promotion of Projects that aim to respond to the expectations of Stakeholders, community development and environmental protection are LIPOR's corporate principles.



RISKS

- Legislative changes to current incentive policies
- Changes in the Portuguese demographic structure



OPPORTUNITIES

- Industry 4.0
- Circular Economy Strategy
- New social and consumption trends



IMPACTS

- Reduction of own incomes
- Definition of new business models
- New environmental communication, education and awareness models



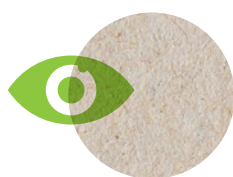
In the future, LIPOR wants to go even further, and move up the value chain in an upcycling perspective, through the cooperation with its Business Partners and the reinforcement of the Research & Development area, in order to make the necessary agreements and develop synergies that allow the Organisation to assume a systemic approach and actively participate in the products' life cycle.

CORPORATE GOVERNANCE



MISSION

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



VISION

We want to be part of 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

In the scope of its Sustainable Management Strategy, LIPOR has established, as its policy, Quality, Environmental, Energy, Safety and Health, Social Accountability and Innovation.

The revision of LIPOR's Vision, Mission and Values, in 2016, further clarified its line of action regarding its Integrated Waste Management System, with the premise of managing waste as a Resource (102-16).

POLICY

As a result of the transition into LIPOR's new versions of its normative references, it was necessary to revise its Policy, which was approved in 11th December 2017.

In the scope of its Sustainable Management Strategy and its Quality, Environmental, Energy, Safety and Health, Social Accountability and Innovation Policy, LIPOR has established that it will, in each activity, product and service, as well as in its relationship with all Stakeholders:

- Assert the Organisation's role as a reference in sustainable municipal waste management, promoting circular economy and a process risk approach.
- Ensure the provision of information and all resources necessary to define and fulfil the Organisation's goals and targets, namely of the different Management Systems.
- Fulfil compliance obligations regarding legal requirements and other requirements the Organisation adheres to. Respect the principles of international regulatory instruments, namely the ILO Conventions and the international Human Rights standards, annexed hereto and also available on our website.
- Promote environmental protection by preventing all forms of pollution, promoting the fight against climate change, eliminating or minimising health and safety risks for Employees and the surrounding community, and promoting quality, bearing in mind the nature, scope, deriving accidents and potential environmental impacts of its activities.
- Prevent work-related injuries and diseases, promoting hygiene, safety and health, through a thorough analysis of its activities and deriving risks and the instruction, training and involvement of its Employees.
- Promote the continuous improvement of processes, by boosting corporate knowledge, promoting an innovation and creativity culture and increasing the Organisation's worth.
- Ensure the establishment of solid partnerships with Suppliers through the integration of sustainable requirements into the purchase process, so that it has a positive impact on society and the economy and less impact on the environment.
- Systematically improve its energy performance by conceiving and implementing an energy efficiency culture and practices within the Organisation.
- Continuously meet the needs and expectations of Stakeholders, thus gradually increasing their satisfaction and confidence in the Organisation.

- Promote the adoption of LIPOR's culture and values and continuously improve its action in all areas.

Regarding the LIPOR Project, according to the Statutes, the Organisation's bodies are the Intermunicipal Assembly and the Board of Directors.

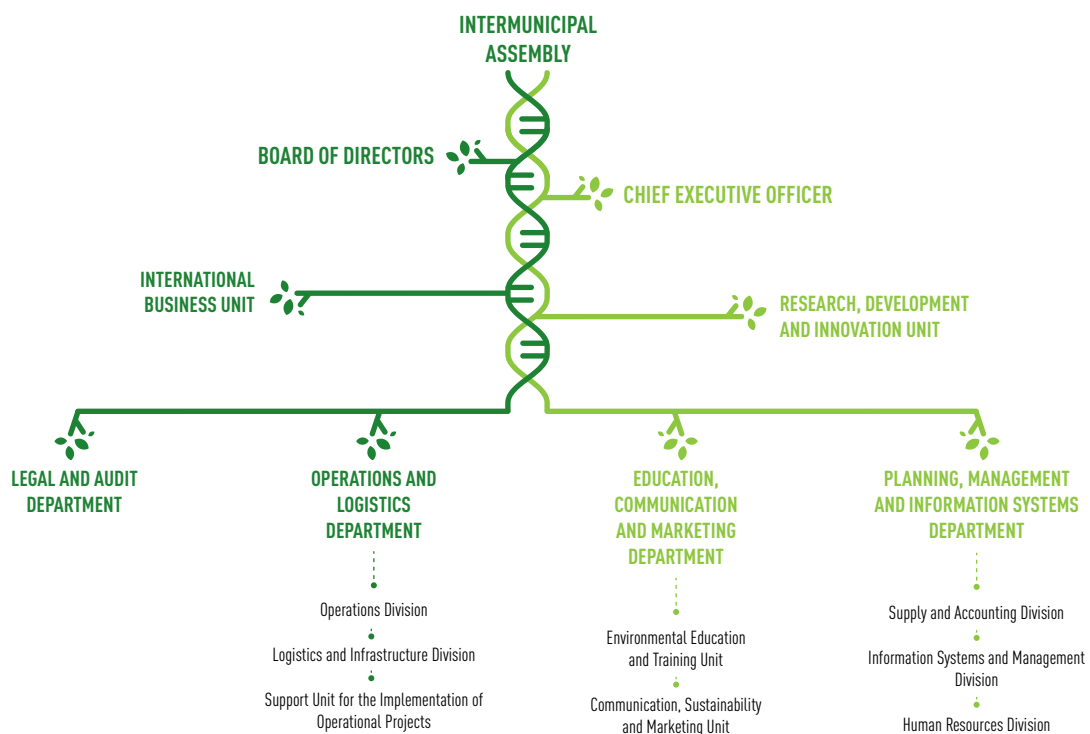
The Intermunicipal Assembly is LIPOR's deliberative body and it is formed by the Mayor and two City Councilmen from each associated Municipality, with a total of twenty-four members. It approves the Association's Budget, Activities Plans, Reports, Balance Sheet and Accounts, among other competences, and meets regularly twice a year.

The Board of Directors is the executive body and comprises five permanent directors and three substitutes, who represent the associated Municipalities and are elected by the Intermunicipal Assembly from among its members. Although only five of its members are permanent, all eight members take part in the weekly ordinary meetings and in the Organisation's decisions, which are usually unanimous.

The Intermunicipal Assembly, under proposal from the Board of Directors, appoints 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.

In the last trimester of 2016, LIPOR's Organisational Macrostructure was revised, in order to respond to the new challenges defined by the Board. The new Organigram entered into force on 1st October 2016 (102-18).



As a public entity that serves Citizens, LIPOR is especially concerned with the impact of its actions and the actions of its Employees on the surrounding community it serves.

As a public entity that serves Citizens, LIPOR is especially concerned with the impact of its actions and the actions of its Employees on the surrounding community it serves.

Having already been drafted and approved nine years ago, LIPOR's **Ethics Code** was revised in order to incorporate the important strategic changes and the new version of the SA8000:2014 standard.

This is still a relevant guiding document for the Organisation's conduct and the behaviour of its Employees.

If Employees spot situations that violate the basic principles of the Ethics Code, they should report them to their Supervisor, for instance through the Employee Representative or the available reporting channels (Intranet and suggestion box). In addition, according to the Ethics Code: *"Whenever Employees are aware of a situation that may cause conflicts of interest or suspicion to them, they should report to their Supervisor, in order to find a solution that ensures an impartial, objective and transparent performance"*.

As LIPOR is certified according to the SA8000 Social Accountability Standard, it has been implementing several control mechanisms that ensure a high level of trust in the System. We can highlight the quarterly Social Accountability Visits, where random Employees from all areas are interviewed, with the purpose of detecting situations that may compromise the principles of the Social Accountability standard.

In addition, within the scope of the Management System control process, internal and external third-party audits are performed twice a year to the Organisation itself. 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)**.

III

LIPOR'S STAKEHOLDERS



LIPOR'S STAKEHOLDERS



LIPOR's approach to Sustainability translates not only in the most appropriate management of waste and its recovery as a resource, but also in its strong engagement with its Stakeholders. Based on trust, transparency and responsibility, LIPOR's Sustainability Report shows, since its first edition pertaining to 2004, the way it copes with the concerns and expectations of its main partners.

Focused on integration and inclusion, LIPOR has reinforced its intervention among Stakeholders along the years.

Focused on integration and inclusion, LIPOR has reinforced its intervention among Stakeholders along the years, which is also why it adhered to the AA1000APS (2008) Standard, as a way of coping with inclusivity, materiality and responsiveness principles.

The Organisation carries out a consultation process, having the first Multi-Stakeholder Workshop been held in 2009.

With the purpose of consolidating the relationship with Stakeholders, an internal group was created, the Stakeholder Group, that has monthly meetings and promotes internal and external communication mechanisms to comply with the principles of the AA1000APS standard.



IN 2017, THE FOLLOWING ACTIONS STAND OUT:

- Implementation of the actions included in the recommendation report that resulted from the external assurance of the Sustainability Report 2016;
- Development of Internal and External Communication Plans (analysis of the Stakeholder communication and engagement mechanisms table);
- Monthly publication of news in the Internal Journal and Corporate TV – Social Barometer;
- Portal contents updating (area devoted to Stakeholders);
- Content development for the Sustainability Report, which remains focused on Materiality;
- Analysis of the Stakeholders list and the influence/dependence matrix;
- Follow-up of recommendations derived from the SMARK Project – stakeholder consultation;
- Training on the AA1000APS (2008) Standard and its principles provided to all Employees.

As Stakeholders play a decisive role in its action strategy, LIPOR gets involved with the Community in several different ways.

ENGAGEMENT MECHANISMS, THEIR MAIN CAUSE AND THE CONSEQUENT EFFECT

CAUSE	Stakeholders	COMMUNICATION AND ENGAGEMENT MECHANISMS	FREQUENCY	EFFECT
To promote a transparent organisational communication through knowledge sharing	CUSTOMERS	Customer Satisfaction Survey	Biannually	To assertively respond to Customers' expectations, aspirations and needs
		Strategic Partnerships	Throughout the year	
		Customer Portal [access through LIPOR portal in an area reserved for Customers and Suppliers]	Throughout the year	
		LIPOR Portal	Daily	
		Seminars/Workshops	Throughout the year	
		Technical Visits	Throughout the year	
To provide essential and/or additional knowledge to the professional activity	EMPLOYEES	Training and qualification in different areas	Throughout the year	Enhancement of individual competences and development of motivation mechanisms
		Technical Visits to the Operational Units		
To inform about rules/procedures regarding working relationships	EMPLOYEES	Internal work groups	Throughout the year	To underpin the organisational culture
		Welcome Guide		
		Legal Office		
		Ethics Code		
		Internal Notices		
		Directives		
		Promotion of Internal Initiatives and Events		
		Working Time Regulations		
		Strategic Sessions		
		"Pés ao caminho" (Information sessions)		
		Intranet		
Corporate TV				
Concern reporting, including situations related with Human Rights	EMPLOYEES	Physical and digital Suggestion Boxes	Daily	To provide well-being and ensure equity within the Organisation
		Employee Representative	Daily	
		Social Performance Team (EDS)	Throughout the year, quarterly meetings	
		Change Agents	Throughout the year, monthly meetings	

ENGAGEMENT MECHANISMS, THEIR MAIN CAUSE AND THE CONSEQUENT EFFECT

CAUSE	Stakeholders	COMMUNICATION AND ENGAGEMENT MECHANISMS	FREQUENCY	EFFECT
To disseminate and communicate internally events, initiatives and change processes promoted by LIPOR	EMPLOYEES	Kaizen Team Social Networks Internal Journal LIPOR Intranet Corporate TV LIPOR Portal	Throughout the year, monthly meetings Daily Monthly Daily Daily Daily	To enhance Employee knowledge of the Organisation's activity
To promote social well-being and a better quality of life for local Communities	EMPLOYEES/ COMMUNITY	Internal Notices Directives Promotion of Internal Initiatives and Events Working Time Regulations "Operação Tampinhas" (Bottle Caps Operation) Social Accountability Partnerships Semente - Associação de Voluntários LIPOR (LIPOR Volunteers Association)	Throughout the year Throughout the year Throughout the year Throughout the year Campaign – Throughout the year Annual Equipment Provision Event Throughout the year Throughout the year; Specific Initiatives Plan	To disseminate good corporate social accountability practices
To encourage cooperation between LIPOR and its Suppliers	SUPPLIERS	Supplier Evaluation Suppliers Conduct Code Supplier Portal [access through LIPOR portal in an area reserved for Customers and Suppliers] LIPOR Portal	Biannually Available in the communication tools throughout the year Sent to every new Supplier Daily	To establish medium/long-term commitment: joint responsibility



ENGAGEMENT MECHANISMS, THEIR MAIN CAUSE AND THE CONSEQUENT EFFECT

CAUSE	Stakeholders	COMMUNICATION AND ENGAGEMENT MECHANISMS	FREQUENCY	EFFECT
To raise awareness among ordinary Citizens of the municipal waste issue, as well as inform them about LIPOR's main activity as an organisation responsible for the management, recovery and treatment of municipal waste produced in Greater Porto	MULTISTAKEHOLDER	Holidays Camps	3x/year	To drive change in Citizens' attitudes and behaviour, making them more environmentally and socially responsible
		"Conversas Sustentáveis" (Sustainable Talks)	Throughout the year	
		Academia LIPOR (LIPOR Academy)	Training plan throughout the year	
		Environmental Education and Intervention Strategy	Throughout the year	
			Daily	
		Parque Aventura (Adventure Park)	May to September – Tuesdays and Thursdays for Organised Groups	
			Open to all on weekends	
		Ecological Trail	Daily	
		Green Saturdays	3x/year	
		Let's clean up Europe!	Annual	
		European Week for Waste Reduction	Annual	
		Seminars/Workshops	Throughout the year	
		Group/technical visits	Throughout the year	
		To disseminate Projects and initiatives promoted by LIPOR, internally and externally		
E-mail signatures	Throughout the year			
e.Marketings	Throughout the year			
e.News in Portuguese	Weekly			
LIPOR Portal	Daily			
Social Networks: LIPOR Facebook; "Parque Aventura" Facebook; "Horta da Formiga" Facebook; LinkedIn; YouTube	Daily			
Corporate TV	Daily			
External work groups	Throughout the year			

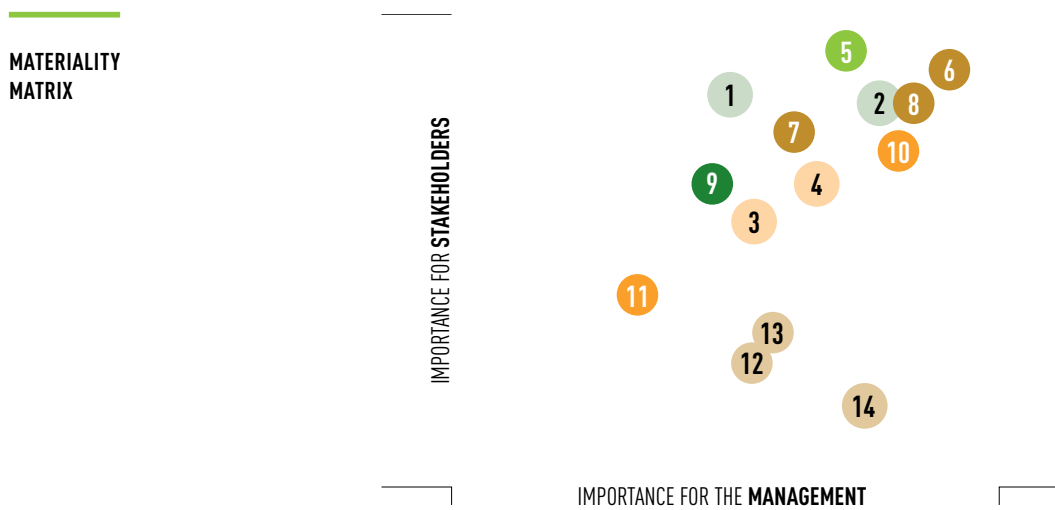
LIPOR'S STAKEHOLDERS
I
II
III
IV
V
VI



ENGAGEMENT MECHANISMS, THEIR MAIN CAUSE AND THE CONSEQUENT EFFECT

CAUSE	Stakeholders	COMMUNICATION AND ENGAGEMENT MECHANISMS	FREQUENCY	EFFECT
To disseminate Projects and initiatives promoted by LIPOR, internally and externally	INTERNATIONAL CUSTOMERS	Waste Management E-news E-news in English LIPOR Portal in English Technical visits	Monthly Monthly Daily Throughout the year	To promote the recognition of the LIPOR Brand and loyalty to it
To disseminate Projects and initiatives promoted by LIPOR, internally and externally	INTERNATIONAL PARTNERS AND ASSOCIATIONS	E-news in English LIPOR Portal in English Work groups Technical visits	Monthly Daily Throughout the year Throughout the year	To promote the recognition of the LIPOR Brand and loyalty to it

In 2016, from the SMARK Project for the Assessment of contributions to Society associated with LIPOR's activity, and the intersection of Stakeholders' material topics and the Organisation's material topics resulted the following Materiality Matrix:



The following table matches Stakeholders' material topics with the topics identified by LIPOR (102-44, 102-46, 104-47):

LIPOR'S MATERIAL THEMES	STAKEHOLDER'S MATERIAL THEMES
1. Environmental Education and Awareness	
2. Increase of the amount of materials received with potential for environmental and organic recovery	Promotion of Change in Behavior
3. Competencies and know-how	
4. Product and service quality	Leadership and Sharing within the sector
5. Sustainability commitment and strategy	Integration of and Proximity to Local Community
6. Organisation's financial balance	
7. RDI initiatives	Financial Sustainability
8. Increase of the amount of materials received with potential for environmental and organic recovery	
9. Quality employment	Job creation
10. Maintenance of Management Systems	Environmental impact management and minimisation
11. Greenhouse Gas Emissions	
12. Energy Efficiency	
13. Biodiversity	
14. Incentive for new businesses and opportunities	

In 2018, several biennial initiatives will once again be revised and implemented, namely Stakeholder update, the revision of the Influence/Dependence Matrix, Stakeholder consultation, definition of material topics and respective Materiality Matrix (102-43).

IV

RESPONSIBLE MANAGEMENT



- ECONOMIC RESOURCES
- SOCIAL RESOURCES
- ENVIRONMENTAL RESOURCES

RESPONSIBLE MANAGEMENT

ECONOMIC RESOURCES

Material Topic

Organisation's financial balance



PROMOTE INCLUSIVE AND SUSTAINABLE ECONOMIC GROWTH, EMPLOYMENT AND DECENT WORK FOR ALL

In line with the United Nations Sustainable Development Goals

LIPOR managed to achieve consistent results, registering growth in the main items of the Profit and Loss Account by the end of 2017, in comparison with 2016.

2017 was another challenging year for LIPOR and all its Employees!

LIPOR managed to achieve consistent results, registering growth in the main items of the Profit and Loss Account by the end of 2017, in comparison with 2016, namely in Turnover, EBITDA and Net Income, of 5%, 2% and 46% respectively **(102-7)**.

In 2017, Turnover amounted to 38.7 million euros, a value 5% higher than in the previous year. This great performance is evident both in Product Sales (6%) and in the Provision of Services (4%).

It is worth highlighting the community investments made, namely through the promotion of prevention, Environmental awareness, Home composting and Organic farming Projects and the Adventure Park. The 62% increase in comparison with the previous year is a reflection of LIPOR's strong commitment to the Community.

DIRECT ECONOMIC VALUE GENERATED (€) (201-1)

Revenues	Value 2015	Value 2016	Value 2017
Sales and Provision of Services	36,551,752	36,929,782	38,723,275
Supplementary Income	275,354	229,611	218,351
Transfers and Subsidies Obtained	6,197,769	6,375,504	6,599,533
Interests from Deposits	123,873	82,544	47,724
Cash Discounts Obtained	0	1	0
TOTAL	43,148,748	43,617,441	45,588,885

ECONOMIC VALUE DISTRIBUTED (€)



Operating Costs	2015	2016	2017
External Services and Supplies	42,128,478	41,775,499	42,410,854
Salaries and Employee Benefits	3,787,908	3,660,383	3,946,593
Payments to Capital Providers	3,214,457	2,867,510	2,403,582
Payments to the Government	39,907	17,287	18,917
Community Investments	126,229	144,408	232,406
Environmental awareness	81,858	63,516	101,805
Prevention Projects	0	698	17,362
Home Composting and Organic Farming Projects	22,358	72,008	106,617
Landfill of Ermesinde/Adventure Park	22,013	8,186	6,621
TOTAL	49,296,978	48,465,088	49,012,352

LIPOR regards its Suppliers as essential partners to the pursuit of its Values, Mission and Vision.

SUPPLIERS

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

Under the motto “Towards Excellence”, LIPOR aims to strengthen relationships and develop partnerships based on Ethics, Transparency and Trust, that lead to a sustainable creation of value.



PUBLIC PROCUREMENT



SUSTAINABLE PUBLIC PROCUREMENT



SUPPLIER PERFORMANCE EVALUATION



SOCIAL ACCOUNTABILITY



SUPPLIER AREA REGISTRATION



WAREHOUSE AND TOOLING

Being a public entity and also as a consequence of the implementation of the SA8000 standard, LIPOR develops several actions in order to ensure that its Suppliers comply with labour legislation in effect. For that purpose, it elaborated a **Suppliers and Subcontractors Conduct Code**.

610 Suppliers traded with LIPOR, 251 of which registered sales amounting to €10,000.00.

A computer-based warning system alerts the Employees of the Supply and Accounting Division whenever a supplier that didn't sign a Statement of Commitment reaches sales volumes of €10,000.00 or higher, or a billing volume of 5 (five) invoices or more.

After reading the Conduct Code, the supplier must send to the Supply and Accounting Division a duly signed and stamped Statement of Commitment to the Code.

The analysis of the year 2017, which was the second year of the cycle, revealed that 610 Suppliers traded with LIPOR, 251 of which registered sales amounting to €10,000.00 or more and a billing volume of 5 accounting documents or more.

IN THIS CONTEXT, IT SHOULD BE REPORTED THAT:



- **7** (seven) Conduct Codes and respective Statements of Commitment were sent to new Suppliers;
 - **12** (twelve) were sent to Suppliers who reached a billing volume of 5 (five) invoices or more; and
 - **12** (twelve) to Suppliers who reached sales volumes of €10,000.00 in 2017 or whose single provision of goods or services reached or surpassed €10,000.00; with a total of 31 (thirty-one) Conduct Codes.
-

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.

Therefore, in 2017, 31 Conduct Codes and respective Statements of Commitment were sent and 81 Statements of Commitment were received duly signed and stamped, which include the 31 sent (100%) and also Statements integrated in Direct Procurement processes over €5,000 and Public Tenders **(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 2017 (1st semester and 2nd semester), 312 Suppliers were evaluated, which corresponds to 51% of all of LIPOR's Suppliers.

LIPOR also performs a Supplier Performance Evaluation. In 2017 (1st semester and 2nd semester), 312 Suppliers were evaluated, which corresponds to 51% of all of LIPOR's Suppliers.

SCOPE OF THE SUPPLIER AND SUBCONTRACTOR CONTROL PROGRAMME (414-2)

	2017
Second party audits	3
Visits (LIPOR facilities)	4
TOTAL	7

Material Topic
RDI initiatives



BUILD RESILIENT INFRASTRUCTURE, PROMOTE SUSTAINABLE INDUSTRIALIZATION AND FOSTER INNOVATION

In line with the United Nations Sustainable Development Goals

LIPOR believes that Innovation is the right path to adapt to change, in an integrated way and in partnership with all Stakeholders, through a win-win approach.

LIPOR believes that Innovation is the right path to adapt to change, in an integrated way and in partnership with all stakeholders, through a win-win approach.

The Research, Development and Innovation Unit (UIDI), created in October 2016, ultimately aims to promote the creation of value within the organisation, through the implementation of Projects.

In order to accomplish this goal, it is necessary to reinforce the innovation culture, define primary action areas, foster knowledge, promote Project portfolio management, ensure the assessment of the impact of those Projects and promote idea management, thus ensuring the maintenance of the innovation management system certification.

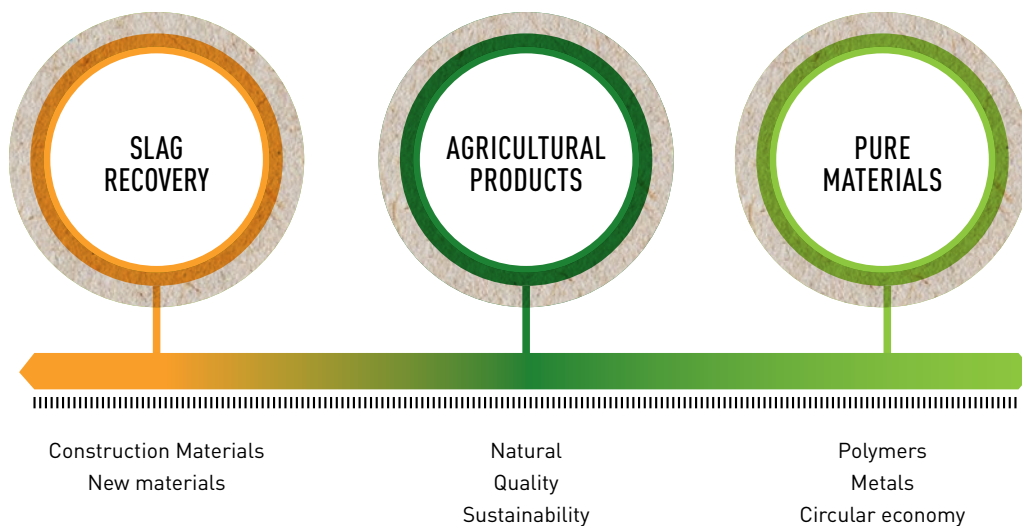
In order to substantiate this vision, LIPOR hired doctoral graduates that will bring the discussion to a higher level, boost the innovation culture and promote the increase of added value, through the implementation of new Projects.

The Innovation Scoring tool by COTEC has revealed the organisation's high level of performance regarding Innovation in 2017 (718 out of 1000), but there's still a lot to do.

In spite of the interesting progress already accomplished regarding Innovation, cultural change is always a long process. The Innovation Scoring tool by COTEC has revealed the organisation's high level of performance regarding Innovation in 2017 (718 out of 1000), but there's still a lot to do (L2).

Being the first certified entity in the Portuguese waste sector, LIPOR has been implementing a Research, Development and Innovation Management System (SGIDI) since 2012, with certification according to the NP 4457:2007 Standard within the scope of "Research, Development and Innovation of Sustainable Waste Management Solutions". The SGIDI is based on 4 different processes (Idea Management, Project Management, Project Portfolio Management and Interface and Knowledge Management), that aim at the promotion of creativity, the acquisition and retention of knowledge, the promotion of partnerships and financing, and mainly the implementation of Projects to create new products, thus contributing to value enhancement within the Organisation at an economic, environmental and social level.

The aim is to change LIPOR's current business model through Innovation, with the development of new value-added products in 3 key areas: slag recovery for use in construction materials; agricultural products (natural and high-quality products, that contribute to soil and plant improvement); and pure materials (reintroduction of polymers and high-quality metals in industrial production processes, thus increasing their added value within the market).



UIDI is responsible for managing LIPOR's innovation Project portfolio, with 13 ongoing Studies and Projects, out of a total of 34 in the entire Organisation, based on the key areas:

SLAG

- **RAREASH** › Study on the recovery of precious metals from the ashes produced at the CVE.
- **Slag recovery** › Study for the assessment of slag potential as substitute material for cement.

AGRICULTURAL PRODUCTS

- **Substrates** › Study regarding the development of a range of professional and household substrates. Following nursery tests, a composition for the production of a Nutrimais substrate was defined.
- **OW characterisation** › Detailed characterisation campaign for organic waste from selective collection.
- **OW treatment** › Study on alternative biowaste treatment solutions in order to contribute to the fulfilment of the European goals for 2025/2030.

PURE MATERIALS

- **Rigid plastics characterisation** › Detailed characterisation study on rigid plastics for future recovery purposes. A movable spectrophotometer was purchased to allow polymer characterisation.

IT IS ALSO WORTH HIGHLIGHTING PROJECTS ASSOCIATED WITH OTHER THEMES:

- **Augmented reality** › app em realidade aumentada para divulgação do Nutrimais junto dos seus clientes. A app conta a história da maçã produzida com Nutrimais e em economia circular. Foi lançada no websummit e apresentada no evento dos 35 anos da LIPOR.
- **Recycled vintage** › Measuring methodology for reused products in second-hand shops, as a Prevention indicator.
- **Recycling Win** › Analysis of the technical and economic feasibility of a waste disposal equipment with an incentive system.
- **NanoSensors in LIPOR Equipment** › Continuous collection of data/variables through the implementation of nanosensors in LIPOR equipment (composters, eco-containers and collection vehicles).



UIDI is responsible for managing LIPOR's innovation Project portfolio, with 13 ongoing Studies and Projects, out of a total of 34 in the entire Organisation.

SOME RESULTS OBTAINED IN 2017:

- **718** (out of 1000 points) of Innovation Scoring;
- **10** doctoral graduates were involved in Projects;
- **73** new ideas were presented;
- **34** innovation Projects were developed;
- **10** presentations/communication actions on RDI took place;
- **6** scientific or technical articles were published;
- **5** funding applications were approved;
- **6750h** in Innovation Projects;
- **7** benchmark technical visits to other entities;
- **0,3%** RDI contribution to turnover;
- **534h** training hours on RDI for Employees.

Incentive for new businesses and opportunities



PROMOTE INCLUSIVE AND SUSTAINABLE ECONOMIC GROWTH, EMPLOYMENT AND DECENT WORK FOR ALL

In line with the United Nations Sustainable Development Goals

To the Integrated Waste Management System, LIPOR associates its circular business model, with the clear vision that waste is a resource.

The International Business Unit (UNI) is responsible for the implementation of LIPOR's Internationalisation Strategy, which aims to boost new businesses and opportunities.

Circular Economy needs products, services and business models that are committed to its principles and fully aligned with its purposes.

To the Integrated Waste Management System, LIPOR associates its circular business model, with the clear vision that waste is a resource and totally focused on a regenerative and restorative perspective of waste within the Value Chain.

And because Circular Economy involves much more than just waste, LIPOR's circular business model is complemented and supported by several circularity practices, which allow for a strong commitment with the community and remaining Stakeholders.

LIPOR's commitment to Circular Economy is approached in a **Speed Up, Scale Up** and **Impact On** perspective. In order to pursue this goal, LIPOR bases its intervention on the dissemination of knowledge of the need for a paradigm shift and on the concept of Circular Economy, providing technical expertise to increase skills, by promoting a certified competences training plan, and creating integrated circular economy dynamics among several civil society actors, at a local and national level.

The International Business Unit (UNI) is responsible for the implementation of LIPOR's Internationalisation Strategy, which aims to boost new businesses and opportunities.

LIPOR's Internationalisation Strategy is based on the sale or provision of services (through international **Technical** and **Expert** consulting), where the know-how, knowledge and experience gathered by LIPOR and its consultants are used for the conception, adoption and implementation of sustainable and customised waste management solutions!

Business expansion to international markets, based on a defined and coherent internationalisation strategy, is UNI's contribution to the fulfilment of the corporate goals laid down for LIPOR.

The work done regarding the exploitation of opportunities in the international market has already provided visible results, which represent a positive return for the Organisation, at numerous levels.

Business expansion to international markets, based on a defined and coherent internationalisation strategy, is UNI's contribution to the fulfilment of the corporate goals laid down for LIPOR.

The indicators defined in the BSC (Balanced Scorecard) tool revealed an execution level of 77.31% of the planned objectives, which represents an increase of about 2.5% in comparison with the previous year.

It is worth highlighting the Projection of the LIPOR brand in international markets, being acknowledged as an excellence brand, the reinforcement of strategic partnerships through the development of contacts with reference entities within the sector, on a consortium basis, with the purpose of adding value to Proposals and Projects, market investigation, the development of contacts with potential new Customers and the search for new business opportunities by responding to expressions of interest, developing preliminary studies, through applications to International Projects and the presentation of commercial proposals.

THE SEARCH FOR NEW BUSINESS OPPORTUNITIES IS STRATEGICALLY APPROACHED THROUGH:

- Provision of services (direct relationship with the Customer);
- Participation in International Projects, resorting to funding;
- Response to calls from the European Commission and the Multilateral Development Bank;
- Partnerships/participation in international consortia.

It is worth highlighting the Projection of the LIPOR brand in international markets, being acknowledged as an excellence brand, the reinforcement of strategic partnerships through the development of contacts with reference entities within the sector.

The following are the most relevant numbers regarding LIPOR's international activities within the scope of its relationship with International Markets (L5):

RELEVANT NUMBERS...



Material Topic

Product and service quality



END HUNGER, ACHIEVE FOOD SECURITY AND IMPROVED NUTRITION AND PROMOTE SUSTAINABLE AGRICULTURE



MAKE CITIES INCLUSIVE, SAFE, RESILIENT AND SUSTAINABLE



ENSURE ACCESS TO AFFORDABLE, RELIABLE, SUSTAINABLE AND MODERN ENERGY FOR ALL

In line with the United Nations Sustainable Development Goals



- Energy
- Recyclable Waste
- Organic Soil Improver (Nutrimais)

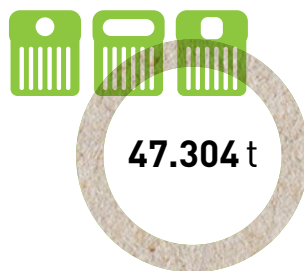


- Ecofone service
- LIPOR Academy
 - Eco Shop
- Adventure Park
- Holidays Camps
- Group Visits

Our Resources (102-7)



Waste forwarded for
Organic Recovery



Waste forwarded for
Multimaterial Recovery



Waste forwarded for
Energy Recovery

Our Products (102-2)



11.134 t

Nutrimais



47.304 t

Recyclable Waste



197.940
MWh

Energy



Customer satisfaction monitoring and actions to handle dissatisfied Customers effectively are still fundamental to LIPOR's success.

LIPOR sells the following products on the Portuguese market: recyclable waste, compost (**Nutrimais**) and electricity. None of these products are banned in Portugal and LIPOR was never questioned or has ever received a complaint that questioned their sale **(102-2)**.

Customer satisfaction monitoring and actions to handle dissatisfied Customers effectively are still fundamental to LIPOR's success. In addition to grievance management, which gives LIPOR an immediate perception of dissatisfaction, satisfaction assessment is based on the results of a survey, whose analysis allows to meet the expectations of this stakeholder, as well as to improve the critical issues identified.

As in previous years, in 2017, a Customer Satisfaction Study was held by the independent entity DOMP.

The study performed included the analysis of overall levels of Customer satisfaction, as well as the gathering of results by service and product area, using the **FM-SERVQUAL** tool. 666 complete and validated surveys were carried out by telephone.

The topics approached included "Satisfaction with LIPOR services", with the purpose of perceiving Citizen satisfaction regarding the services provided by LIPOR, "LIPOR image perceived", "Social Accountability perceived" and "Connection to the LIPOR brand" **(L3, L4)**.

As in previous years, in 2017, a Customer Satisfaction Study was held by an independent entity .

THE FOLLOWING ASSESSMENT RESULTS STAND OUT, ON A SCALE OF 0 TO 5:

Satisfaction with LIPOR services	4.23
Trust	4.44
Social Accountability perceived	4.59
Connection to the brand	4.48

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 2017, LIPOR's Complaint Centre was under the responsibility of the Information Systems and Management Division, having received 4 environmental grievances, 1 more than in 2016, all of them having been associated with the operation of the Energy Recovery Plant and the Landfill of Maia. Bearing in mind the content of the dissatisfactions, LIPOR saw no need to implement corrective actions, having responded to them all and reported them to the Competent Authorities (APA and CCDR-N). All situations were analysed by the Complaints Centre and respective areas, in order to justify the action that caused the dissatisfaction **(103-2)**.

RESPONSIBLE MANAGEMENT

SOCIAL RESOURCES

Material Topic

Sustainability Commitment and Strategy



REVITALIZE THE GLOBAL PARTNERSHIP FOR SUSTAINABLE DEVELOPMENT

In line with the United Nations Sustainable Development Goals

As a reinforcement of its commitment to Sustainability, LIPOR has subscribed the BCSD Charter of Principles, which acknowledges sustainable company management as a competitiveness factor.

The BCSD Portugal Charter of Principles is inspired by the Universal Declaration of Human Rights, the Fundamental Principles and Rights at Work of the International Labour Organization and the United Nations Global Compact. It identifies any signatory company amongst its Customers, Suppliers and the society in general as a company that adopts sound sustainability commitments.

LIPOR is also inviting its Suppliers to sign the Charter of Principles, thus promoting sustainable management principles among its value chain.

Furthermore, it joined the BCSD Portugal initiative to promote SDGs, through the presentation of its Case Studies and Projects developed within the scope of the Sustainable Development Goals. These cases are available for consultation on the public domain SDGs website, which aims to disseminate knowledge on this topic.



In response to its commitment to Sustainable Development, LIPOR has submitted an expression of interest to participate in the **Aliança ODS Portugal** (SDGs Alliance Portugal), which generally aims to raise awareness, inform, implement, monitor and assessment corporate contribution to the Sustainable Development Goals (SDGs).

Material Topic

Quality employment



PROMOTE INCLUSIVE AND SUSTAINABLE ECONOMIC GROWTH, EMPLOYMENT AND DECENT WORK FOR ALL

In line with the United Nations Sustainable Development Goals

The LIPOR System comprises all direct and supervised Employees.

We Are LIPOR because We Are People! They are our greatest asset, the greatest asset of any Organisation.

The LIPOR System comprises all direct and supervised Employees **(102-8)**. TALL direct Employees are covered by an employment contract in public service and work full time (7 daily hours).

Supervised Employees have an employment contract with LIPOR, maintaining their unemployment allowance and, at the same time, receiving a grant from LIPOR.

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

	2017										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	Total	Female	Male
Entries	0	1	6	3	0	1	0	1	1	0	13	7	6
Exits	0	1	2	2	1	1	1	0	0	1	9	4	5
No. of Employees	0	3	25	40	38	25	28	18	14	3	194	56	138
Employee Turnover	-	66.67%	32%	12.5%	2.63%	8%	3.57%	5.56%	7.14%	33.33%	11.34%	19.64%	7.97%

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 several issues regarding their employment relation, among others. They are

also invited to participate in general meetings regarding the Organisation's Strategy, Objectives and Performance Communication, and care is taken to equalise benefits granted to LIPOR's Employees and Supervised Workers (401-2).

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

TYPE OF RELATION WITH LIPOR		2015			2016			2017		
		M	F	Total	M	F	Total	M	F	Total
Direct Employees	Permanent Staff	141	53	194	138	53	191	138	56	194
Supervised Workers	Self-employed Workers	0	0	0	0	0	0	0	0	0
	Trainees	0	1	1	0	0	0	0	0	0
	"Vida-Emprego" (Life-Employment) Project	0	0	0	0	0	0	0	0	0
	CEI (Employment-Inclusion Contract)	26	2	28	15	0	0	2	0	2
TOTAL		26	3	29	15	0	15	2	0	2
Casual Employees (independent)	Temporary workers	0	0	0	0	0	0	0	0	0
	Consultants	0	0	0	0	0	0	0	0	0
TOTAL		167	56	223	153	53	206	140	56	196

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.

DIVERSITY AND EQUALITY

In 2017, LIPOR joined the Portuguese Diversity Charter, as a Signatory Organisation, committing itself to the purpose of this Charter, which is to regard Diversity as a basic ethical and guiding principle for its internal and external actions, integrating it in its values and institutional identity.

The Portuguese Diversity Charter is in line with the efforts made by the European Commission and the priorities set by the Europe 2020 Strategy, being one of the voluntary instruments created to encourage employers to implement and develop internal policies and practices to promote diversity.

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

	2017			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	Total	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	3	1	2	5	1	1	1	0	0	0	1	0	0	0
Senior Technicians	13	35	48	0	0	0	0	2	3	5	15	3	11	1	6	1	0	0	0	1	0	0	0
Technical Assistants	27	11	38	0	0	1	1	9	1	6	4	3	2	2	1	3	0	2	0	1	2	0	0
Operational Assistants	90	3	93	0	0	1	0	10	0	6	0	11	1	13	0	22	1	16	0	9	0	2	1
TOTAL	138	56	194	0	0	2	1	21	4	20	20	19	19	17	8	27	1	18	0	12	2	2	1

% OF EMPLOYEES BY GENDER (405-1)

	2017	
	M	F
Managers	53.33%	46.67%
Senior Technicians	27.08%	72.92%
Technical Assistants	71.05%	28.95%
Operational Assistants	96.77%	3.23%
TOTAL	71.13%	28.87%

SOCIAL BENEFITS

INTERNAL EVENTS

- Fishing Tournament
- Internal Action
- Year-end Event
- LIPOR's Day

OUR CHILDREN

- Free Tutoring
- Holiday Camps
- Children and Parents' Day



PROTOCOLS

- Health and Pharmacies
- Insurance Companies
- Nurseries, Kindergartens and Free Time Activities
- Gyms and Beauty Clinics
- Filling Stations
- Travel and Leisure Services
- Telecommunication
- Banks
- Optical Stores

HEALTH

- Nursing
- Occupational Medicine
- Curative Medicine
- Psychology Consultations
- Individual Health Awareness
- Workplace Gymnastics

Employees

- Horta da Formiga Courses
- Social Canteen
- Uniform Washing
- Household Appliances & Failures
- Internal Journal
- Documents & Co.
- Tax Return Filling

CONTINUOUS TRAINING

A strong investment in training and competences improvement is made by LIPOR, but there's still no other management procedure besides the legal Career and Progression Management procedure, as LIPOR is subject to the Career Scheme for Employees in Public Service, having therefore no careers been defrosted until December 2017. So, Career Management follows the respective legal procedures (404-1).

In any case, there's an effort to promote the professional development of Employees, giving them the opportunity to assume new job positions or duties, through changes and internal competitions (404-2).

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 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 components: 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 (404-3).

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

AVERAGE TRAINING HOURS / YEAR		2017		
		Male	Female	Total
Training Hours	Managers	541.00	317.00	858.00
	Senior Technicians	662.00	1,330.80	1,992.80
	Technical Assistants	1,115.80	456.00	1,571.80
	Operational Assistants	440.00	3.00	443.00
	Total Training Hours	2,758.80	2,106.80	4,865.60
Employees	Managers	8.00	7.00	15.00
	Senior Technicians	13.00	35.00	48.00
	Technical Assistants	27.00	11.00	38.00
	Operational Assistants	90.00	3.00	93.00
	Total Employees	138.00	56.00	194.00
Training Hours per Employee	Managers	68.00	45.00	57.00
	Senior Technicians	50.92	38.02	41.52
	Technical Assistants	41.33	41.45	41.36
	Operational Assistants	4.61	1.00	4.49
	Total	19.99	37.62	25.08

OCCUPATIONAL HEALTH AND SAFETY

In 2017, the “Comportamentos Seguros” (Safe Behaviour) Project continued to be developed. Since the Project started in 2015, there was a 34% reduction in total accidents and a 46% reduction in accidents with sick leave.

The number of lost days due to workplace accidents decreased by 67%.

In 2017, there were 29 workplace accidents, 20 of which involved sick leave. These 20 accidents resulted in the loss of 308.97 workdays.

ABSENTEEISM RATE (102-48, 403-2)

	2016			2017		
	Male	Female	Total	Male	Female	Total
Direct Employees						
Total Absenteeism Rate	13.68%	8.40%	12.23%	11.00%	9.12%	10.49%
GRI Calculation*	8.68%	4.31%	7.48%	7.07%	3.33%	6.06%
Supervised Employees						
Total Absenteeism Rate	10.95%	2.25%	10.53%	8.13%	0.53%	7.20%
GRI Calculation*	0.40%	0.00%	0.38%	1.69%	0.00%	1.48%

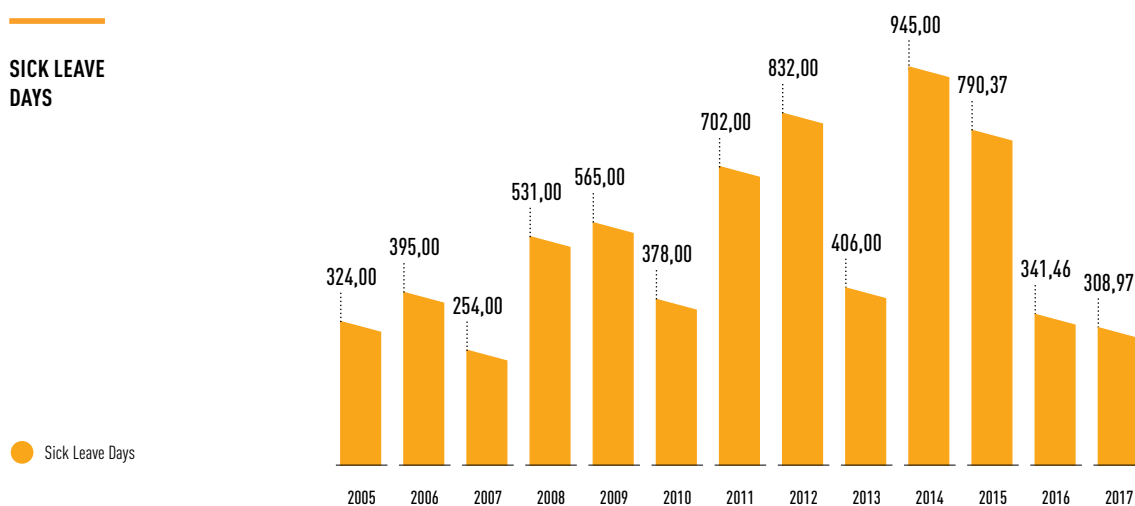
LABOUR ACCIDENTS

	LIPOR EMPLOYEES		SUPERVISED WORKERS	
	Male	Female	Male	Female
No. of accidents	23	1	5	0
Frequency (Tf)	55.37	3.46	10.38	0
Severity (Tg)	941	3.5	125	0
Sick Leave Days	271.97	1	36	0
Occupational Diseases	3	0	0	0
Fatal Accidents	0	0	0	0

EVOLUTION OF THE NUMBER OF ACCIDENTS



SICK LEAVE DAYS





Year	Days	Months
2014	957 days	45 months
2015	799,37 days	38 months
2016	341,46 days	16 months
2017	308,87 days	15 months

Material Topic

Competences and know-how



ENSURE INCLUSIVE AND QUALITY EDUCATION FOR ALL AND PROMOTE LIFELONG LEARNING

Em alinhamento com os Objetivos para o Desenvolvimento Sustentável das Nações Unidas

In 2017, Academy training obtained certification by DGERT (Directorate-General for Employment and Labour Relations).

The training offer of “LIPOR Academy” encompasses different knowledge areas, including courses or training actions specially devised to meet the market’s needs.

In 2017, the Academy held 41 courses, with a total of 388 training hours and the participation of 650 trainees. The courses approached, among other themes, Municipal Waste Management, Sustainability, Energy, Selective Collection, Multimaterial Sorting, Prevention of Waste Production, Circular Economy and Organic Farming. These courses were destined to several target audiences, such as public and private entities, technicians from the associated Municipalities, teachers, recent graduates in the environmental field and the general population.

As usual, an intensive training week, destined to recent graduates, was promoted under the designation – **Universidade LIPOR 2017: Programa sobre Resíduos Urbanos: “Perspetivas e Novas Tendências”** (LIPOR University 2017: Municipal Waste Programme: “Perspectives and New Trends”). E-learning was also one of the initiatives developed in 2017, which is set to continue in 2018.

In 2017, Academy training obtained certification by DGERT (Directorate-General for Employment and Labour Relations).



ONLINE ACADEMY
E-learning training,
with flexible schedules

TRAINING FOR TEACHERS
Accredited training on
environmental topics

BIO TRAINING
Practical training on topics
associated with composting
and good agricultural practices

ADVANCED TRAINING
Training for graduates
on emerging topics

TECHNICAL TRAINING
Specialised technical
training for graduates
and non-graduates

TAILOR-MADE SOLUTIONS
Training tailored to
the organisations' reality
and needs



The Academy's training offer has proven to meet the expected quality, responding to the needs of the market, and the institution is increasingly perceived by the market as a reference training organisation, as demonstrated by the level of satisfaction with training services provided by the Academy revealed in the Customer Satisfaction Study (reaching 4.75, out of 5 possible points).

RESPONSIBLE MANAGEMENT

ENVIRONMENTAL RESOURCES

Material Topic:

Increase of the amount of materials received with potential for multimaterial and organic recovery



END HUNGER, ACHIEVE FOOD SECURITY AND IMPROVED NUTRITION AND PROMOTE SUSTAINABLE AGRICULTURE

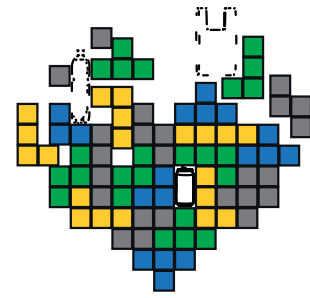
In line with the United Nations Sustainable Development Goals

LIPOR has been developing several Projects that aim to increase the multimaterial and organic recovery figures and are defined in LIPOR's Strategic Plan, such as:

- Implementation and expansion of Projects for **green waste selective collection**
- Implementation and expansion of Projects for **organic waste door-to-door selective collection, for non-domestic producers**
- Implementation and expansion of Projects for **door-to-door selective collection**
- Implementation and expansion of Projects for municipal **waste selective collection in Festivities and Pilgrimages, Events, Public Buildings and Fairs**



YOUR WASTE IS THE MISSING PIECE!



OBJECTIVES

Festivities & Pilgrimages

- To develop waste sorting habits and promote multimaterial selective collection in festivities, pilgrimages and similar events
- To grant benefits to Community Support and Social Causes in accordance with the amount of materials collected"

Events

- To support event promoters and organisers in the sustainable management of waste produced
- To boost selective collection amongst niches characterised by high waste production"

Public Buildings

- To increase the amount of multimaterial selective collection in public buildings and infrastructures belonging to LIPOR's Associated Municipalities (City Council administrative services, Courts, Social Security, Finances, Post Offices, etc.)
- To promote sorting habits among Employees and Visitors
- To standardise selective disposal equipment, using an appealing equipment which encourages waste sorting

Fairs

- To increase the amount of selectively collected recoverable waste
- To promote waste sorting practices among traders and raise awareness of good environmental practices amongst the population
- To promote the cleanliness of fair venues and reduce the impact on the surrounding area
- To develop an Intermunicipal Strategy for Fairs in LIPOR's Associated Municipalities



Material Topic

Maintenance of Management Systems



PROMOTE INCLUSIVE AND SUSTAINABLE ECONOMIC GROWTH, EMPLOYMENT AND DECENT WORK FOR ALL

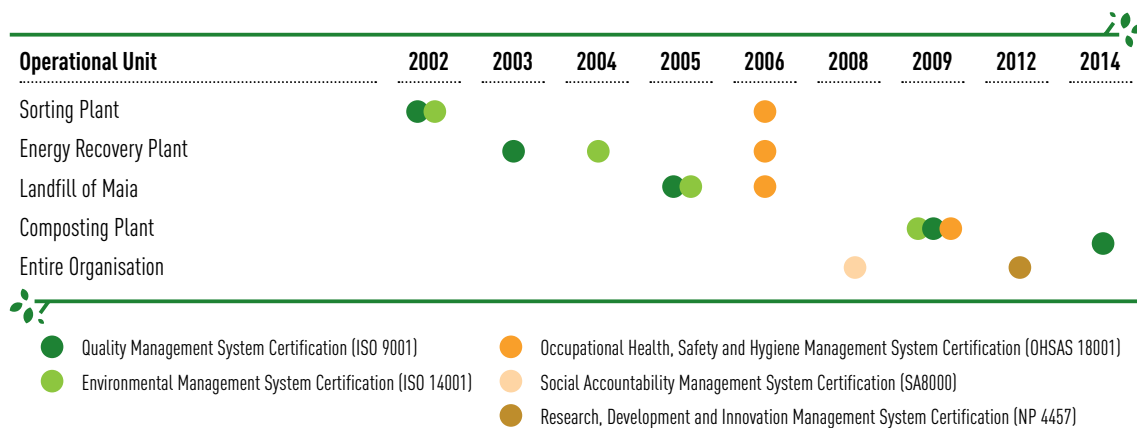
In line with the United Nations Sustainable Development Goals

The Management System is based on the promotion of a continuous improvement of the training, environmental, energy and quality performance, as well as the health, safety and hygiene conditions in workplaces, wherefore all Employees should make a constant effort to ensure System conformity, as everyone involved, either directly or indirectly, is responsible for it.

In 2017, LIPOR maintained its global certification according to the NP EN ISO 9001:2008 standard, regarding municipal waste management and the promotion of environmental education and awareness. Several changes arose from the revision of the Quality Management Standard (NP EN ISO 9001:2015), forcing it to include new practices, such as risk and opportunity management.

Therefore, an internal procedure was established to define how LIPOR should identify, analyse and assess potential risk factors, including events that cause those risks, potential arising consequences and possible sources or causes, as well as identify and integrate new opportunities and process improvements.

LIPOR's risk management methodology aims at identifying and assessing a potential process failure and its effects, and determining the actions that should be undertaken to reduce or eliminate the likelihood of such failures. For each process, the risks associated with each activity are identified, listed and subsequently classified (102-11).



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



Material Topic

Greenhouse Gas Emissions



TAKE URGENT ACTION TO COMBAT CLIMATE CHANGE AND ITS IMPACTS

In line with the United Nations Sustainable Development Goals

In the year in which carbon dioxide (CO₂) concentration reached the highest level in the past 800,000 years, Portugal was hit by extreme weather events, which caused terrible tragedies that scarred the entire Portuguese population. These weather events result from deep climate changes caused by human action, which push us to take action.

Since 2010, LIPOR has voluntarily incorporated the fight against climate change in its strategy, with the “3M – less Waste, less Carbon, more Climate” strategy. Here, LIPOR has been acting 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 does not replace Mitigation of greenhouse gas emissions, so, it is necessary to establish a combined strategy that enables the reduction of greenhouse gas emissions and, at the same time, the implementation of measures that allow us to adapt to the inevitably ongoing climate change.

ADAPTATION

In this sense, 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. This Plan 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 LIPOR 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

With its “3M – less Waste, less Carbon, more Climate” strategy, LIPOR voluntarily committed itself to reduce its GHG emissions by 20% as compared to 2006. By the end of 2017, LIPOR had reached a 19.4% reduction, representing a 2.2% reduction in comparison with the previous year, thus avoiding the emission of 7.173tCO₂e.

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

VALUES IN TCO₂E	2006	2015	2016	2017	Δ 2016-17	Δ 2006-17
TOTAL LIPOR GHG EMISSIONS – 3M TARGETS	402,807	331,945	331,679	324,506	-2.2%	-19.4%
Scope 1 – Direct Emissions	401,011	329,597	328,697	322,479	-1.9%	-19.6%
Waste Treatment and Recovery	399,635	328,771	327,520	321,292	-1.9%	-19.6%
Technical Confinement	191,464	115,958	108,925	103,728	-4.8%	
Organic Recovery (CVO)	4,393	8,611	7,589	7,264	-4.3%	
Energy Recovery (CVE)	203,778	204,202	211,007	210,300	-0.3%	
Fuel consumption in the facilities	805	274	588	568	-3.4%	-29.4%
Natural Gas	805	263	575	564	-2%	
Sorting Plant (RMM)	4.3					
Composting Plant (CVO)	33	94	116	137	18%	
Energy Recovery Plant (CVE)	760	157	449	415	-8%	
LIPOR in general	8	12	10	11.8	22%	
Diesel (CVE)	N.D.	10.72	13.40	4.3	-68%	
Transportation and Mobility	570	553	588	619	5.2%	8.5%
Self-owned Fleet	314	177	203	202	0%	
Light Vehicles Fleet	57					
Heavy Vehicles Fleet	206					
Ecofone Fleet	51					
Mobile Machinery	256	375	385	417	8.2%	62.8%
Sorting Plant (RMM)	256	107	108	120	11%	
Composting Plant (CVO)	N.D.	208	201	220	9%	
Technical Confinement (Landfill of Maia)	N.D.	60	76	77	2%	
Scope 2 – Indirect Emissions (electricity)	1 749	2 166	2 837	1 832	-35.4%	4.8%
Sorting Plant (RMM)	230					
Composting Plant (CVO)	1,117	1,614	2,335	1,663	-29%	
Energy Recovery Plant (CVE)	0	24	54	0	-100%	
Technical Confinement (CT)	0	127	221	170	-23%	
LIPOR in general	401	401	227	0	-100%	
Scope 3 – Other Indirect Emissions	47	181	145	194	34.2%	311.7%
Work Travels	47	39	52	37	-29.1%	-21.7%
Train	0.5	0.6	0.7	0.7	-6%	49.5%
Aeroplane	47	36	51	34	-34%	-27.4%
Passenger car (rental)	N.D.	1.9	0.1	0.2	97%	
Bus/Coach (rental)	N.D.	0.3	0.2	2.1	808%	
Third parties' fleet (slag, scrap and ashes transportation)	N.D.	142	93	157	69.8%	

GHG emission reduction is still mostly due to the strategic decision to recover biogas produced in landfills, minimise waste disposal in landfill and carry out an efficient energy management.



CREATION OF A WORK OF ART

For the Celebration of its 35th anniversary, LIPOR selected art as a form of expression par excellence, and chose the English oak (*Quercus robur*), a large size endemic deciduous tree with broad treetop, as a symbol of greatness; *robur* is used to define firmness and sturdiness. The artistic work created by the visual artist Bordalo II, named "Oak", is a sculpture that uses waste as raw materials, based on the perspective of "waste as a resource", also raising awareness of the GHG emissions issue.



DID YOU KNOW THAT...

LIPOR'S EMPLOYEES TRAVEL 6,214.14 KM EVERY DAY IN THEIR HOME-LIPOR-HOME COMMUTES?
(LIPOR MOBILITY STUDY 2017)

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 0.65 tCO₂/t. (305-4).

AVOIDED EMISSIONS

LIPOR carries out activities that aim to replace other activities with higher carbon intensity and have an indirect impact, due to the use of recovered waste in economic activities. In this context, since 2015, LIPOR calculates potential GHG emissions avoided in its several activities. Since 2015, activities developed by LIPOR avoided the emission of 163,630 tCO₂e.



ENSURE ACCESS TO AFFORDABLE, RELIABLE, SUSTAINABLE AND MODERN ENERGY FOR ALL

In line with the United Nations Sustainable Development Goals

Energy efficiency is increasingly assuming a key role in companies, not only in operational issues, but also in the definition of their medium/long-term strategies. A consolidated energy strategy results in the decrease of their carbon footprint, the reduction of energy costs and, more importantly, the increase of energy performance. The latter is a relevant Value Chain indicator, as it reveals in a simple manner the System's efficiency. In LIPOR's specific case, it corresponds to the quotient of the amount of final product (tons) and the amount of energy consumed (TEP). In 2017, LIPOR enhanced its energy performance by 12.12% and reduced its energy consumption by 28.30%, as compared to the reference year of 2010, reaching 133.32 tons/TEP and 375 TEP respectively, having registered an Energy intensity of 0,084 GJ/t **(302-3)**.

Several factors contributed and continue to contribute to these results, namely equipment and facilities operation, the technologies used, the structural condition of buildings and Employee behaviour.

Throughout 2017, several developed measures contributed to the reduction of Energy Consumption and Carbon Footprint, such as **(302-4)**:

- Internal awareness and communication actions regarding Energy and Carbon;
- Lighting studies and replacement of lamps;
- Internal mobility surveys;
- Replacement of HVAC equipment;
- Implementation of Low-Carbon Purchases by purchasing green energy produced from 100% renewable energy sources;
- Changes in the TCEM production process.

LIPOR has also submitted two applications to the Environmental Fund, in order to buy two fully electric vehicles, having this funding been approved. **(305-5)**.

DIRECT ENERGY CONSUMPTION BY PRIMARY ENERGY SOURCE **(302-1)**

FACILITY	SOURCE (GJ)	2015	2016	2017
Composting Plant	Natural gas	1,686	2,065	2,435
	Fuel (diesel)	2,837	2,738	2,988
	Electricity	16,105	16,724	16,211
Energy Recovery Plant	Natural gas	3,602	8,000	7,397
	Fuel (diesel)	146	182	109
	Electricity	704	1,328	582
Landfill	Fuel (diesel)	814	1,032	1,053
	Electricity	1,065	1,383	1,265
Closed Landfills (Ermesinde and Matosinhos)	Matosinhos – Electricity	124	117	65
	Ermesinde – Electricity	484	416	320
	Electricity	4,245	4,250	4,364
LIPOR (in general)	Natural gas	216	173	211
	Fuel (diesel)	3,908	4,309	4,435
	Fuel (gasoline)	148	137	145



Material Topic

Environmental Education and Awareness



ENSURE INCLUSIVE AND QUALITY EDUCATION FOR ALL AND PROMOTE LIFELONG LEARNING



ENSURE SUSTAINABLE CONSUMPTION AND PRODUCTION PATTERNS



MAKE CITIES INCLUSIVE, SAFE, RESILIENT AND SUSTAINABLE

In line with the United Nations Sustainable Development Goals

**Better informed
Citizens will surely do
more and better!**

Better informed Citizens will surely do more and better! With the purpose of realising this motto, LIPOR and its associated Municipalities perceive Environmental Education and Training as a natural process, that promotes the adoption of sustainable behaviours by the community, facilitating the creation of predominantly circular environmental management models, at an individual or institutional level. This approach is consolidated by the development of pedagogical Projects and initiatives that embody LIPOR's Environmental Education Strategy.

This strategy is characterised by the great diversity of themes approached, by rigorous work plans, adapted to the identified needs, and by its strong ability to mobilise and get the Community involved. In 2017, the Projects and initiatives that form the Environmental Education Strategy included 2,904 direct intervention actions, with the participation of 90,951 Citizens (L1).

LIPOR's Environmental Education Strategy focuses on the dissemination of Prevention, Multimaterial Recycling and Sustainable Development policies, being a transversal support area to the Organisation's activities, and promoting higher Environmental Literacy levels amongst the Community. One of the most effective examples of this approach is the "LIPOR Geração+" (LIPOR Generation+) Project.

“LIPOR GERAÇÃO+” (LIPOR GENERATION+)

This educational Project is today a national and international reference for the promotion of sustainability practices, due to its inclusive and continuous nature, the collaborative and multithematic work involved, but also its monitoring and results assessment model. Based on a strong Diagnosis model, the intervention involved in this Project aims to respond to the identified needs, in order to optimise Environmental Management processes of the participating Institutions.

172 institutions are part of the “Generation+” Project, directly involving in the Project 57,997 Citizens. In 2017, 1,198 direct intervention actions were developed, with a total of 26,593 participants, leading to 35 new Certifications and 11 Certification renewals, out of a total of 67 institutions recognised by their environmentally sustainable behaviours (L1).

The 2017 assessment showed that, when comparing the initial and final results of the certified institutions, there was an average growth of 27% in the recycling rate, a 56% reduction in unsorted waste production and an 85% decrease in contamination of waste disposal containers. In general, the institutions’ environmentally sustainable behaviour registers an average growth of 61% after the implementation of the Action Plan defined at the Project’s initial stage.

Finally, it is important to mention that the “Generation+” Project was acknowledged by Energy Globe as the best Portuguese sustainable development promotion Project.

PARQUE AVENTURA (ADVENTURE PARK)

The “Adventure Park” Project is based on the Organisation’s policy and significantly contributes to the reinforcement of the LIPOR Brand and the Organisation’s integration into the surrounding society. This is reflected by the thousands of people that have visited the park throughout its 7 opening periods.

WE THANK ALL THOSE WHO VISITED US!
IN 2018, WE’LL CONTINUE TO COUNT ON YOUR VISIT!



DID YOU KNOW THAT...

IN 2017, THE "ADVENTURE PARK" WAS VISITED BY **34,991 PEOPLE?!**
SINCE ITS OPENING TO THE PUBLIC, THE PARK HAS ALREADY RECEIVED
239,358 VISITORS?!

THE "ECO SHOP / PARQUE AVENTURA" CARD ALREADY HAS
3,097 MEMBERS?!

THE VISITORS OF THE "ADVENTURE PARK" HAVE ALREADY DELIVERED
OVER 35 TONS OF PACKAGING WASTE FOR RECYCLING?!

THE PARK'S FACEBOOK PAGE ALREADY HAS **8,212 LIKES?!**

LIPOR's annual
Prevention programme
includes several
Projects and initiatives
that are implemented in
the eight Municipalities.

PREVENTION OF WASTE PRODUCTION

Fast urban growth, the imbalance between resource availability, distribution and access, environmental degradation and the climate change issue, unsustainable production and consumption patterns, as well as increasing food insecurity emphasize the need to promote and implement Waste Prevention Strategies.

LIPOR's annual Prevention programme includes several Projects and initiatives that are implemented in the eight Municipalities.

As part of the food waste strategy, the "Embrulha." (Pack it.) Project stands out, aiming to prevent and reduce food waste.

Over the years, several monitoring methodologies for prevention Projects and initiatives were developed and tested. In order to convert prevention into numbers, in 2017, there was an effort to standardise the calculation methodologies and terminology used. This initiative was disclosed to the public on 22nd November, at the "Observatório LIPOR" (LIPOR Observatory), firstly applied to organic waste.

Embrulha.

'PACK IT' 2017: ONE TRIMESTER LATER...



3.24 T RECOVERED

Each package contains on average 300 grams of food fit for consumption (2016 data).



680 KG OF CO₂E AVOIDED

The initiative received recognition from the Office of the Secretary of State for the Environment! And it also got the attention of the media.



32 RESTAURANTS IN PORTO JOINED THE PROJECT!

Restaurants and Customers consider the Project to be an excellent initiative!



The study called “**Avaliação do Ciclo de Vida do Composto Nutrimais**” (Assessment of Nutrimais Compost Life Cycle) was initiated in 2017, consisting of a 2-year Project with the following main objectives (416-1):

- Assessment of environmental impacts arising from the (Nutrimais) compost production process;
- Comparison of possible composting scenarios and of different biowaste final destination scenarios.



The main theme of the 9th edition of the European Week for Waste Reduction – EWWR, an initiative of local nature, but with impact across Europe, was “Reuse & Repair: Give it a new life!”.

The main theme of the **9th edition of the European Week for Waste Reduction – EWWR**, an initiative of local nature, but with impact across Europe, was “Reuse & Repair: Give it a new life!”. As a way of reinforcing LIPOR’s commitment to this key area of its circular business model, the following actions were developed:

- GOODS COLLECTION CAMPAIGN FOR REUSE
- SECOND-HAND BOOKS EXCHANGE CAMPAIGN AMONGST EMPLOYEES

In the next years, LIPOR will further promote Material Reuse, aiming at multi-R practices, which include reuse, repair and product recovery, thus avoiding waste production. In this context, the realisation of the “Reuse Centre” Project will be at the heart of its priorities.

Material Topic
Biodiversity



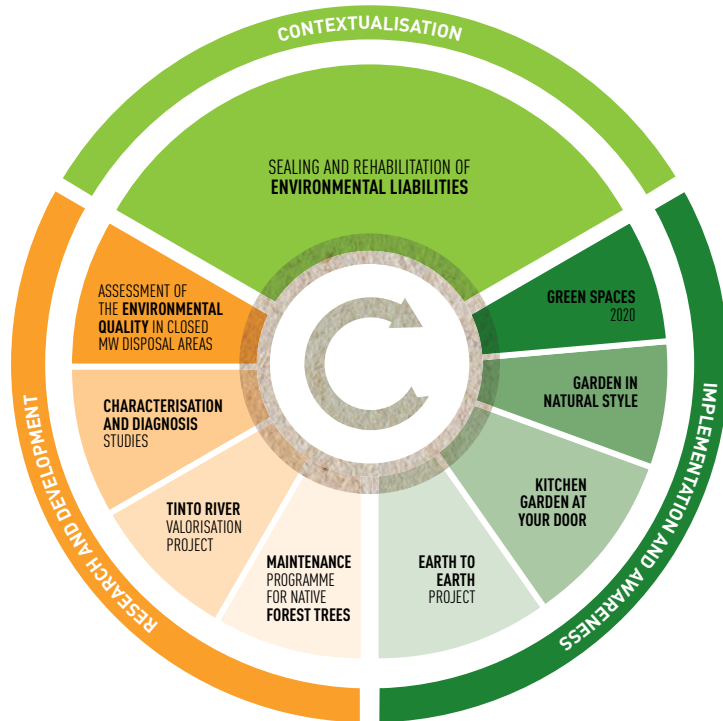
SUSTAINABLY MANAGE FORESTS, COMBAT DESERTIFICATION, HALT AND REVERSE LAND DEGRADATION, HALT BIODIVERSITY LOSS



ENSURE ACCESS TO WATER AND SANITATION FOR ALL

In line with the United Nations Sustainable Development Goals

In 2017, communication on Biodiversity was reinforced, both in internal and external communication tools, as well as in Projects such as the “Adventure Park”.



Since it started the Sealing and Rehabilitation of Environmental Liabilities Project, in 2000, LIPOR has been reinforcing its approach to Biodiversity.

In 2017, communication on Biodiversity was reinforced, both in internal and external communication tools, as well as in Projects such as the “Adventure Park”. Here, it is worth highlighting the presentation of LIPOR’s Biodiversity Strategy, in a business context, in the Porto Canal TV show “Grandes Manhãs”, the communication that took place in the Workshop entitled “Conservação da Biodiversidade em Terrenos Privados – oportunidades e desafios” (Biodiversity Conservation in Private Land – opportunities and challenges), held at the University of Aveiro and organised by Montis/BCSD, and the digital communication entitled “We need better decisions...”, to promote natural capital topics at the World Forum on Natural Capital.

LIPOR joined the **12th edition of GIRO**, a business volunteers’ initiative promoted by GRACE, which consisted in cutting and removing invasive species and maintaining cultivated areas, by correcting poles and plucking eucalyptus shoots. On 22nd May, the celebration of the International Biodiversity Day was targeted at

municipal technicians and “Adventure Park” groups. In addition to several applications to consortia, in 2017, an application to the Globe Energy Award was prepared, for the Water category, but the result will only be disclosed in 2018.



As far as the application and awareness component is concerned, all in all, the following Project results stand out:



“Horta à Porta” (Kitchen Garden at your Door) is an urban kitchen gardens Project which promotes the 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. The Project currently comprises 55 kitchen gardens and 1,766 plots, representing about 12 ha of organic farming area (about 120,000 m²).



“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. In 2017, the “Terra à Terra” Project provided training on home composting to over 1,874 people, having delivered 1,940 composters, which allow a potential diversion of 890 tons/year of organic waste. In total, 13,106 composters have already been implemented, accomplishing a diversion of more than 5,000 tons/year of organic waste.



“Jardim ao Natural” (Garden in Natural Style) is a Project that aims to promote biodiversity in green spaces, using sustainable practices in their implementation and maintenance within LIPOR’s 8 Municipalities. It is targeted at Citizens and institutions that voluntarily commit to the adoption of good green space management practices. In 2017, 10 spaces received the “Garden in Natural Style” certification, 15 monitoring actions and 21 population awareness and training actions took place, within a total of 92 activities.

ESPAÇOS VERDES 2020



- Forest nursery/Native nursery
- Orchard planting
- Eco-constructions
- Integration of a herd of sheep
- Placement of hives
- Digging of infiltration trenches
- Native forest planting

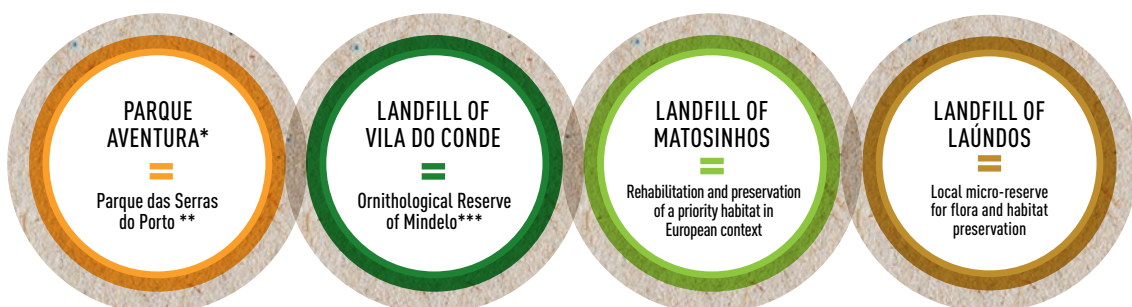
With over 117 hectares of green spaces, LIPOR intends to further improve its calling card, through the rearrangement and sustainable optimisation of 11 spaces until 2020. The **“Espaços Verdes 2020”** (Green Spaces 2020) Project comprised the following actions:

In 2017, several ongoing studies pertaining to the research and development component were concluded.

This Project helps to reduce water consumption and maintenance costs, to promote the adaptation of these spaces to climate change and to create biodiverse gardens.

In 2017, several ongoing studies pertaining to the **research and development component** were concluded.

IMAR’s technical-scientific team presented its final report with the findings of the **“Avaliação da Qualidade Ambiental em Áreas Encerradas de Deposição de Resíduos Sólidos Urbanos”** (Assessment of the Environmental Quality in Closed Municipal Solid Waste Disposal Areas), which were very satisfactory. The work carried out by the CIBIO’s technical-scientific team, namely the **“Caracterização ambiental geral e cartografia de biótopos das áreas geridas pela LIPOR”** (General environmental characterisation and mapping of biotopes present in the areas managed by LIPOR) and the **“Avaliação de impactes da construção de infraestruturas sobre a Biodiversidade”** (Assessment of the impacts of infrastructure construction on Biodiversity), was finished. The technical and scientific findings of the study entitled “General environmental characterisation and mapping of biotopes present in the areas managed by LIPOR” served as a basis for the definition of the future recovery strategy for these areas. In this way, the development of the Plan for the Integration of closed areas (landfills) in the surrounding metropolitan structure will begin in 2018, according to the following strategic basis:



* Adventure Park ** Porto Mountains Park *** Reserva Ornitológica de Mindelo

LIPOR's Ecological Trail, which is integrated in the Biodiversity Promotion Strategy, is another infrastructure developed by LIPOR and the Associated Municipalities with the purpose of bringing the Community closer to the Tinto River and restoring it to the population.

Within the scope of the “**Valorização do Rio Tinto**” (Tinto River Valorisation) Project, a Partner Meeting was held, in order to share the results of the “Programa de Monitorização da Qualidade da Água e dos Sedimentos do Rio Tinto” (Tinto River Sediment and Water Quality Monitoring Programme), by the Fernando Pessoa University, and present LIPOR's strategy to further bring the community closer to the Tinto River, which includes the “Laboratório Rios+” (Rivers+ Laboratory) and other initiatives that have been developed by its Partners on behalf of the Tinto River. By the end of 2017, LIPOR began to follow-up a master thesis of a student at the Fernando Pessoa University, which studies the stretch of the Tinto River that was subject to intervention. In addition, an equipment for continuous flow measurement/data collection was installed in the Tinto River.

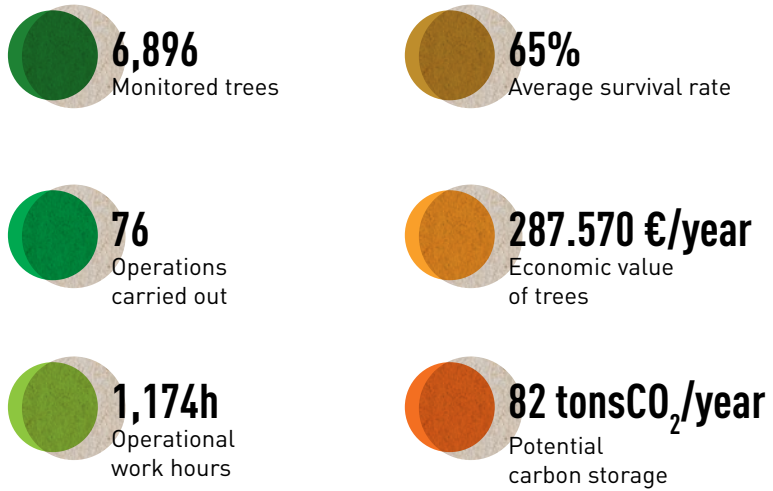
LIPOR's Ecological Trail, which is integrated in the Biodiversity Promotion Strategy, is another infrastructure developed by LIPOR and the Associated Municipalities with the purpose of bringing the Community closer to the Tinto River and restoring it to the population. In 2015, a Walking Route that connects the Águas Santas/Palmilheira Halt to the Adventure Park was inaugurated and, in 2016, a Walkway was built alongside the left bank of the Tinto River. The “**Laboratório Rios+**” (Rivers+ Laboratory), built on the banks of the Tinto River as part of LIPOR's Ecological Trail, aims at the creation of a natural space which showcases good watercourse intervention practices using several natural engineering techniques, that promote the functionality, connectivity and biodiversity of the riparian corridor. In 2017, 3,289 people used the Trail.

In 2015, LIPOR started a maintenance programme for native forest trees under ecological rehabilitation, in order to ensure certain maintenance operations in these areas in the first 4 years after the first intervention, which is a particularly critical period.



This Project is relevant for the promotion of biodiversity, ecosystems services, adaptation to climate change, landscape enhancement, promotion of community well-being and reduction of fire risk.

After the first year of work, here's a summary of the main results:



This Project is relevant for the promotion of biodiversity, ecosystems services, adaptation to climate change, landscape enhancement, promotion of community well-being and reduction of fire risk. During 2018, this Project will be significantly boosted through the increase of the forest area under LIPOR's care and the creation of a new corporate identity for the Project, for a better dissemination of the initiative (304-3).

V

LIPOR'S COMMITMENT



LIPOR'S COMMITMENT

Having over 35 years of experience, LIPOR has set a path characterised by excellence and transparency, so it is fair to say that Responsible Management is our identity!

In 2016, LIPOR aligned its strategies with the global priorities of the Sustainable Development Goals (SDGs), addressing 11 of the 17 SDGs of the United Nations' Agenda.

After this first mapping, in 2017, the Organisation went one step further, strengthening its commitment. Therefore, for each one of LIPOR's materially relevant topics, the corresponding SDG was identified, as well as the respective Projects.

This resulted in LIPOR's Sustainability Agenda:



V

FOR MORE
INFORMATION



FOR MORE INFORMATION

MANAGEMENT APPROACH (103)



MATERIAL TOPIC DESIGNATION	MATERIAL TOPIC AND SCOPE (103-1)	MANAGEMENT APPROACH AND RESPECTIVE COMPONENTS (103-2)	MANAGEMENT METHODS ASSESSMENT (103-3)
ORGANISATION'S FINANCIAL BALANCE	<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 aspect "Economic Performance" relates to the "Organisation's Financial Balance" topic identified as materially relevant through the stated materiality exercise process (pág. 18).</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>
RDI INITIATIVES	<p>LIPOR has a Research, Development and Innovation Unit with the purpose of implementing the organisation's innovation strategy, having conceived an Innovation policy based on transversal processes and ensured the follow-up of several indicators through a specific Balanced Scorecard. LIPOR approaches several 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 "RDI Initiatives" topic was identified as materially relevant through the stated materiality exercise process (pág. 18).</p>	<p>The following organisational policies and commitments reflect the management approach to this topic:</p> <ul style="list-style-type: none"> - LIPOR's Strategic Plan 2015-2020 - Quality, Environmental, Energy, Health and Safety, Social Accountability and Innovation Policy - Certification according to the NP4457 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:</p> <ul style="list-style-type: none"> - Promote creativity, and foster and manage ideas and opportunities; - Efficiently monitor the organisation's interaction with the technological world, the market, the most recent innovations, patents, licences; - Systematise RDI activities; - Make RDI Project management more efficient and effective; - Adopt an RDI management model based on a policy and on objective management. <p>In addition, the Innovation Scoring is used as a self-diagnosis and assessment tool, aiming to increasingly promote value creation within the organisation.</p>





MATERIAL TOPIC DESIGNATION

**MATERIAL TOPIC AND SCOPE
(103-1)**

**MANAGEMENT APPROACH AND
RESPECTIVE COMPONENTS (103-2)**

**MANAGEMENT METHODS ASSESSMENT
(103-3)**

**INCENTIVE FOR NEW BUSINESSES
AND OPPORTUNITIES**

LIPOR has devised its circular business model based on its circularity practices, thus boosting new opportunities.

In 2013, Internationalisation was declared a strategic priority for the Organisation, alongside Innovation, having now an Organisational Unit devoted to it. 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.

The "Incentive for New Businesses and Opportunities" topic was identified as materially relevant through the stated materiality exercise process (pág. 18).

LIPOR resorts to the following policies and commitments to manage this material topic:

- Mission, Vision, Values and Policy
- LIPOR's Strategic Plan 2015-2020.

The International Business Unit ensures customised solutions. LIPOR is fully committed to the Projects, provides comprehensive solutions and the reliability of a brand with 35 years of experience. The development of LIPOR's Projects is supported by a network of well-known and highly skilled technological and services partners.

PRODUCT AND SERVICE QUALITY

Product and service quality is a decisive factor for LIPOR's success, wherefore the Organisation's ultimate goal is Excellence.

The GRI social aspects "Customer Health and Safety" and "Marketing and Labelling" relate to the "Product and Service Quality" topic identified as materially relevant through the stated materiality exercise process (pág. 18).

LIPOR resorts to the following policies and commitments to manage this material topic:

- 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.

The operational areas are duly certified according to the ISO14001, ISO9001 and OHSAS1800 standards, which ensures that all requirements are duly met, and are subject to periodical audits.

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.





MATERIAL TOPIC DESIGNATION

MATERIAL TOPIC AND SCOPE (103-1)

MANAGEMENT APPROACH AND RESPECTIVE COMPONENTS (103-2)

MANAGEMENT METHODS ASSESSMENT (103-3)

SUSTAINABILITY COMMITMENT AND STRATEGY

LIPOR's commitment to Sustainability has been guiding its development. Sustainability principles are integrated in the Organisation's daily management:

- To take on the challenge of Sustainability
- To promote Prevention
- To strengthen the 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.

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.

The "Sustainability Commitment and Strategy" topic was identified as materially relevant through the stated materiality exercise process (pág.18).

The management approach is evident in the Organisation's policies and commitments, as well as the commitments it subscribes to:

- LIPOR's Strategic Plan 2015-2020
- Mission, Vision, Values and Policy
- BCSD Charter of Principles
- SDGs Alliance Portugal.

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.

QUALITY EMPLOYMENT

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. 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.

The GRI social aspects "Employment", "Occupational Health and Safety", "Training and Education", "Diversity and Equal Opportunity" and "Supplier Social Assessment" relate to the "Quality Employment" topic identified as materially relevant through the stated materiality exercise process (pág.18).

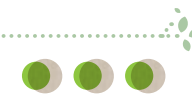
This topic is approached in the following LIPOR policies and commitments:

- Quality, Environmental, Energy, Health and Safety, Social Accountability and Innovation Policy
- Certification according to the SA8000 – Social Accountability Standard
- Certification according to the AA1000APS Standard
- Ethics Code
- Portuguese Diversity Charter.

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.

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.

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.





MATERIAL TOPIC DESIGNATION	MATERIAL TOPIC AND SCOPE (103-1)	MANAGEMENT APPROACH AND RESPECTIVE COMPONENTS (103-2)	MANAGEMENT METHODS ASSESSMENT (103-3)
COMPETENCES AND KNOW-HOW	<p>Through its Academy, LIPOR aims to develop and enhance competences through training and qualification, using advanced educational methods and equipment.</p> <p>The "Competences and Know-how" topic was identified as materially relevant through the stated materiality exercise process (pág.18).</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 - Environmental Education Strategy. 	<p>The training offer of "LIPOR Academy 2018" encompasses different knowledge areas, including courses or training actions especially devised to meet the market's needs.</p>
INCREASE OF THE AMOUNT OF MATERIALS RECEIVED WITH POTENTIAL FOR MULTIMATERIAL AND ORGANIC RECOVERY	<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 aspects "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 stated materiality exercise process (pág.18).</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>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. In addition, 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>
MAINTENANCE OF MANAGEMENT SYSTEMS	<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 aspects "Environmental Compliance" and "Environmental Grievance Mechanisms" and the GRI social aspects "Socioeconomic Compliance" and "Grievance Mechanisms" relate to the "Maintenance of Management Systems" topic identified as materially relevant through the stated materiality exercise process (pág.18).</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>





MATERIAL TOPIC DESIGNATION	MATERIAL TOPIC AND SCOPE (103-1)	MANAGEMENT APPROACH AND RESPECTIVE COMPONENTS (103-2)	MANAGEMENT METHODS ASSESSMENT (103-3)
<p>GREENHOUSE GAS EMISSIONS</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. <hr/> <p>The GRI material aspect "Emissions" relates to the "Greenhouse Gas Emissions" topic identified as materially relevant through the stated materiality exercise process (pág.18).</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>ENERGY EFFICIENCY</p>	<p>An efficient use of energy is increasingly becoming a major priority, leading to a reduction of operating costs and a sustainable policy.</p> <hr/> <p>The GRI environmental aspect "Energy" relates to the "Energy Efficiency" topic identified as materially relevant through the stated materiality exercise process (pág.18).</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 • Implementation of the ISO 50001 Standard – Energy Management • 3M – less Waste, less Carbon, more Climate Strategy. 	<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 SCOPE (103-1)	MANAGEMENT APPROACH AND RESPECTIVE COMPONENTS (103-2)	MANAGEMENT METHODS ASSESSMENT (103-3)
ENVIRONMENTAL EDUCATION AND AWARENESS	<p>LIPOR regards the environmental education and awareness of the community it serves as one of its major responsibilities. Hence, in order to promote citizen engagement and change mentalities, LIPOR's Education, Communication and Marketing Department, which comprises the Environmental Education and Training Unit, has a group of technicians who promote several activities for different target audiences, aiming to encourage the adoption of attitudes that promote waste recovery and environmental preservation.</p> <p>The "Environmental Education and Awareness" topic was identified as materially relevant through the stated materiality exercise process (pág. 18).</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 • Environmental Education Strategy. 	<p>LIPOR's effort to promote environmental awareness and education is reflected by the diversity of the developed Projects and initiatives, the number of undertaken actions and sensitised Citizens.</p>
BIODIVERSITY	<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 aspect "Biodiversity" relates to the "Biodiversity" topic identified as materially relevant through the stated materiality exercise process (pág. 18).</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 NP4457 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>

GRI STANDARDS CONTEXT INDEX (102-55)

GRI STANDARD / CONTENT

GRI STANDARD / 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 7: LIPOR in 2017	None	✓
102-2	Atividades, marcas, produtos e serviços.	Page 7: LIPOR in 2017 Page 29: Responsible Management – Economic Resources Current page: For more information https://www.lipor.pt/en/municipal-solid-waste/multimaterial-recovery/process-description/ https://www.lipor.pt/en/municipal-solid-waste/organic-recovery/unit-description/ https://www.lipor.pt/en/municipal-solid-waste/organic-recovery/hutrimais/ https://www.lipor.pt/en/municipal-solid-waste/energy-recovery/process-description/ https://www.lipor.pt/en/services/	None	✓
102-3	Location of the organisation's headquarters.	Page 7: LIPOR in 2017	None	✓
102-4	Number of countries where the organisation operates.	Page 7: LIPOR in 2017	None	✓
102-5	Nature of ownership and legal form.	Current page: For more information https://www.lipor.pt/en/lipor/who-we-are/history/	None	✓
102-6	Markets served.	Page 7: LIPOR in 2017	None	✓
102-7	Scale of the organisation.	Page 7: LIPOR in 2017 Page 20: Responsible Management – Economic Resources Page 32: Responsible Management – Economic Resources Page 32: Responsible Management – Social Resources	None	✓
102-8	Information on Employees and other workers.	Page 32: Responsible Management – Social Resources Page 33: Responsible Management – Social Resources	None	✓
102-9	Cadeia de fornecedores da organização.	CURRENT page: For more information 610 LIPOR Suppliers on 31st December 2017	None	
		Supplier Costs	(Euros)	✓
		International	12,959,446.66	
		National	32,831,006.71	
		Total	45,790,453.37	

GRI STANDARD / CONTENT	DESCRIPTION	PAGE / LOCATION / REPORT	OMISSIONS	EXTERNAL ASSURANCE
GRI 101: FOUNDATION 2016				
GRI 102: STANDARD DISCLOSURES 2016				
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.	Page 41: Responsible Management – Environmental Resources Current page: For more information https://www.lipor.pt/en/sustainability-and-social-responsibility/social-responsibility-projects/aa1000aps-standard-stakeholders/principles-of-the-aa1000-standard-2008/	None	✓
102-12	Charters, principles, or other initiatives to which the Organisation subscribes.	Page 7: LIPOR in 2017 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! https://www.lipor.pt/fotos/editor2/pa_vilacha.pdf https://www.lipor.pt/pt/sustentabilidade-e-responsabilidade-social/sustentabilidade/carta-de-principios-do-bcsd-portugal/	None	✓
102-13	Membership of associations, and national or international organisations.	Current page: For more information https://www.lipor.pt/en/lipor/who-we-are/partnerships/	None	✓
Strategy				
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 8: Corporate Strategy	None	✓
Ethics And Integrity				
102-16	Organisation’s values, principles, standards, and norms of behaviour.	Page 9: Corporate Governance	None	✓
102-17	Internal and external mechanisms for concerns about ethics.	Page 11: Corporate Governance	None	✓

GRI STANDARD / CONTENT	DESCRIPTION	PAGE / LOCATION / REPORT	OMISSIONS	EXTERNAL ASSURANCE												
GRI 101: FOUNDATION 2016																
GRI 102: STANDARD DISCLOSURES 2016																
Governance																
102-18	Governance structure of the organisation.	Page 10: Corporate Governance Current page: For more information https://www.lipor.pt/en/lipor/who-we-are/board-of-directors/ Composition of LIPOR's Management (2017) <table border="1"> <thead> <tr> <th>Gender Composition of Management</th> <th>Male</th> <th>Female</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Intermunicipal Assembly</td> <td>18</td> <td>6</td> <td>24</td> </tr> <tr> <td>Board of Directors</td> <td>6</td> <td>2</td> <td>8</td> </tr> </tbody> </table>	Gender Composition of Management	Male	Female	Total	Intermunicipal Assembly	18	6	24	Board of Directors	6	2	8	None	✓
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.	Current page: For more information Sustainability Report 2016 https://www.lipor.pt/en/libraries/ https://www.lipor.pt/en/sustainability-and-social-responsibility/social-responsibility-projects/aa1000aps-standard-stakeholders/	None	✓												
102-23	Indication of whether the chair of the highest governance body is also an executive officer.	Page 10: Corporate Governance	None	✓												
Stakeholders Engagement																
102-40	List of stakeholder groups engaged by the organisation.	Current page: For more information https://www.lipor.pt/en/sustainability-and-social-responsibility/social-responsibility-projects/aa1000aps-standard-stakeholders/identification-of-stakeholders/	None	✓												

GRI STANDARD / CONTENT	DESCRIPTION	PAGE / LOCATION / REPORT	OMISSIONS	EXTERNAL ASSURANCE
GRI 101: FOUNDATION 2016				
GRI 102: STANDARD DISCLOSURES 2016				
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", 2nd series, on 28th 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 2nd series of the "Diário da República", being successively renewed for one-year periods. The Agreement is estimated to cover about 200 (two hundred) workers.	None	✓
102-42	Basis for identification and selection of Stakeholders.	Current page: For more information https://www.lipor.pt/en/sustainability-and-social-responsibility/social-responsibility-projects/aa1000aps-standard-stakeholders/identification-of-stakeholders/	None	✓
102-43	Approach to stakeholder engagement.	Page 18: LIPOR's Stakeholders Current page: For more information https://www.lipor.pt/en/sustainability-and-social-responsibility/social-responsibility-projects/aa1000aps-standard-stakeholders/principles-of-the-aa1000-standard-2008/	None	✓
102-44	Key topics and concerns that have been raised by Stakeholders and group response.	Page 18: LIPOR's Stakeholders	None	✓
Reporting Practice				
102-45	Entities included in the consolidated financial statements.	Current page: For more information LIPOR Report and Accounts 2016 https://www.lipor.pt/en/libraries/	None	✓

GRI STANDARD / CONTENT	DESCRIPTION	PAGE / LOCATION / REPORT	OMISSIONS	EXTERNAL ASSURANCE
GRI 101: FOUNDATION 2016				
GRI 102: STANDARD DISCLOSURES 2016				
102-46	Process for defining report content.	Page 18: LIPOR's Stakeholders	None	✓
102-47	Material aspects identified in the process for defining report content.	Page 18: LIPOR's Stakeholders	None	✓
102-48	Restatements of information given in previous reports.	Page 36: Responsible Management – Social Resources There are some exceptions highlighted 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 91: For more information	None	✓
102-51	Date of most recent previous report.	Page 91: For more information	None	✓
102-52	Reporting cycle.	Page 91: For more information	None	✓
102-53	Contact point for questions regarding the report.	Page 91: For more information	None	✓
102-54	Claims of reporting in accordance with the GRI Standards: Core option.	Page 91: For more information	None	✓
102-55	GRI content index.	Page 65: For more information – GRI Standards Content Index	None	✓
102-56	Policy and practice with regard to external assurance.	Page 91: For more information	None	✓

MATERIAL TOPICS

MATERIAL TOPIC: ECONOMIC PERFORMANCE

GRI 103: MANAGEMENT APPROACH 2016

GRI Standard Content	Description	Page Location Report	Omissions	External Assurance
103-1	Material Topic and Scope	Pag.58: For more information	None	✓
103-2	Management approach and respective components	Pag.58: For more information	None	✓
103-3	Management methods assessment	Pag.58: For more information	None	✓

GRI 201: ECONOMIC PERFORMANCE 2016

GRI Standard 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.	Pag.20: Responsible Management – Economic Resources	None	✓
201-2	Financial implications and other risks and opportunities for the organisation's activities due to climate change.	Pag.42: Responsible Management – Environmental Resources	None	✓

MATERIAL TOPIC: MATERIALS

GRI 103: MANAGEMENT APPROACH 2016

GRI Standard Content	Description	Page Location Report	Omissions	External Assurance
103-1	Material Topic and Scope	Page 61: For more information	None	✓
103-2	Management approach and respective components	Page 61: For more information	None	✓
103-3	Management methods assessment	Page 61: For more information	None	✓

GRI 301: MATERIALS 2016

GRI Standard 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	2015	2016	2017
Materials			
Wire (tons)	35	20	0
Raw materials for production (tons)			
Sorted recyclable materials	45,296	46,791	47,304

COMPOSTING PLANT	2015	2016	2017
Materials			
Wood (tons)	62,331	63.3	71,898
Plastic (tons)	22.71	23.1	24,814
Paper and Cardboard (tons)	0,04	0	0
Raw materials for production (tons)			
Sorted organic waste	48,649.00	47,944.00	50,911

CVE'S AUXILIARY LANDFILL	2015	2016	2017
Reagents for the WWTP			
Sulphuric Acid (tons)	6,34	6,37	4,14
Acetic Acid (tons)	7,23	3,242	2,62
Soda (tons)	20,16	24,02	14,28
Anti-foam (litres)	176	154	52

ENERGY RECOVERY PLANT	2015	2016	2017
Use of Reagents			
Hydrated Lime (tons)	4,703.6	4,258.1	4,170.0
Urea (tons)	1,412.3	1,338.6	1,495.4
Activated Charcoal (tons)	202.2	165.9	185.4
Caustic Soda (tons)	16.8	20.0	23.3
HCl (tons)	28.8	26.4	26.7
Raw materials for production (tons)			
Unsorted waste	387,381.0	391,835.0	395,643.0

MATERIAL TOPIC: ENERGY

GRI 103: MANAGEMENT APPROACH 2016

GRI Standard Content	Description	Page Location Report	Omissions	External Assurance
103-1	Material Topic and Scope	Page 62: For more information	None	✓
103-2	Management approach and respective components	Page 62: For more information	None	✓
103-3	Management methods assessment	Page 62: For more information	None	✓

GRI 302: ENERGY 2016

GRI Standard Content	Description	Page Location Report	Omissions	External Assurance
302-1	Direct energy consumption by primary energy source.	Page 45: Responsible Management – Environmental Resources	None	✓
302-2	Energy consumption outside of the Organisation.	Current page: More information	None	✓
302-3	Energy Intensity.	Page 45: Responsible Management – Environmental Resources	None	✓
302-4	Reduction of Energy consumption.	Page 45: Responsible Management – Environmental Resources	None	✓

302-2

GJ	2016	2017
Scope 3 – Energy	187 130	183 656
C.03 – Energy and fuels	76,688	64,730
C.04 – Transportation (upstream)	98,093	106,096
C.06 – Business travels	736	479
C.07 – Employee commuting	4,136	4,237
C.09 – Transportation (downstream)	7,477	8 114
C.10 – Processing of intermediate products	n.d.	n.d.
C.11 – Use of goods and services	n.d.	n.d.

MATERIAL TOPIC: BIODIVERSITY

GRI 103: MANAGEMENT APPROACH 2016				
GRI Standard Content	Description	Page Location Report	Omissions	External Assurance
103-1	Material Topic and Scope	Page 63: For more information	None	✓
103-2	Management approach and respective components	Page 63: For more information	None	✓
103-3	Management methods assessment	Page 63: For more information	None	✓
GRI 304: BIODIVERSITY 2016				
GRI Standard Content	Description	Page Location Report	Omissions	External Assurance
304-3	Habitats protected or restored.	Page 54: Responsible Management – Environmental Resources	None	✓

MATERIAL TOPIC: EMISSIONS

GRI 103: MANAGEMENT APPROACH 2016				
GRI Standard Content	Description	Page Location Report	Omissions	External Assurance
103-1	Material Topic and Scope	Page 62: For more information	None	✓
103-2	Management approach and respective components	Page 62: For more information	None	✓
103-3	Management methods assessment	Page 62: For more information	None	✓
GRI 305: EMISSIONS 2016				
GRI Standard Content	Description	Page Location Report	Omissions	External Assurance
305-1	Direct Greenhouse Gas (GHG) Emissions (Scope 1)	Page 43: Responsible Management – Environmental Resources	None	✓
305-2	Energy Indirect Greenhouse Gas (GHG) Emissions (Scope 2)	Page 43: Responsible Management – Environmental Resources	None	✓
305-3	Other Indirect Greenhouse Gas (GHG) Emissions (Scope 3)	Page 43: Responsible Management – Environmental Resources	None	✓
305-4	Greenhouse Gas (GHG) Emissions Intensity	Page 44: Responsible Management – Environmental Resources	None	✓
305-5	Reduction of Greenhouse Gas (GHG) Emissions	Page 45: Responsible Management – Environmental Resources	None	✓

MATERIAL TOPIC: EFFLUENTS AND WASTE

GRI 103: MANAGEMENT APPROACH 2016

GRI Standard Content	Description	Page Location Report	Omissions	External Assurance
103-1	Material Topic and Scope	Page 61: For more information	None	✓
103-2	Management approach and respective components	Page 61: For more information	None	✓
103-3	Management methods assessment	Page 61: For more information	None	✓

GRI 306: EFFLUENTS AND WASTE

GRI Standard 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	None	✓

306-2

REJECTED WASTE FROM THE SORTING PLANT	2015	2016	2017
Flat Products Line – Paper and Cardboard (tons)	0	0	0
Bulky Items Line – Packaging (tons)	929.84	928.20	957.42
Fines (tons)	1,251.30	1,360.38	1,420.38
Pre-sorting (tons)	443.90	453.36	405.32
Total (tons)	2,625.04	2,741.94	2,783.12

Destination – Energy Recovery Plant

REJECTED WASTE FROM THE ENERGY RECOVERY PLANT	2015	2016	2017
Inert ashes (tons)	32,427.34	28,202.40	18,657.88
Fly ashes (tons)	0	0	5,021.72
Slag (tons)	79,626.64	78,326	80,266.44

Destination – Landfill of Maia

WASTE PRODUCED BY THE SYSTEM	2015	2016	2017	Hazardous
Mineral Oils (litres)	7,041	9,208	11,871	yes
Oily Water (litres)	10,760	10,900	11,620	yes
Total (litres)	17,801	20,108	23,491	

Cooking Oil (kg)	2,220	1,212	1,140	no
Sawdust and oily rags (kg)	160	231	356	yes
Contaminated packaging* (kg)	785	637	931	yes
Small batteries (kg)	5,920	4,060	7,003	yes
Batteries (kg)	1,460	1,020	860	yes
Syringes (kg)	47	38	37	yes
Fluorescent Lamps (kg)	15,040	27,106	26,717	yes
Other municipal waste and similar waste (kg)	165	167	167	no
Ink Cartridges and Toners (kg)	16,460	15,940	18,320	yes
Tyres (kg)	1,920	1,360	2,760	no
Inert materials	0	389,600	560,940	yes
Total (kg)	44,177	441,371.40	619,231.00	

Destination – Companies licensed for Recovery/Treatment

Iron Scrap (tons)	5,646	5,261	5,831	no
Total (tons)	5,646	5,261	5,831	

Destination – Recycling

MATERIAL TOPIC: ENVIRONMENTAL COMPLIANCE

GRI 103: MANAGEMENT APPROACH 2016

GRI Standard Content	Description	Page Location Report	Omissions	External Assurance
103-1	Material Topic and Scope	Page 61: For more information	None	✓
103-2	Management approach and respective components	Page 61: For more information	None	✓
103-3	Management methods assessment	Page 61: For more information	None	✓

GRI 307: ENVIRONMENTAL COMPLIANCE 2016

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: More information	None	✓

307-1

In 2017, no fine was imposed on LIPOR due to violation of environmental laws and norms.

GRI 103: MANAGEMENT APPROACH 2016

GRI Standard Content	Description	Page Location Report	Omissions	External Assurance
103-2	Environmental Grievance Mechanisms, Labour Practices Grievance Mechanisms, Human Rights Grievance Mechanisms and Social Impacts Grievance Mechanisms.	Page 30: Responsible Management – Economic Resources Current page: For more information	None	✓

103-2

REFERENCE

REC 158 Environmental Grievance (Grievance submitted in "Portal da Queixa" (Grievance Portal)): A grievance was submitted due to the smell noticed particularly at night, originated from LIPOR Maia, which is a few kilometres away from the area in question, in a straight line.

REC 159 Environmental Grievance: A grievance was submitted regarding drops and solid particles that fall on the first row of houses south of LIPOR's Energy Recovery Plant.

REC 162 Environmental Grievance: A grievance was submitted due to bad smell, flies and contamination of the Leça River, originating from the Landfill of Maia.

REC 163 Environmental Grievance: A grievance was submitted due to bad smell from LIPOR Maia, in União de Freguesias de Custóias, Leça do Balio and Guifões.

MATERIAL TOPIC: EMPLOYMENT

GRI 103: MANAGEMENT APPROACH 2016				
GRI Standard Content	Description	Page Location Report	Omissions	External Assurance
103-1	Material Topic and Scope	Page 60: For more information	None	✓
103-2	Management approach and respective components	Page 60: For more information	None	✓
103-3	Management methods assessment	Page 60: For more information	None	✓
GRI 401: EMPLOYMENT 2016				
GRI Standard 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 32: Responsible Management – Social Resources Current page: For more information	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 33: Responsible Management – Social Resources Current page: For more information	None	✓

MATERIAL TOPIC: OCCUPATIONAL HEALTH AND SAFETY

GRI 103: MANAGEMENT APPROACH 2016

GRI Standard Content	Description	Page Location Report	Omissions	External Assurance
103-1	Material Topic and Scope	Page 59: For more information Page 60: For more information	None	✓
103-2	Management approach and respective components	Page 59: For more information Page 60: For more information	None	✓
103-3	Management methods assessment	Page 59: For more information Page 60: For more information	None	✓

GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2016

GRI Standard Content	Description	Page Location Report	Omissions	External Assurance
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 36: Responsible Management – Social Resources Current page: For more information	None	✓
403-3	Workers with high incidence or high risk of diseases related to their occupation.	Current page: More information	None	✓

403-3

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.

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.

However, due to the nature of the work performed by the Organisation (Waste Management), Employees that work in the operational area are affected by some osteoarticular pathologies due to ergonomic risks.

LIPOR has been implementing several prevention measures to minimise those risks.

An Occupational Physician provides support in risk prevention and control, allowing to anticipate and act in some risk cases.

Several visits to workplaces were carried out to check the Employees' working conditions and implement eventually identified improvements.

Regarding severe occupational diseases, some initiatives were implemented to help minimise them, such as a daily 15 minutes practice of workplace gymnastics, in administrative and operational areas, before each shift, and the modification of the uniform washing procedure, which is now performed internally.

Besides the Occupational Physician, a General Practitioner is also available for Employees once a week, and occasionally a nurse, thus giving access to curative medicine.

Since 2012, LIPOR considered important to hire the services of a psychologist to provide support to Employees. Psychology consultations, which continued to be available in 2017, aim to promote the Employees' psychological and relational well-being. These counselling and/or psychotherapy services aim to help human resources overcome any difficulties which may arise.

Besides the aforementioned measures, LIPOR has been developing several other actions, such as specific training on container handling and discharging, scaffolds and behaviour in case of spills, as well as the "Cafés de Segurança" (Safety Coffees) Project, which aims to change employee habits and behaviours regarding safety.

MATERIAL TOPIC: TRAINING AND EDUCATION

GRI 103: MANAGEMENT APPROACH 2016				
GRI Standard Content	Description	Page Location Report	Omissions	External Assurance
103-1	Material Topic and Scope	Page 60: For more information	None	✓
103-2	Management approach and respective components	Page 60: For more information	None	✓
103-3	Management methods assessment	Page 60: For more information	None	✓
GRI 404: TRAINING AND EDUCATION 2016				
GRI Standard Content	Description	Page Location Report	Omissions	External Assurance
404-1	Average training hours per year per Employee, by gender and employee category.	Page 34: Responsible Management – Social Resources Page 35: Responsible Management – Social Resources Current page: For more information	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 35: Responsible Management – Social Resources Current page: For more information	None	✓
404-3	Percentage of Employees receiving regular performance and career development reviews, by gender.	Page 35: Responsible Management – Social Resources Current page: For more information	None	✓

MATERIAL TOPIC: DIVERSITY AND EQUAL OPPORTUNITY

GRI 103: MANAGEMENT APPROACH 2016

GRI Standard Content	Description	Page Location Report	Omissions	External Assurance
103-1	Material Topic and Scope	Page 60: For more information	None	✓
103-2	Management approach and respective components	Page 60: For more information	None	✓
103-3	Management methods assessment	Page 60: For more information	None	✓

GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016

GRI Standard 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 34: Responsible Management – Social Resources Current page: For more information	None	✓

405-1

EMPLOYEES BY NATIONALITY AND CATEGORY	2017		TOTAL
	Portuguese	Foreign	
Managers	15	0	15
Senior Technicians	46	2	48
Technical Assistants	37	1	38
Operational Assistants	90	3	93
Total	188	6	194

% OF EMPLOYEES BY NATIONALITY AND CATEGORY	2017	
	Portuguese	Foreign
Managers	100,00%	0,00%
Senior Technicians	95,83%	4,17%
Technical Assistants	97,37%	2,63%
Operational Assistants	96,77%	3,23%
Total	96,91%	3,09%

GRI 103: MANAGEMENT APPROACH 2016

GRI Standard Content	Description	Page Location Report	Omissions	External Assurance
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.

EMPLOYEE CATEGORY	Total Employees	Remuneration	Ratio (M/W)
Managers	15	2 025,35	1
Senior Technicians	48	995,51	1
Technical Assistants	38	683,13	1
Operational Assistants	93	557	1
Total	194		

MATERIAL TOPIC: SUPPLIER SOCIAL ASSESSMENT

GRI 103: MANAGEMENT APPROACH 2016

GRI Standard Content	Description	Page Location Report	Omissions	External Assurance
103-1	Material Topic and Scope	Page 60: For more information	None	✓
103-2	Management approach and respective components	Page 60: For more information	None	✓
103-3	Management methods assessment	Page 60: For more information	None	✓

GRI 414: SUPPLIER SOCIAL ASSESSMENT 2016

GRI Standard Content	Description	Page Location Report	Omissions	External Assurance
414-1	Percentage of new Suppliers that were screened using labour practices criteria.	Page 22: Responsible Management – Economic Resources	None	✓
414-2	Significant actual and potential negative impacts for labour practices in the supply chain and actions taken.	Page 23: Responsible Management – Economic Resources	None	✓

GRI 103: MANAGEMENT APPROACH 2016

GRI Standard 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 2017, LIPOR registered 2 (two) incidents/grievances that led to a Disciplinary Procedure. The sanctions applied were a 60-day suspension and justified dismissal.

MATERIAL TOPIC: CUSTOMER HEALTH AND SAFETY

GRI 103: MANAGEMENT APPROACH 2016

GRI Standard Content	Description	Page Location Report	Omissions	External Assurance
103-1	Material Topic and Scope	Page 59: For more information	None	✓
103-2	Management approach and respective components	Page 59: For more information	None	✓
103-3	Management methods assessment	Page 59: For more information	None	✓

GRI 416: CUSTOMER HEALTH AND SAFETY 2016

GRI Standard 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.	Page 49: Responsible Management – Environmental Resources	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	✓

416-2 416-2 During 2017, there was no noncompliance of this kind.

MATERIAL TOPIC: MARKETING AND LABELLING

GRI 103: MANAGEMENT APPROACH 2016

GRI Standard Content	Description	Page Location Report	Omissions	External Assurance
103-1	Material Topic and Scope	Page 59: For more information	None	✓
103-2	Management approach and respective components	Page 59: For more information	None	✓
103-3	Management methods assessment	Page 59: For more information	None	✓

GRI 417: MARKETING AND LABELLING 2016

GRI Standard 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	✓

417-1

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 prescription service regarding compost.

Nutrimais Compost complies with all requirements defined by the legislation in effect.

In 2017, we concluded the renewal of the marketing authorisation for the entire range of NUTRIMAIS organic soil improvers, applicable until 2021 (5 years), in accordance with the legislation in effect.

417-2

During 2017, there was no noncompliance of this kind.

GRI STANDARD | SPECIFIC

GRI Standard Specific	Description	Page Location Report	Omissions	External Assurance
417-3	Total number of incidents of noncompliance with regulations and voluntary codes concerning communication and marketing, including advertising, promotion and sponsorship, by type.	Current page: More information	None	✓

417-3

During 2017, there was no noncompliance of this kind.

MATERIAL TOPIC: SOCIOECONOMIC COMPLIANCE

GRI 103: MANAGEMENT APPROACH 2016

GRI Standard Content	Description	Page Location Report	Omissions	External Assurance
103-1	Material Topic and Scope	Page 61: For more information	None	✓
103-2	Management approach and respective components	Page 61: For more information	None	✓
103-3	Management methods assessment	Page 61: For more information	None	✓

GRI 419: SOCIOECONOMIC COMPLIANCE 2016

GRI Standard 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 2017, 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 Standard Content	Description	Page Location Report	Omissions	External Assurance
103-1	Material Topic and Scope	Page 63: For more information	None	✓
103-2	Management approach and respective components	Page 63: For more information	None	✓
103-3	Management methods assessment	Page 63: For more information	None	✓

LIPOR CATEGORY

GRI Standard Content	Description	Page Location Report	Omissions	External Assurance
L1	Total Population Reached with Environmental Education and Awareness actions	Page 47: Responsible Management – Environmental Resources	None	✓

GRI 103: MANAGEMENT APPROACH 2016

GRI Standard Content	Description	Page Location Report	Omissions	External Assurance
103-1	Material Topic and Scope	Page 58: For more information	None	✓
103-2	Management approach and respective components	Page 58: For more information	None	✓
103-3	Management methods assessment	Page 58: For more information	None	✓

LIPOR CATEGORY

GRI Standard Content	Description	Page Location Report	Omissions	External Assurance
L2	Innovation scoring result	Page 24: Responsible Management – Economic Resources	None	✓

**GRI 103: MANAGEMENT APPROACH 2016**

GRI Standard Content	Description	Page Location Report	Omissions	External Assurance
103-1	Material Topic and Scope	Page 60: For more information Page 61: For more information	None	✓
103-2	Management approach and respective components	Page 60: For more information Page 61: For more information	None	✓
103-3	Management methods assessment	Page 60: For more information Page 61: For more information	None	✓

LIPOR CATEGORY

GRI Standard Content	Description	Page Location Report	Omissions	External Assurance
L3	Level of Connection to the LIPOR Brand – Opinion Barometer	Page 30: Responsible Management – Economic Resources	None	✓

**GRI 103: MANAGEMENT APPROACH 2016**

GRI Standard Content	Description	Page Location Report	Omissions	External Assurance
103-1	Material Topic and Scope	Page 58: For more information	None	✓
103-2	Management approach and respective components	Page 58: For more information	None	✓
103-3	Management methods assessment	Page 58: For more information	None	✓

LIPOR CATEGORY

GRI Standard Content	Description	Page Location Report	Omissions	External Assurance
L4	Social Accountability Perceived	Page 30: Responsible Management – Economic Resources	None	✓

**GRI 103: MANAGEMENT APPROACH 2016**

GRI Standard Content	Description	Page Location Report	Omissions	External Assurance
103-1	Material Topic and Scope	Page 58: For more information	None	✓
103-2	Management approach and respective components	Page 58: For more information	None	✓
103-3	Management methods assessment	Page 58: For more information	None	✓

LIPOR CATEGORY

GRI Standard Content	Description	Page Location Report	Omissions	External Assurance
L5	No. of approved proposals and preliminary studies/Projects	Page 27: Responsible Management – Economic Resources	None	✓



METHODOLOGICAL NOTES (102-49)



102-8

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 indicator, 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 data were restructured, as we started to use data declared to SPV.

302-1

To calculate this indicator, 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

THE FOLLOWING CONVERSION FACTORS WERE USED:

COAL	GJ	CRUDE OIL	GJ	GASOLINE	GJ	GJ
tonne (metric)	26	barrel	6,22	gallon	0,125	0,0036
ton (short)	23,59	tonne (metric)	44,8	tonne (metric)	44,8	3,6
ton (long)	26,42	ton (short)	40,64	Diesel		3600
		ton (long)	45,52	gallon	0,138	
				tonne (metric)	43,33	
				Fuel Oil		
				gallon	0,144	
				tonne (metric)	40,19	

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 gallon US » 3,78541178 litres.**

305-1, 305-2, 305-3

The methodological notes regarding these indicators can be found on the LIPOR Portal at:

<http://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 the 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. 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.



Independent Limited Assurance Report

** (Free translation from the original in Portuguese)*

To the Board of Directors

Introduction

1 We were engaged by the Board of Directors of Lipor – Serviço Intermunicipalizado de Gestão de Resíduos do Grande Porto (“Lipor” or “Company”) to perform a limited assurance engagement on the sustainability information included in the Sustainability Report 2017, for the year ended in December 31, 2017, prepared by the Company for the purpose of communicating its annual sustainability performance.

Responsibilities

2 It is the responsibility of the Board of Directors to prepare the sustainability information included in the Sustainability Report 2017, in accordance with the sustainability reporting guidelines “Global Reporting Initiative”, GRI Standards version, with the AA1000APS Standard (2008) issued by Accountability, regarding the principles of inclusivity, materiality and responsiveness, and with the instructions and criteria disclosed in the Sustainability Report 2017, as well as for the maintenance of an appropriate internal control system that enables the adequately preparation of the mentioned information.

3 Our responsibility is to issue a limited assurance report, which is professional and independent, based on the procedures performed and specified in the paragraph below.

Scope

4 The work performed was conducted in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised) “Assurance engagements other than audits or reviews of historical financial information”, issued by the International Auditing and Assurance Standards Board of the International Federation of Accountants. This standard requires that we plan and perform the assurance engagement to obtain limited assurance about whether the sustainability information is free from material misstatement.

5 It was also considered the AA1000 Assurance Standard (2008), type 2 engagement, for a moderate level of assurance. Our limited assurance engagement also consisted in carrying out procedures with the objective of obtaining a limited level of assurance as to whether the Company applied, in the sustainability information included in the Sustainability Report 2017, the GRI Standards guidelines, for the option “In accordance – Core”, and the principles defined in the AA1000APS Standard (2008).

6 For this purpose the above mentioned work included:

- (i) Inquiries to management and senior officials responsible for areas under analysis, with the purpose of understanding how the information system is structured and their awareness of issues included in the report;
- (ii) Identification of the existence of internal management procedures leading to the implementation of economic, environmental and social policies;

PricewaterhouseCoopers & Associados - Sociedade de Revisores Oficiais de Contas, Lda.
Sede: Palácio Sottomayor, Rua Sousa Martins, 1 - 3º, 1069-316 Lisboa, Portugal
Receção: Palácio Sottomayor, Avenida Fontes Pereira de Melo, nº16, 1050-121 Lisboa, Portugal
Tel +351 213 599 000, Fax +351 213 599 999, www.pwc.pt
Matriculada na CRC sob o NUPC 506 628 752, Capital Social Euros 314.000
Inscrita na lista das Sociedades de Revisores Oficiais de Contas sob o nº 183 e na CMVM sob o nº 20161485

PricewaterhouseCoopers & Associados - Sociedade de Revisores Oficiais de Contas, Lda, pertence à rede de entidades que são membros da PricewaterhouseCoopers International Limited, cada uma das quais é uma entidade legal autónoma e independente.

- (iii) Testing, on a sampling basis, the efficiency of processes and systems in place for collection, consolidation, validation and reporting of the performance information previously mentioned, through calculations and validation of reported data;
- (iv) Confirmation that operational units follow the instructions on collection, consolidation, validation and reporting of performance information;
- (v) Execution of substantive procedures, on a sampling basis, in order to collect evidence of the reported information;
- (vi) Comparison of financial and economic data included in the sustainability information with the audited by the external auditor, in the scope of the legal review of Lipor's financial statements for the year ended in December 31, 2017;
- (vii) Analysis of the process for defining the materiality of the sustainability issues, based on the materiality principle of GRI Standards, according to methodology described by the Company in the Report;
- (viii) 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 Report and the internal documents of the Company;
- (ix) Verification that the sustainability information included in the Report complies with the requirements of GRI Standards, for the option "In accordance – Core".

7 The procedures performed were more limited than those used in an engagement to obtain reasonable assurance and, therefore, less assurance was obtained than in a reasonable assurance engagement.

8 We believe that the procedures performed provide an acceptable basis for our conclusion.

Quality control and independence

9 We apply the International Standard on Quality Control 1 (ISQC1) and, accordingly, maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

10 We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants and of the ethics code of the Institute of Statutory Auditors.

Conclusion

11 Based on the work performed, nothing has come to our attention that causes us to believe that the sustainability information included in the Sustainability Report 2017, for the year ended in December 31, 2017, was not prepared, in all material respects, in accordance with GRI Standards requirements and with the instructions and criteria disclosed in the Report and that Lipor has not applied, in the sustainability information included in the Sustainability Report 2017, the GRI Standards guidelines and the principles defined in the AA1000APS Standard (2008).

Other matters

12 Without affecting the conclusion above, in paragraph 11, we also present the following aspects regarding Lipor's adherence to the principles of AA1000APS (2008):

- Principle of inclusivity: Lipor reviewed the mapping of the several stakeholder groups (revision of the influence/dependency matrix) and carried out a sustainability consultation process. In addition, Lipor has several periodic and continuous communication/engagement mechanisms with its stakeholders, thus ensuring regular interaction with them. The engagement process supports the definition of Lipor's Sustainability Strategy and includes the mapping, prioritization and review of consultation and engagement mechanisms with stakeholders, conducted on a regular basis and subject to periodic reviews (biennial cycle).
- Principle of materiality: Lipor periodically reviews the materiality of sustainability issues in which focus its management and communication, using objective criteria and processes for the purpose. Lipor carried out in 2016 a stakeholder consultation in order to assess the relevant sustainability issues for them and the results were disclosed to all stakeholders in the Report. The stakeholder consultation allowed Lipor to update its materiality matrix.
- Principle of responsiveness: Lipor seeks to address the information needs and concerns of its stakeholders and define sufficient mechanisms for this purpose. The adoption of international standards and guidelines of reference in its management and reporting of information ensures the comprehensiveness and relevance of sustainability information managed and communicated.

Restriction on use

13 This report is issued solely for information and use of the Board of Directors of the Company for the purpose of communicating its annual sustainability performance in the Sustainability Report 2017, and should not be used for any other purpose. We will not assume any responsibility to third parties other than Lipor by our work and the conclusions expressed in this report, which will be attached to the Company's Sustainability Report 2017

May 28th, 2018

PricewaterhouseCoopers & Associados
- Sociedade de Revisores Oficiais de Contas, Lda.
Represented by:

António Brochado Correia, R.O.C.

*** (This is a translation, not to be signed)**



EDITORIAL NOTE

This Report was drawn up according to the GRI Standards: Core option **(102-54)**.

In this report, the Organisation reports its activities during the year 2017 (1st January 2017 to 31st December 2017) **(102-50)**, and describes its performance regarding its economic, social and environmental resources, in relation to its material topics and in line with the Sustainable Development Goals (SDGs). In addition, it also depicts the strong cooperation between LIPOR and its Stakeholders, based on the Principles of Inclusivity, Materiality and Responsiveness of the AA1000APS (2008) Standard.

LIPOR's Sustainability Report 2017 was duly audited by PricewaterhouseCoopers & Associados – Sociedade de Revisores Oficiais de Contas LDA (102-56), having the Board of Directors received the External Assurance Statement and the AA1000APS Standard Licence, as stated on page 88 of this report.

Since its first edition in 2004, LIPOR has been publishing its reports on an annual basis **(102-51, 102-52)**.

For more information 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**

Apartado 1510

4435-996 Baguim do Monte, Gondomar

(T) +351.22.977 0100

lipor

