





Integrated Report

2020



INTEGRATED REPORT



1	Introduction to LIPOR	5
1.1	> Message from the Chairman	6
1.2	> Report Nature	9
1.3	> An Organisation with History	10
2	Strategic Background	20
2.1	> Business Model	21
2.2	> Corporate Strategy	22
2.3	> External Environment	27
2.4	> Risks and Opportunities	29
3	Stakeholders	31

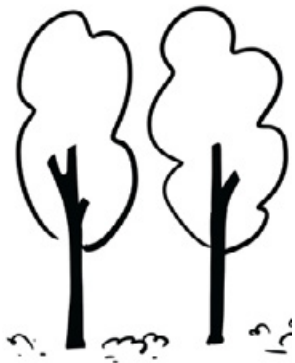


4	LIPOR Doesn't Stop	36
4.1	> Manufactured Capital	37
4.2	> Financial Capital	44
4.3	> Natural Capital	48
4.4	> Human Capital	56
4.5	> Intellectual Capital	69
4.6	> Social and Relationship Capital	74

5	For More Information	80
5.1	> Accountability Documents	81
5.2	> Financial Statements	83
5.3	> Annexes	110
5.4	> Other Documents - LCPA	116
5.5	> Audit Report	119
5.6	> GRI content	123
5.7	> Methodological Notes	142
5.8	> External Assurance Report	144
5.9	> Glossary	148



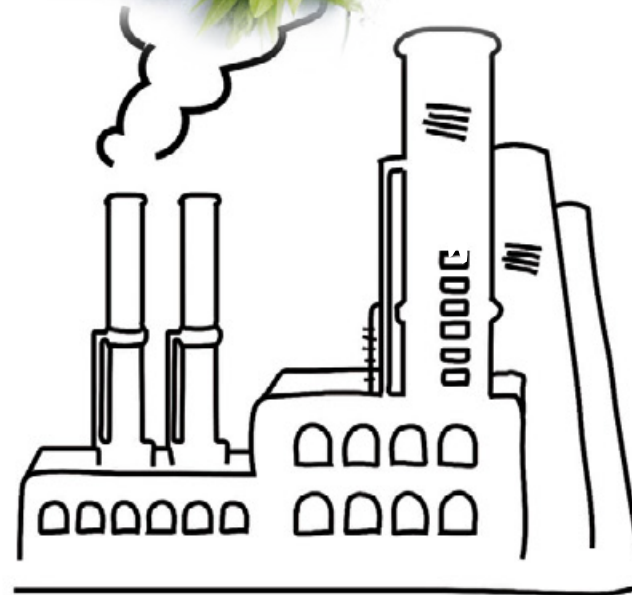
INTRODUCTION TO LIPOR



Introduction
to Lipor



Strategic
Background



Stakeholders

Lipor
Doesn't Stop



For More Information

>1.1 MESSAGE FROM THE CHAIRMAN



If there is one word that should stand out in a document as important as an Integrated Report on LIPOR's activity in 2020, covering Business, economic and financial performance and Environmental, Cultural and Social Responsibility actions, that word is Pandemic.

I believe - and I have been communicating this to the Organisation - that LIPOR's Business, just like that of any other entity or company, must always take into account, study and value elements that Economics and Science textbooks have never dealt with before. The problems of global warming, extreme weather, pollution, and (now) pandemics, but also of reputation, risk and its different areas, of which stand out cybersecurity and the crimes associated, the geopolitics that "create" blocks of countries that easily determine trade barriers, barriers to the free movement of people and goods, the emergence of "populism" that removes from politics and the normal functions of States the operation rules on which our society was founded many centuries ago. This entire unfamiliar context strongly affects the economy, the wealth of countries, employment, the survival of companies and the happiness of people.

What can be done, then, to counteract this phenomenon, which seems catastrophic, but which is our reality today?

We find the antidotes and learn lessons from the recent past, as well as from the rich History of Portugal and of the World, from the thorough observation of today's reality all over the Planet, learning with modern Academia, with Research and Science Centres, promoting permanent Strategic Reflection, listening to Stakeholders, reinventing the Business, stimulating participative management, creating agile Organisations, where autonomy and the responsibility for Human Capital are simultaneously promoted, where Top Management has an increasing preponderance in promoting "commitment", rigour, transparency, ethics, the fight against unlawful practices, the creation of a culture of Excellence that must, by absorption, reach every level of the Organisations.

This was LIPOR's practice in 2020, further reinforced by the learning involved in keeping all the Facilities operational and working 24 hours a day. No less important and in an large number, Senior Staff, complying with the guidelines of the Supervisory

Entities, had to be placed - with safety and motivation - on telework. Everything was fully operational.

It is important to mention, right away, the exceptional initiatives taken:

- > The creation of an internal Task Force in the Legal Department, for the daily monitoring of the countless exceptional legislation and regulations that were produced and for mandatory compliance; this Team published 3 document "compacts" every week for general information, on different internal communication channels;
- > The creation of a technical Task Force, involving the Managers of the Operational Area, Human Resources and Health and Safety, a group which, in coordination with Management and the Board of Directors, led the exceptional operating arrangements of the plants, the "staggered" work shifts, the special and extraordinary schemes for cleaning and disinfection operations, the definition of "quarantine times" for the waste to be processed, the overall monitoring of operational activity, as well as the assessment of Employees' welfare indicators;

- A senior specialist from the International Business Unit was assigned the important task of observing, recording and disseminating, at all levels of the Organisation, the strategies and practices followed, especially in Europe, regarding the global management of waste in an exceptional PANDEMIC situation. In this respect, on a weekly basis, we had detailed knowledge of the best practices developed, the problems faced and the solutions that the Sector was implementing and is still implementing across Europe;
- The drafting of an Information Technology Contingency Plan to ensure that communications and the use of laptops by all Employees working from home are reliable, with perfect security and data protection;
- The development of an External and Internal Communication Plan, to “contact” and provide better information to Citizens and Employees, to control visits and the use of our Facilities, in order to comply with the guidelines from the Supervisory Entities and in close collaboration with LIPOR’s Occupational Health policy.

As LIPOR is certified in different and important Management Systems (Quality, Environment, Social Responsibility, Innovation, Energy and Occupational Health and Safety), it was a major concern to adapt all the procedures and verifications, controls and regular evaluations of the Management Systems, as well as to implement corrective and/or improvement measures, appropriate for the operating conditions of the Company during the pandemic.

We should highlight that important lessons were learnt by the whole team at LIPOR in 2020. These difficult, challenging and uncertain times, which may happen again, helped us to improve our knowledge and performance. As such, I would like to emphasise the following:

- The Board of Directors, even whilst working remotely, were always there to support the Management, and the remaining Team, in the approval of all the Plans and Initiatives that were foreseen in the Provisional Management Instruments, giving continuity to the Objectives of investing in Projects, Studies, construction, reformulation and expansion of our Infrastructures, allowing us to grow in our installed production capacity;
- Even with greater focus on the protection and safety of all Employees, the Board and the Management Team were able to support all internal Work Groups, continuing the different Projects in which we have been involved, namely the Prevention Groups, the Aderir (new strategy for biowaste), the Zero Carbon, which is dedicated to the Company’s decarbonisation aspects, and the Biodiversity Promotion Team;
- Continued interaction between Colleagues responsible for participation in International Organisations and the work of those Organisations was encouraged;
- The certainty and importance of the debate and study regarding LIPOR’s “change of the business

model” continued in 2020, perhaps even achieving greater visibility; in this regard, the work of the UIDI - Research, Development and Innovation Unit, is fundamental. The collaboration between this Unit and the different Departments and Divisions is growingly more timely, so 2021 is a year of great expectation as to the results of all this work.

In this introduction, it is also important to mention that LIPOR is very dedicated to and respectful of the teachings taken from the Main Charters of Principles, Voluntary Declarations, as well from the alignment that we intend our Corporate Strategy and our Projects to have with the SDGs, Sustainable Development Goals. Therefore, we do not approve or divulge any position or statement without displaying the determination to be faithful to such Documents in the act in which, on behalf of LIPOR, I sign such commitments or publicly present them.

I would like to dedicate a few final words to the Human Capital that serves LIPOR. We have a remarkable Team, with skills, abilities and high level qualifications, and who seek for continuous improvement.

The Board of Directors that I lead will do everything to retain the Talent that we have, and even to increase the number and quality of the specialists who, in different areas, will always be necessary for the Creation of Value, the improvement of the Business, the fulfilment of our Mission (**to transform waste into new resources through the implementation of innovative and circular practices, generating and sharing value**), and the materialisation of our Vision

(we want to participate in the global market and set trends for a sustainable future).

I would quote the Chinese philosopher Confucius to express our ambition as an Organisation for the coming years: "If you want to know the PAST, examine the PRESENT, which is its result; if you want to know the FUTURE, examine the PRESENT, which is its cause." (102-14)



Aires Pereira
Chairman of LIPOR's Board of Directors



>1.2 REPORT NATURE

For the second consecutive year, LIPOR is publishing an Integrated Report, covering the 2020 calendar year (1 January to 31 December 2020) (102-50).

This Report consolidates and adjusts to new trends, following 17 consecutive years of Annual Reports on Sustainability & Accounts (102-51, 102-52).

As part of our Commitment to Transparency, we have prepared this document which includes financial and non-financial information, as the fundamental element of the annual public reporting of LIPOR's activity, especially addressed to all our Stakeholders, promoting their involvement and commitment.

The 2020 Integrated Report presents the Strategy, the Business Model, the evolution of results in terms of Financial, Industrial, Natural, Human, Intellectual and Social and Relational Capitals, as well as the main risks and uncertainties that the Organisation is facing. It also presents information on Governance, Financial Statements and the Performance of the key Sustainability dimensions.






The Report is aligned with the best reporting practices, namely the guidelines of the International *Integrated Reporting Council* (IIRC) and, as far as Sustainability is concerned, the guidelines issued by the *Global Reporting Initiative* - GRI Sustainability Reporting Standards, the international standard on sustainability reporting. This Report was prepared in accordance with the GRI Standards: Essential option (102-54). Information regarding the GRI contents can be found in the Table on page 124 of this Report.

The Financial Statements were drawn up according to the International Financial Reporting Standards (IFRS), as implemented in the European Union.

In order to ensure data reliability and veracity, information regarding sustainability reported in LIPOR's Integrated Report 2020 was properly subjected to independent external assurance for a limited assurance level of reliability by Ernst & Young Audit & Associados - SROC S.A. (102-56), having the Board of Directors received the External Assurance Statement and the AA1000AS Standard Licence as stated on page 145 of this report.

The 2020 Integrated Report is only available in digital format.

The document and its annexes are written according to the new Portuguese spelling agreement and are available in Portuguese and English.

Because your opinion matters to us,
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Follow us on:
    
Published in June 2021



>1.3 AN ORGANISATION WITH HISTORY

The history of **LIPOR - Serviço Intermunicipalizado de Gestão de Resíduos do Grande Porto** (102-1) began in 1982, when it was founded as a Municipalities Association.

We currently manage, recover and treat municipal waste produced in our geographic area of operation. At the same time, we continue to promote good practices, accompanied by public awareness campaigns.

LIPOR's area of intervention comprises (102-4, 102-6):



	WE SERVE	WE TREAT
		
Region	8 Associated Municipalities (Espinho, Gondomar, Maia, Matosinhos, Porto, Póvoa de Varzim, Valongo and Vila do Conde) Total area: 646 km²	500.000 t Municipal Waste
Country	1% Geographic area	10% Population
		12% Municipal Waste Generated

> CULTURE, ETHICS AND VALUES OF THE ORGANISATION



PURPOSE
We build a better world every day.



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



MISSION
To transform waste into new resources through the implementation of innovative, circular practices, generating and sharing value.



VALUES
We are ambitious and passionate.
We are creative and think positive.
We are responsible and rigorous.
We are ethical and a TEAM.



POLICY
Lipor defined, as part of its Sustainable Management Strategy, its policy for Quality, Environment, Energy, Health and Safety, Social Responsibility and Innovation.

> CODE OF ETHICS AND CONDUCT

LIPOR's Code of Ethics and Conduct is a key component to ensure the internalisation of the Organisation's Culture and Values. Hence, it is a fundamental instrument for the consolidation and preservation of LIPOR's Culture, guiding the conduct of the Employees and of the Organisation, in order to meet the specific demands faced by LIPOR as a public entity.

The performance of public service implies a responsibility and a duty of loyalty towards the Organisation and a duty of respect for the legitimate and legally protected rights and interests of all Stakeholders.

In order to create a set of standards that systematises the provisions governing the actions of the members of LIPOR's Bodies and its Employees, in 2020 we revised and updated our Code of Ethics and Conduct.

- We want to be increasingly rigorous in carrying out our activity.
- We want to honour our commitments.
- We want to fulfil our duty,
- We want to act so as to maintain and improve our reputation and integrity.

The new Code of Ethics and Conduct thus reflects values and principles in the sole intention of better serving the public interest and the Citizens of the Region. It translates ethically responsible behaviour, in compliance with the law and guided by the sense of social accountability and public service that we assume in the relationship with our stakeholders and with third parties, because:

“We always want to raise more and greater confidence in all those who interact with us, namely the population we serve!”



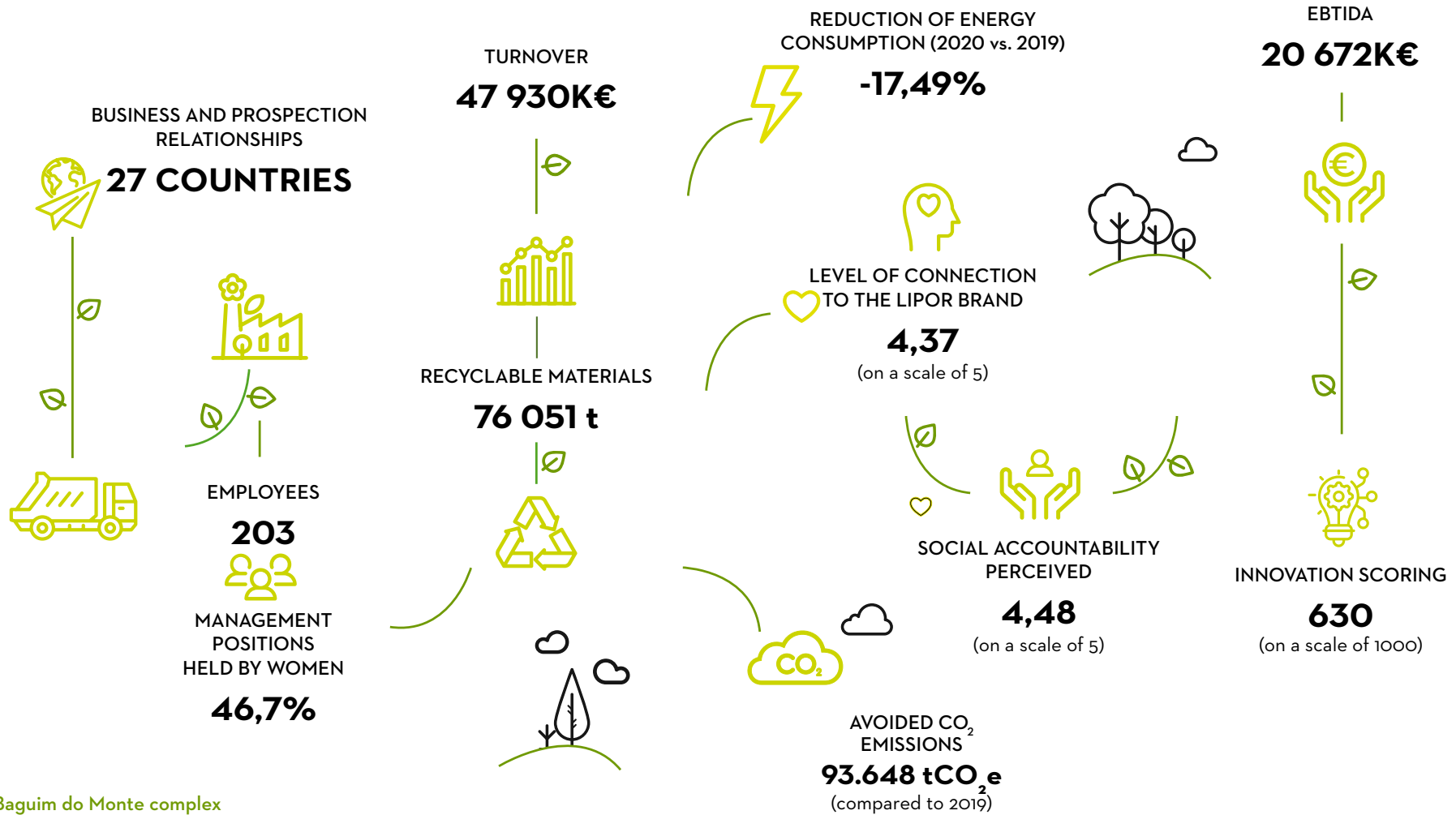
AWARDS AND EXTERNAL RECOGNITION



In 2020 our performance received the following Awards and Recognitions, encouraging us to continue working towards an increasingly sustainable future.

- Zero Desperdício Project, implemented in partnership with LIPOR, won the 1st Prize in the category “Support for the development of ecological markets and the efficiency of resources”, of IAPMEI’s European Enterprise Promotion Awards 2020.
- LIPOR’s Sustainability Agenda was distinguished by the Portuguese Association for Business Ethics, within the scope of the 6th Edition of the Recognition of Social Responsibility and Sustainability Practices.
- WASH, a product made with Incineration Slag developed by LIPOR’s Research, Development and Innovation Unit, in partnership with Givaware, won the European Red Dot Design Award.
- CREW Project won an Award promoted by iFixit, International Repair Platform, with the Repair Café.

> LIPOR IN FIGURES (102-7, L3, L4): 2020 HIGHLIGHTS



> LIPOR'S PROFILE

Over almost four decades of activity, LIPOR has developed an Integrated Waste Management System, always in line with the most modern policies, guidelines and trends in this field. This System translates into LIPOR's current Circular Management Model, which favours Prevention and the reintroduction of waste as a resource in the Value Chain.

During the period of this Report, LIPOR, with registered office in Baguim do Monte, Municipality of Gondomar, has the following Operational Units, Support Infrastructures and other facilities.



Moreira da Maia complex



Baguim do Monte/Ermesinde complex



Ermesinde





Baguim do Monte/Ermesinde complex

We close the Resources Cycles! The following Operational Units are located at the Baguim do Monte/Ermesinde complex:

Sorting Plant: Carries out the complementary sorting of materials from the different multimaterial selective collection circuits so that they can be forwarded for recycling. In operation since 2005, it occupies a 4,000 m2 covered area and is complemented by Sorting platforms. It has an installed treatment capacity of about 50,000 tonnes/year.

Composting Plant: Receives biowaste (food and green waste) from selective collection circuits. Through the tunnel composting process, biowaste is converted into a high quality organic fertiliser, Nutrimais®. In operation since 2005, the plant has the capacity to recover around 60,000 tonnes/per year. It is complemented by two support facilities, the **Green Park** where all green waste (grass, prunings, branches, etc.) is sent to and preselected, and the **Sorting Plant for Green Cemetery Waste** where green waste collected from cemeteries is sorted.

This complex has **Infrastructures to support Education and Awareness for Sustainability** and promote our **Community Involvement**, including the **Horta da Formiga - Home Composting Demonstration Centre**, the **new Reuse and Recovery Centre**, located in the **Formiga Ecocentre**, and the **Adventure Park and Eco-Trail**.

In this same Complex there is a **Biogas Energy Recovery Plant**, operating since 2008 and which produces around 1,700 MWh of electricity per year, as well as the **Photovoltaic Plants**, one of which operating since 2013, composed of 1,200 photovoltaic panels that enable the use of areas of the Adventure Park with limited access for recreational use by the Community, producing, on average, about 325 MWh of electricity per year. The other Plant is located on the rooftop of the Composting Plant and started operating in 2020, producing 135,087 kWh of electricity until the end of the year.

We produce and invest in Sustainable Energies!





Moreira da Maia complex

The Moreira da Maia Complex includes the Energy Recovery Plant and support infrastructures, namely the Landfill and the Waste Water Treatment Plant, constituting the Lipor II Complex.

Energy Recovery Plant: in operation since 2000, has an installed capacity of 380,000 tonnes/year. It receives the waste materials that cannot be used for composting and recycling processes and through a controlled burning process produces around 170,000 MWh of electrical energy per year, of which around 90% is injected into the national electricity grid.

The **Landfill** located next to the Plant is intended for waste that has no other type of recovery, complementing the system.

https://www.lipor.pt/fotos/editor2/PORTAL_2020/VALORIZAR/UNIDADES/monitorizacao_liporii_portal_2020.pdf

We value Health and Quality of Life

The Composting Plant is subject to rigorous **Environmental Monitoring** which ensures the complete treatment of odours, the reuse of liquid effluents and the minimisation of noise and vibrations, reducing its external impact. Likewise, the **Energy Recovery Plant** has an **External Monitoring Programme (PMExt)** which allows for the evaluation and monitoring of the effects of the LIPOR II complex on the surrounding environment, encompassing a wide range of environmental descriptors: air, water resources, terrestrial and aquatic biota, noise and also the population's psychosocial and public health aspects.



Ermesinde

LIPOR Academy: In operation since 2015, it is a Training Entity certified by CEFA - Fundação para os Estudos e Formação Autárquica (Foundation for Municipal Studies and Training). LIPOR Academy's training is certified by DGERT - Directorate-General for Employment and Labour Relations, and by FEFAL - Foundation for Studies and Training in Local Municipalities. LIPOR is also a promotion entity accredited by the Engineers Association.

It aims to develop and improve skills through training and qualification, thus stimulating a deeper knowledge of the Sector.



> IN 2020 WE CELEBRATE EXCELLENCE, LOOKING TOWARDS THE FUTURE!

FEBRUARY



We inaugurated a new **Photovoltaic Park**

Intended for the production of electricity for self-consumption at the Composting Plant facilities, this second Photovoltaic Park installed at LIPOR, has 2,200 high performance panels, occupies an area of about 5,400 m² and has an installed power of 748 kWp.

We want to continue to take important steps towards national Carbon Neutrality!



Introduction to Lipor

MARCH



We celebrate **20 years of the Energy Recovery Plant, 20 years producing Energy**

An example of LIPOR's leadership attitude, after 20 years, the Energy Recovery Plant has **7,700,000 tonnes of waste recovered, 3725 GWh of Energy Produced** (self-consumption of 12.7%), **111.25 thousand tonnes of scrap recovered** and **1.5 million tonnes of Co₂ eq emissions avoided**.

We want to continue to maximise the potential of waste!



Strategic Background

Stakeholders

MAY



We celebrate **10 years of the Adventure Park**

From Landfill to LIPOR Adventure Park.

Over the 10 years that the Adventure Park has been open to the Community, it has welcomed **374,393** visitors and hosted **3,607** activities on environmental awareness and training, leisure and sports activities.

We want to remain open to the Community and promote the knowledge and preservation of Biodiversity!



Lipor Doesn't Stop

For More Information

MAY ✓



We celebrate **21 years of Recycling**

The pioneering and innovative commitment of LIPOR and its Associated Municipalities to Recycling over the last 21 years has enabled the recovery of **657,947 tonnes of materials** (Plastic and Metal, Paper and Cardboard and Glass Packaging received at LIPOR's Sorting Plant and Platforms), corresponding to **460,000 tonnes of CO₂ eq emissions avoided**.

We want to continue to enable Citizens to participate more and more easily in Recycling!

SEPTEMBER ✓



We celebrate **15 years of Improving Soil**

The differentiating project of the Composting Plant, implemented by LIPOR and its Associated Municipalities, throughout its 15 years, enabled the recovery of over **640,000 tonnes of selectively collected food and green waste**, to produce **132,753 tonnes of Nutrimais®**, corresponding to **50,064 tonnes of CO₂ eq emissions avoided**.

We want to continue to promote Biowaste Circularity and contribute to the enrichment of Soil!

NOVEMBER ✓



We celebrate **38 years building a better world**

We have developed an Intermunicipal Project, today recognised national and internationally as a Project of Excellence. Excellence, which we celebrate in 2020 and which is a source of pride for us and gives us confidence in the future!

We want to continue to set trends in sustainable waste management in Portugal and to positively influence Citizens' behaviour!



Introduction
to Lipor



Strategic
Background



Stakeholders



Lipor
Doesn't Stop



For More Information






>2 STRATEGIC BACKGROUND



>2.1 BUSINESS MODEL



HOW WE CREATE VALUE FOR THE COMMUNITY

CAPITALS	INPUT	BUSINESS MODEL	OUTPUT	SDGS	MATERIAL TOPIC
MANUFACTURED CAPITAL	Waste reception and waste management and recovery operations are ensured by the operational units (Sorting Plant, Composting Plant, Energy Recovery Plant) and the support and logistics infrastructures.	 Always working with the purpose of maintaining the Organisation's financial balance , and never forgetting LIPOR's responsibility towards the Community and its Employees  Protecting the environment , by investing in cleaner processes and technologies and environmental rehabilitation projects, and encouraging people to adopt an environmentally friendly behaviour  Providing ideal conditions for Employee professional and personal development & Contributing to Community development , by promoting cultural and educational activities, and supporting social initiatives.  Promoting the Organisation's growth and development, while creating intrinsic value for Stakeholders 	LIPOR PRODUCTS: Nutrimais®: 10.758 tons Recyclable Waste: 76.051 tons 199.236 MWh Energy	2 12	Transforming waste into new resources through circularity Product and Service Quality and Reliability Risk Management
FINANCIAL CAPITAL	The business requires financial capital, namely financial assets, subsidies and loans.		20.671.592,53€ EBITDA 47.929.881,90 € Turnover	8	Financial Balance of the Organisation Involvement with Suppliers
NATURAL CAPITAL	Managing waste as a resource is LIPOR's main premise, which is line with sustainable resource management, namely relating to raw materials, carbon and energy, biodiversity and soils.		23% GEE Reduction 0,057 GJ/ton Energy Intensity 33 ha of Preserved Native Forest	6 7 13 15	Climate Change Biodiversity
HUMAN CAPITAL	Employees reinforce business commitments and ideals. Professional and personal development and training programmes are developed to boost competences, qualification and know-how.		46,7% of management positions are held by women 7,89% absenteeism rate 0,001% occupational disease rate 43,9 training hours/employee	8	Development and Well-being (of Employees) Attracting and Retaining Talent Ethics and Integrity
INTELLECTUAL CAPITAL	Brand management promotes the credibility and external visibility of the organisational strategy. Promotion of an innovation culture, consolidating it in LIPOR's core activity.		630 innovation scoring (on a scale of 1000) 5 Approved Internacional Proposals 1 Registered Brand	9	Incentive for new Businesses and Opportunities
SOCIAL AND RELATIONSHIP CAPITAL	Stakeholder engagement and the well-being of the Communities we are part of are at the core of our identity.		1.936.050,88€ community investment 303.094 digitally aware citizens 1.077.264 LIPOR's reach on Facebook	4 11 17	Communication, Environmental Education and Training Brand and Reputation Management Impact on the Community

>2.2 CORPORATE STRATEGY



GOVERNANCE

Since 1982, when five of our Associated Municipalities got together and we became an Association, we have approached our projects with the know-how that comes with our experience in the waste sector. Three years later, in 1985, it was time for Matosinhos and Vila do Conde to join LIPOR, as did Póvoa de Varzim in 1999, motivated by our mission, to join and contribute so that together we can continue investing in our journey.

As an Association of Municipalities, LIPOR has specific Management and Governance models, which are different from the most common governance models. Our Governance structure is centred on the Board of Directors and on the Intermunicipal Assembly (102-5). While the Intermunicipal Assembly is LIPOR's deliberative body, the Board of Directors is the executive body. Comprising Directors who represent the Associated Municipalities (Mayors or City Councilmen), the Board of Directors meets regularly (every two weeks) and takes part in the Organisation's decisions, which are usually unanimous (102-23). LIPOR's Management comprises the following members (102-18); (405-1):

CONSTITUTION OF LIPOR'S MANAGEMENT IN 2020



GENDER COMPOSITION OF MANAGEMENT	MALE	FEMALE	TOTAL
INTERMUNICIPAL ASSEMBLY	17	7	24
BOARD OF DIRECTORS	6	2	8

On a proposal from the Board of Directors, the Intermunicipal Assembly appoints the Chief Executive Officer, who is in charge of the professional executive management of the Association, supported by the heads of the various Organisational Units (102-20).

THIS IS THE TEAM THAT TOGETHER WITH THEIR PEOPLE MAKES EVERYTHING HAPPEN: Fernando Leite, Isabel Nogueira, José Luís Marques, Mónica Monteiro, Paula Mendes



FERNANDO LEITE

Managing Director of LIPOR since 1999.

Represents the following positions: Member of the Board of Directors of MAI AMBIENTE, Empresa Municipal de Ambiente do Município da Maia; Member of the Board of AVALER, Associação de Entidades de Valorização Energética de Resíduos Sólidos Urbanos; Member of the Board of ACR+, European Association for Recycling; and representative of AVALER at CEWEP, Confederation of European Waste-to-Energy Plants.



ISABEL NOGUEIRA

Started working at LIPOR on 2 December 1999. She is the Director of the Operations and Logistics Department (DOL) with the duties of coordinating the activities of the Department 3 Divisions: Operations Division, of the Logistics and Infrastructures Division and of the Operational Project Implementation Support Division.

As Director of the DOL she has the functions of promoting improvement actions in the functioning of these areas and ensuring the smooth running of the services provided, also ensuring effective coordination within the Department and with the other Organisational Units. Has also the function of ensuring the correct execution of the duties assigned to the Divisions under her responsibility. The Department has also a support area related to Waste Management and Safety and Hygiene at Work Services, in which she is responsible for identifying and promoting the implementation of practices and procedures that contribute to improving the performance of these Systems.

The Operations and Logistics Department is responsible for ensuring proper treatment of the waste that reaches us, guaranteeing circular management, optimising processes and implementing projects that enhance the creation and sharing of value.



JOSÉ LUÍS MARQUES

Joined LIPOR on 1 March 2000. He is the Director of the Legal and Audit Department (DJA).

As Director of DJA he has the duties of drafting and submitting to superior approval, instructions, letters, standards and regulations, which are necessary for the correct exercise of its activity, as well as proposing policy measures appropriate to each Department. Collaborates in the preparation of the various Planning, Programming and Control Instruments of the Association's activity and provides legal support to the Association's Bodies, the Chief Executive Officer and the various Organisational Units. Also carries out any other tasks assigned by Regulation, decisions of the Bodies, orders of the President of the Association or decision of the Chief Executive Officer. Belongs to the CCD (cultural and sports centre) of LIPOR Workers and is a member of the governing bodies of Semente - Volunteers Association.

The DJA is important for the Organisation, considering the legal requirements and standards applicable to a public entity such as LIPOR. The DJA is also responsible for ensuring internal audit mechanisms, in order to verify that all procedures are being carried out in accordance with the regulations in force.



MÓNICA MONTEIRO

Joined LIPOR in 2002. She is the Director of the Planning, Management and Information Systems Department (DPGSI).

In 1992 she joined Sonae, as a commercial technician, where she remained until 2001, at the time working as a Senior Audit Technician. As leader of DPGSI her role is to ensure that the team has all the conditions to develop and grow towards autonomy. She is also the coordinator of a publishing project related to the theme of entrepreneurship and sharing of good practices in business management. She is a guest lecturer in business strategy at Universidade Portucalense.

The DPGSI integrates the Supply and Accounting Division, Management and Information Systems Division and the Human Resources Division. It is a back office department, i.e., it is a department where all LIPOR's business activity support processes are concentrated. She believes that we should be a driver for innovation in our area of work, bringing in best practices, improving our processes and, above all, always keeping our internal customers at the centre of our work. Only by guaranteeing the level of service to our internal customers can Lipor ensure the satisfaction of the community and of the Associated Municipalities.



PAULA MENDES

Joined LIPOR in 1997. She is the Director of the Department of Education, Communication and Marketing (DECM) in charge of coordinating the activities of the Environmental Education and Training Unit and of the Communication, Sustainability and Marketing Unit.

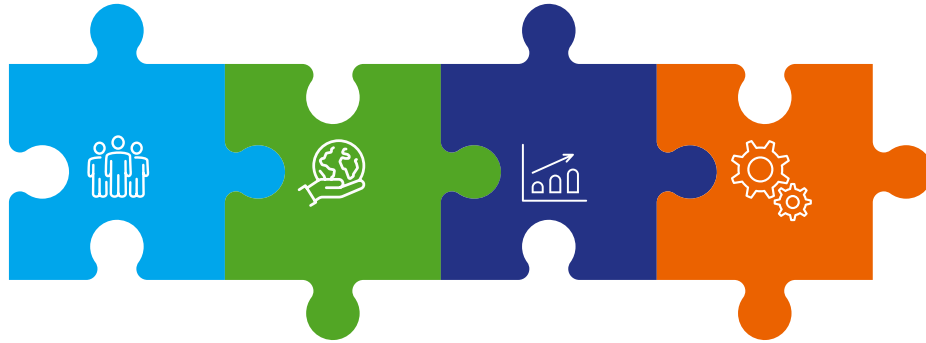
The DECM is responsible for promoting integrated and creative solutions for sustainability, communication, education and environmental training from a shared value and change perspective, thus responding to LIPOR's strategic challenges. To boost LIPOR's development in line with our Stakeholders' expectations through a stronger relationship and a critical and participatory conversation. I advocate a holistic and systemic vision of Sustainability in the Organisation.

Participates in several national and European projects and working groups, defining strategies for waste management, Brand management, Communication, Environmental Marketing, Sustainability and stakeholders' involvement.

The DECM Team is aware of its role and has the necessary ambition to, day after day, think and rethink the work developed, in a critical, challenging and innovative way, generating knowledge, raising awareness, promoting visibility and adding value to the Organisation, "We build a better world, every day".



Bearing in mind the high variability of the current contexts, we have undertaken resilience strategies in order to endure the situation, but above all, to guarantee the same levels of EXCELLENCE.



WE ARE PEOPLE

Providing our **employees** with the ideal conditions for their professional and personal development & Contributing to **community development**, by promoting cultural and educational activities, and supporting social initiatives.

WE ARE PLANET

Protecting the environment, by investing in cleaner processes and technologies and environmental rehabilitation projects, and encouraging people to adopt an environmentally friendly behaviour.

WE ARE PROSPERITY

Always working with the purpose of maintaining the Organisation's **financial balance**, never forgetting LIPOR's responsibility towards the Community and its Employees.

WE ARE PARTNERSHIPS

Promoting the organization's growth and development, while creating **intrinsic value** for stakeholders.

The messages of encouragement sent by email from the Managing Director have been of enormous importance for all Employees, during this lockdown period. They are later disseminated on LIPOR's internal communication channels, promoting self-confidence, team spirit, and the creation of bonds and proximity among the whole LIPOR Team. We are LIPOR, because we are People.

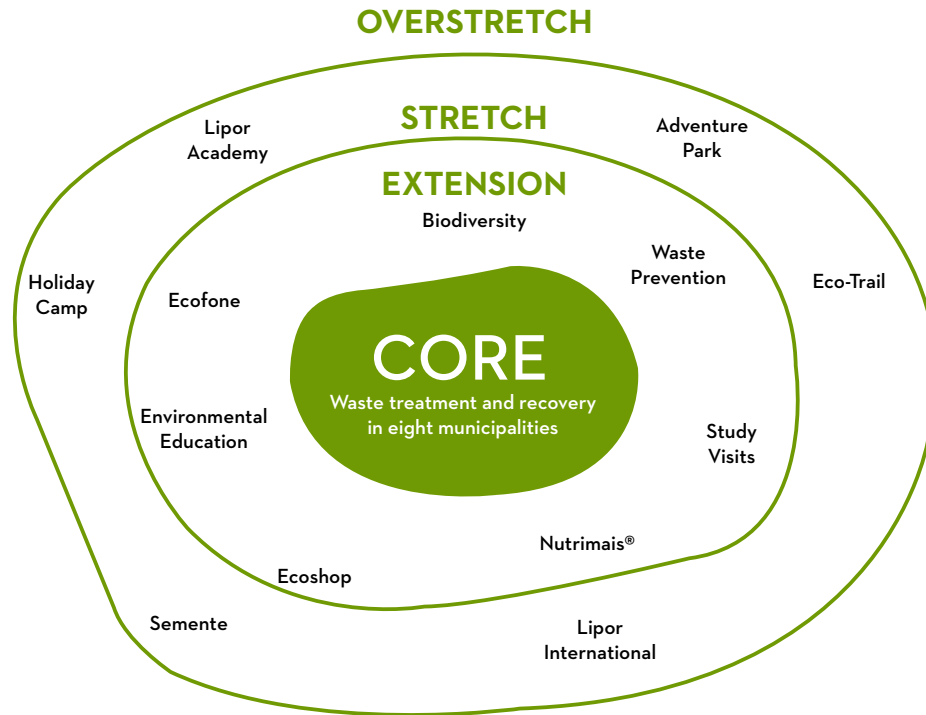
BUSINESS

The year 2020 put sudden brakes on the normal dynamics of society as we knew it. The world dove into an unprecedented crisis and priorities changed. Controlling and limiting the spread of the virus, providing relief to vulnerable populations and overcoming challenges related to vaccine availability were, and still are, key immediate priorities. Another aspect that this pandemic crisis highlighted was global economic interdependence, and only global cooperation will enable us to overcome challenges.

Although the global recession has been less severe than initially predicted, what lies ahead in 2021 remains completely unknown. The projections for the European economy are particularly difficult and the Portuguese economy, strongly anchored in tourism, will still have a long way to go before recovery.

Despite this complex framework, LIPOR has always maintained its activity by adjusting its processes to the context. The existence of strategic guidelines for the development of the business and the clear vision for the Organisation, both perfectly defined by the Board of Directors, have guided the management team in their decision-making process at the most difficult moments.

While always guaranteeing the health and safety of our employees and of the populations we serve, we continue to develop the different services and projects in our portfolio of activities, which has been growing naturally, constantly reinforcing our strategic positioning.



Since LIPOR adopted the concept of Sustainability as the anchor of its business strategy since 2005, we always seek to improve our performance, maximise the impact of our work and expand our activities, because we firmly believe that this is how we create VALUE.

In our Sustainability Agenda, we reflect our dynamics and express the response to major challenges for our business. And Sustainability has never been more present on the agenda, as a result of the context we are all experiencing today, aggravated by the pandemic.

In a sustainability principle, the balance between economic, social and environmental performance is the basis of the Organisation's success. We can say that, despite all the constraints, 2020 was a positive year for LIPOR.

Once again, in a completely atypical context, we managed, as an organisation, to achieve our objectives and meet our targets. With the support of our Associated Municipalities, it was possible to maintain the overall level of activity in terms of the amount of waste treated, highlighting that the selective collection target, as well as the target of preparation for reuse and recycling, were both met.

The achievement of these targets is also particularly important, as it is the result of the heavy investment that LIPOR and its municipalities, with the support of EU funds, have been making since 2016.

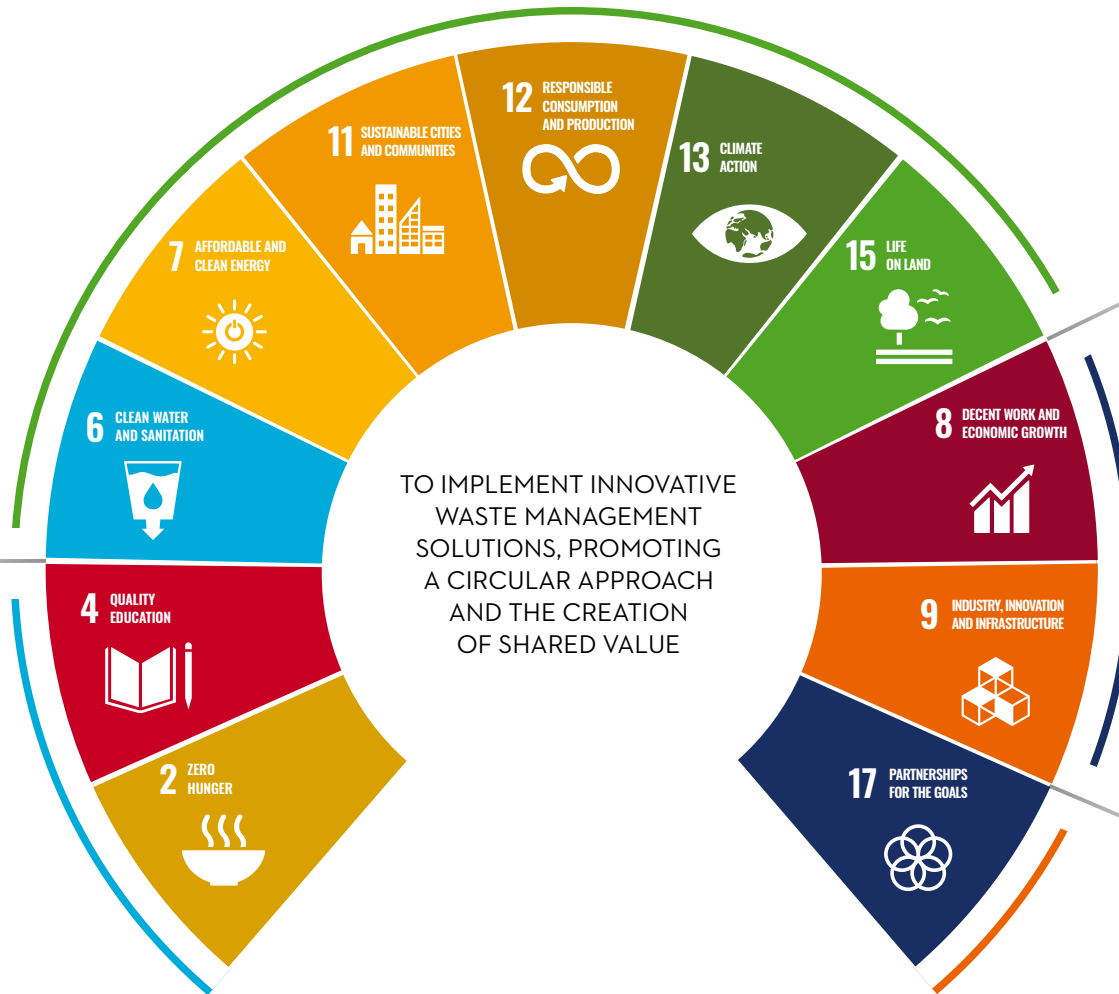
In the environmental pillar, the performance was also positive. We recorded, as intended, a reduction in our carbon footprint, and ensured a positive impact of our activity in terms of biodiversity.

In the social sphere, LIPOR continues to record high levels of notoriety and to be identified as a socially responsible brand, which reflects all the work done in favour of the Community we serve through its multiple initiatives and projects. Also at an internal level, we should mention all the effort put into the personal and professional development of our employees. 2020 was a year of significant investment in the acquisition of new skills, facilitated by new technologies.

The economic and financial balance is a constant strategic principle of the Association. We cannot forget that it is only by generating financial results that we can continue to invest in the business, in the sustainability of the Organisation and in the community we serve. It is therefore important to emphasise that we once again recorded positive net financial results. These results will be reinvested in more innovation, more skills and better working conditions.

Experts tell us about the Decade of Action! We have the next 10 years to reprioritise and reform the systems. At LIPOR we join this movement of the United Nations' 2030 Agenda, to Transform Our World in this Decade of Action. For a more inclusive, cohesive and sustainable future, we lay the foundations for the fundamental premises of our action, valuing PEOPLE, favouring the PLANET, projecting PROSPERITY and creating value through PARTNERSHIPS, in the operationalisation of our Sustainability Agenda.

LIPOR'S SUSTAINABILITY AGENDA



PEOPLE

- Attracting and Retaining Talent
- Communication, Environmental Education and Training
- Development and Well-being (of Employees)
- Ethics and Integrity

PLANET

- Climate Change
- Biodiversity
- Transforming waste into new resources through circularity

PROSPERITY

- Involvement with suppliers
- Financial Balance of the Organisation
- Incentive for new Businesses and Opportunities
- Brand and Reputation Management
- Risk Management
- Product and Service Quality and Reliability

PARTNERSHIPS

- Impact on the Community

We will continue to embrace great challenges, undertake important projects, break paradigms, set trends and... make History!

>2.3 EXTERNAL ENVIRONMENT



Pandemic Crisis

Today we are experiencing a crisis, resulting from the pandemic caused by COVID-19, which profoundly questions the way we live and how we organise ourselves as a Society. One by one, all sectors of activity are being led to reinvent themselves and those who work in them are called upon to give the best of themselves so that, as a Community, we can overcome this crisis. The waste management sector is no exception. On the contrary, it is at the forefront of supporting the fight against this virus. We carefully follow the recommendations of the national authorities for the good and adequate management of waste, in order to comply with their determinations. Waste collection was guaranteed, the cleaning of equipment was reinforced and the fundamental recovery and treatment infrastructures were kept in operation, to ensure the proper disposal of waste and safeguard public health. At the same time, the health and safety conditions of all workers in the sector and their jobs were maintained and strengthened. Citizens can and should continue to separate their food and recyclable waste (packaging, paper/cardboard and glass) and take

it to the recycling points or door-to-door collection and, above all, they should adequately store their waste, recyclable or not, in well-sealed bags and deposit them in the respective containers. As always, in these circumstances, citizens collaboration is indispensable.

Climate Change

In addition to this harsh reality, we continue to face a climate crisis, which experts say is a climate emergency, we will continue to witness the decline of land and ocean ecosystems, social inequalities will continue to widen and economic instability will worsen.

European and National Policies

While European environment and climate policies have contributed to improving the environment in recent decades, according to the European Environment - state and outlook 2020 report, published by the European Environment Agency, Europe is not making enough progress and the outlook for the environment in the next decade is

not positive, therefore there is an urgent need for change.

Aware of this complex and extremely demanding context, we follow the main policies, with emphasis on “The New Green Deal”, the European Green Deal, which presents the fundamental foundations, both in terms of ambition and coverage (of important sectors), as a positive and necessary step to help redefine our world. Sustainable Financing is a central issue on the international agenda, and one that we count on at LIPOR to support our investment needs and achieve our goals.

Despite the evolution felt in the municipal waste sector in Portugal, progress has not been sufficient to accompany the European Union Policies and to comply with the New Legal Framework for Waste Management:

> the rate of waste disposal in landfills is still very high and must be reduced, since by 2035 there is a maximum limit for the disposal of municipal waste in landfills of 10% of the total amount of municipal waste produced; ;

- the selective collection of biowaste (food waste and green waste) within national territory must increase, as by 31 December 2023 biowaste must be separated and recycled at source, or collected selectively;
- planning is required for the collection of textile waste, as by 1 January 2025, Member States must establish separate collection of textiles, as well as for hazardous household waste, as by 1 January 2025, Member States must establish separate collection of hazardous waste fractions generated by households;
- The European Plastics Strategy sets the goal of ensuring that, by 2030, all plastic packaging on the EU market is reusable or easily recyclable.

In view of this reality, LIPOR has been anticipating in order to comply with the legal requirements:

- In 2006 we started our Waste Production Prevention strategy, to reduce the amount of waste we produce at source;
- We started marketing our 100% natural organic compost, Nutrimais®, in 2006;
- We implemented a Circular Business Model, associated with an integrated waste management system;
- We got engaged in strategies to promote Industrial Symbiosis;
- We developed voluntary commitments to fight climate change and promote biodiversity;
- **We rethought the business model for a transition from waste manager to product producer.**

Legal change in the sector

In 2020, during the pandemic, new costs were imposed on LIPOR by Government decision-makers, at a time when we are facing a pandemic and there has been an enormous rise in the costs incurred with the normal activity of waste collection and treatment. These decisions concern:

- (1) the obligation to pay an Extraordinary Contribution of the Energy Sector (CESE), even though LIPOR's activity is waste treatment (Environment) and not electricity production (Energy);
- (2) the sanction, as of 2022, on the sale price of electricity, which will mean that in 2025 electricity will be sold by LIPOR at market value, which will result in a loss of revenue of around 21 million euros for that period;
- (3) the doubling of the Waste Management Fee, which will imply an increase in costs of around 23 million euros over 5 years (2021/2025).

Faced with a scenario of uncertainty, arising from a government position that puts our future and the general viability of Waste Management Systems in Portugal at risk, we must be resilient and continue to reinvent ourselves.

To reinvent ourselves, we have developed a strong component of cooperation and involvement with National and International Entities and Institutions (102-13):



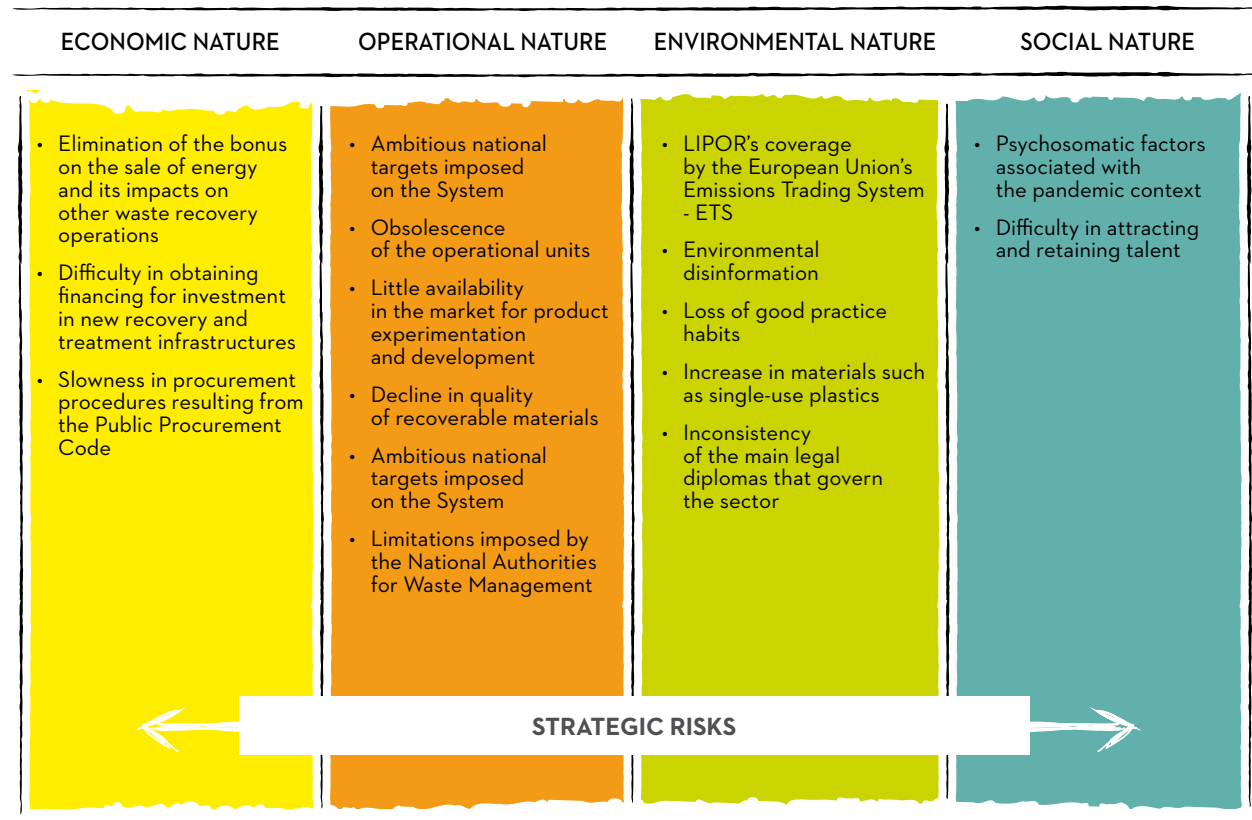
>2.4 RISKS AND OPPORTUNITIES



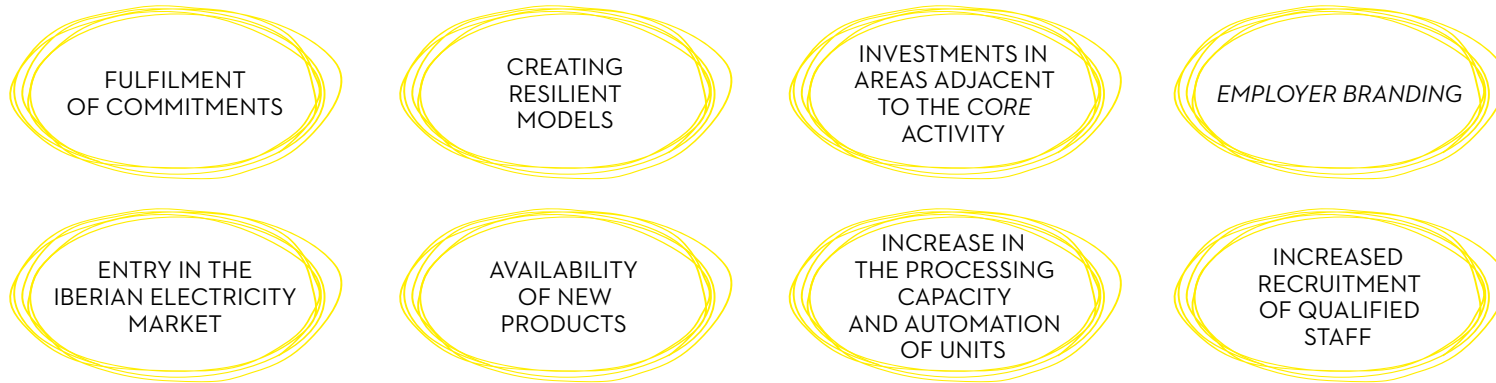
The events that characterised the year 2020, which were unlikely but had an extremely strong impact as that of the pandemic crisis, highlight the importance of addressing the issues that could make businesses vulnerable.

At LIPOR, the identification and management of risks is essential for us to be able to plan, think, anticipate, assess and prioritise our actions. It is also an important tool to reduce the impact of unforeseen events that may affect us (102-15).

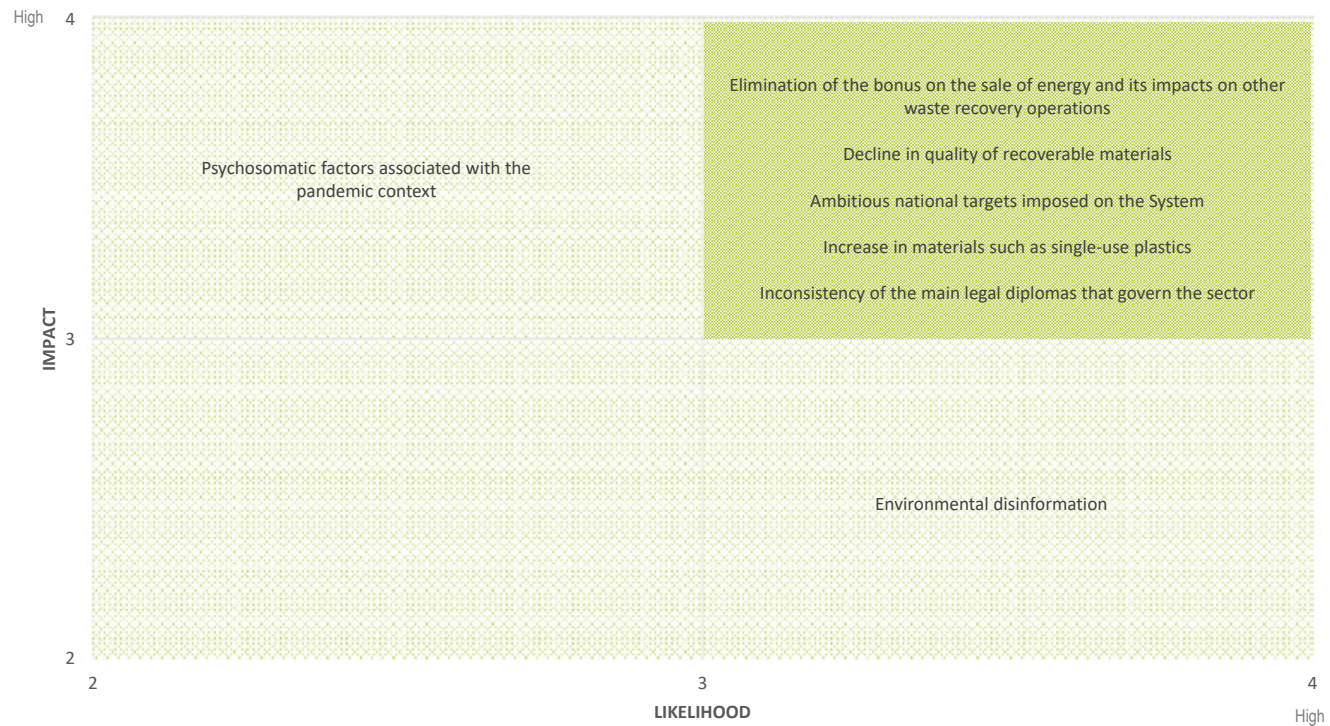
Since 2017 and as a result of the revision of the quality management standard (NP EN ISO 9001:2015), new practices have been implemented at LIPOR, namely the introduction of risk and opportunity management. An internal procedure was established defining how LIPOR will recognise, analyse and assess potential risk factors, including the events that trigger that risk, the potential consequences arising from it and the possible sources or causes, as well as the identification and integration of new opportunities and process improvements. Over the last few years, there has been a reduction in the level of risk, indicating that the actions defined are effective.



The following opportunities were identified:



RISK MATRIX



>3 STAKEHOLDERS



Introduction
to Lipor

Strategic
Background

Stakeholders

Lipor
Doesn't Stop

For More Information

At LIPOR, we consider a close relationship with our Stakeholders to be crucial, and therefore we have established a strong dynamic based on transparency, cooperation and sharing, from a shared value creation point of view.

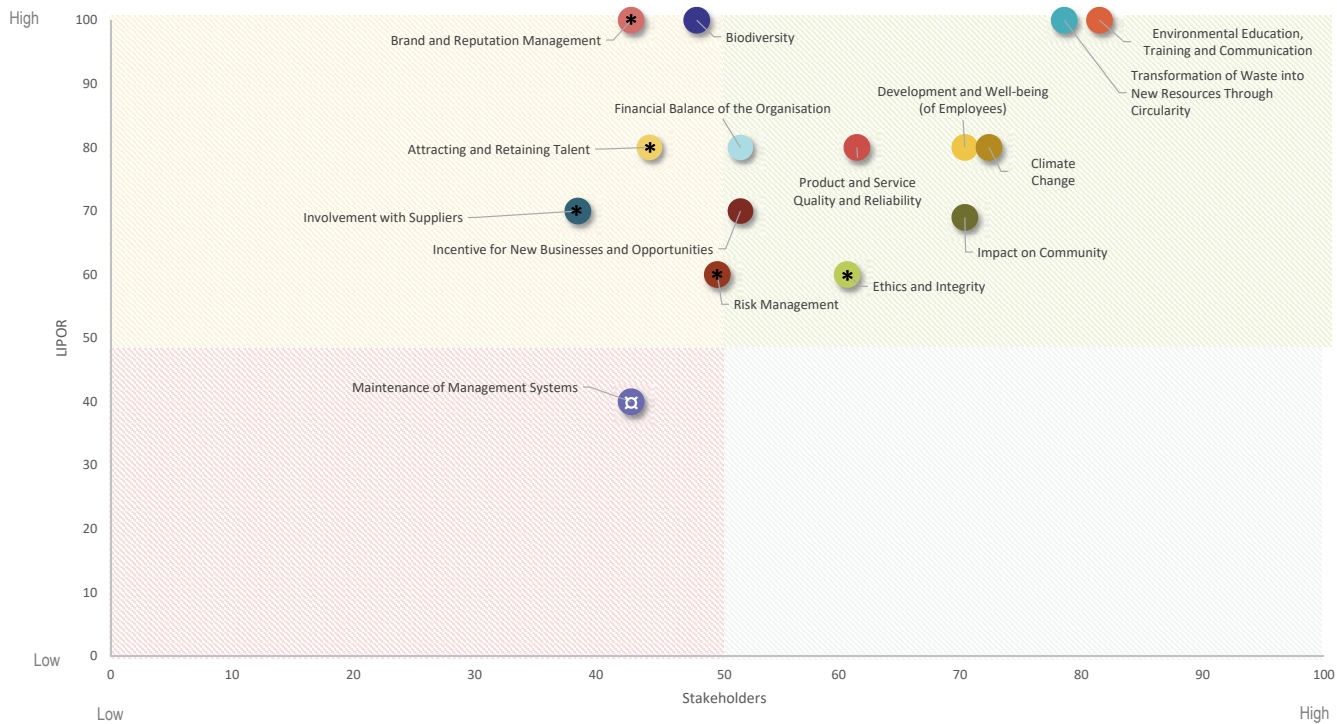
The Stakeholder management process is based on the AA1000AP (2018) Standard (102-46). The AA1000AP

(2018) presents a framework based on internationally accepted principles that guides organisations in the process of identifying, prioritising and responding to sustainability challenges with the aim of improving long-term performance (102-11, 102-43).

It is in the Materiality Matrix that the important sustainability management topics, that is, LIPOR's

material issues, are identified (102-21). An issue is material if it can substantially affect an organisation's ability to generate value in the short, medium and long term. The identification of these topics that are material for LIPOR is an integral part of a process to guarantee the sustainability of the Organisation, a biennial process that involves the Stakeholders' collaboration.

LIPOR'S MATERIALITY MATRIX



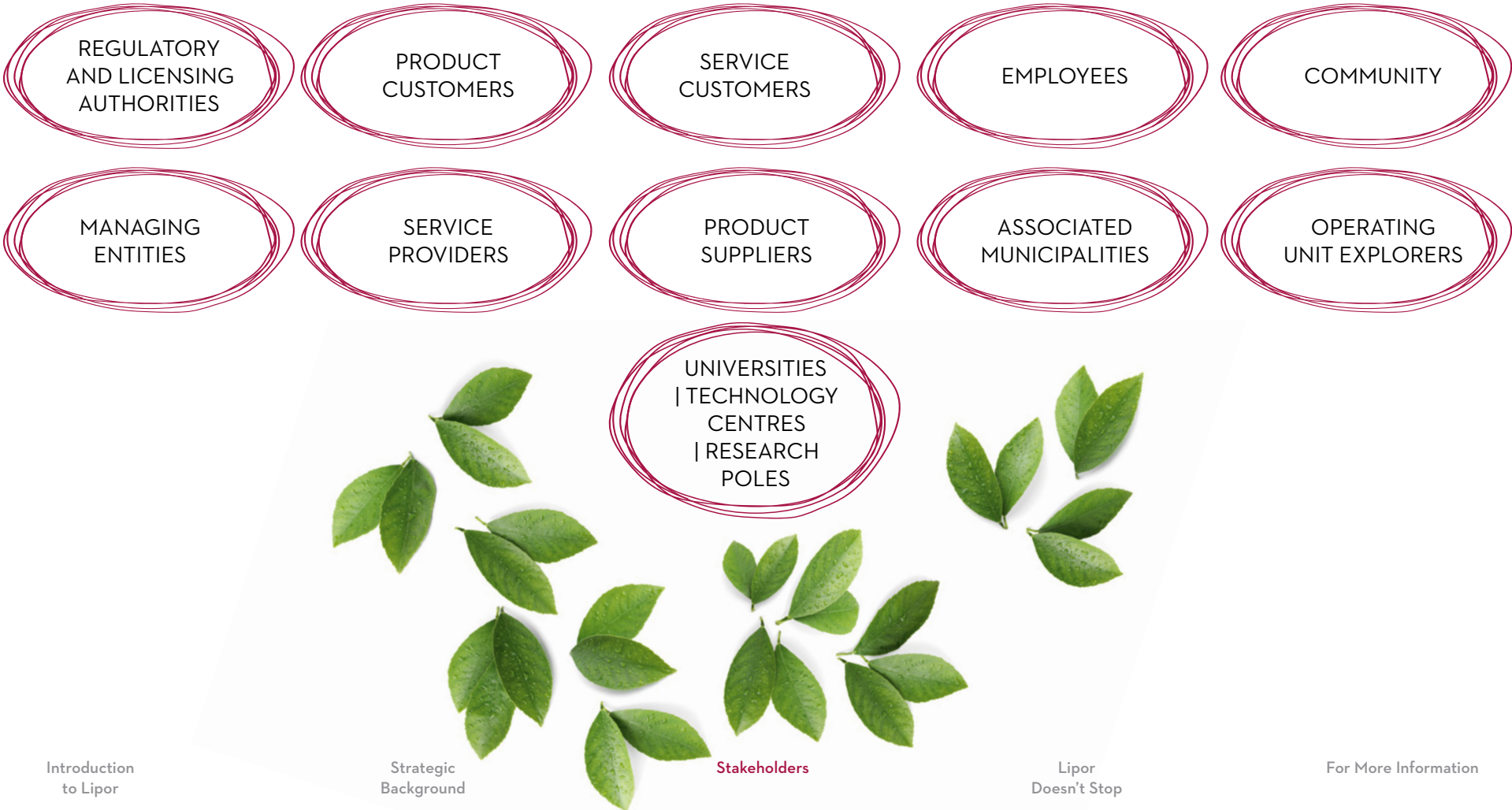
* Now theme compared to 2018
 ☒ Reduced importance compared to 2018

The issues identified by the Stakeholders were the result of a consultation process which, even in a pandemic context, we had to highlight. The process took place in an online format, through a survey tool, which allowed for the assessment of knowledge and satisfaction with the integrated report, as well as the identification and prioritisation of material topics. In addition, an online survey was made available to the whole LIPOR Universe. It is important to note that

the results of the webinars, when compared to the results of the online survey, were very similar and we may consider that there is a general alignment. Finally, the evaluations of LIPOR's Top Management regarding material issues were collected. These initiatives were supported by a specialised external entity, DOMP S.A., to guarantee the confidentiality and security of the information (102-47).

Alongside these initiatives, our Stakeholders and their positioning in the influence-dependence matrix, were updated (102-40, 102-42).

The Stakeholders who have high dependence and influence on the Organisation are:





STAKEHOLDER INFLUENCE ON THE ORGANISATION
(OR PROJECT OR LINE OF BUSINESS)

		NO INFLUENCE	LOW INFLUENCE	SOME INFLUENCE	HIGH INFLUENCE
STAKEHOLDER DEPENDENCE ON THE ORGANISATION (OR PROJECT OR LINE OF BUSINESS)	HIGH DEPENDENCE		Employees Association	Product Customers Service Customers Product Suppliers Universities, Technology Centers and Research Centers Service Suppliers	Regulatory and Licensing Authorities Employees Community Managing Entities Associated Municipalities Operating Unit Explorers
	LOW DEPENDENCE		Other waste management systems Partners Insurance Companies Trade union	National and International Associations Monitoring committee Parish Councils Opinion leaders Media Service providers from the Associated Municipalities	Board of Directors Funding bodies Financial institutions

Besides being a way to optimise the alignment between management practices and the needs and expectations of the community, we understand materiality as fundamental in anticipating and mitigating risks and identifying new opportunities.

Thus, each topic is associated with the respective impact, indicated in the table below (102-44):

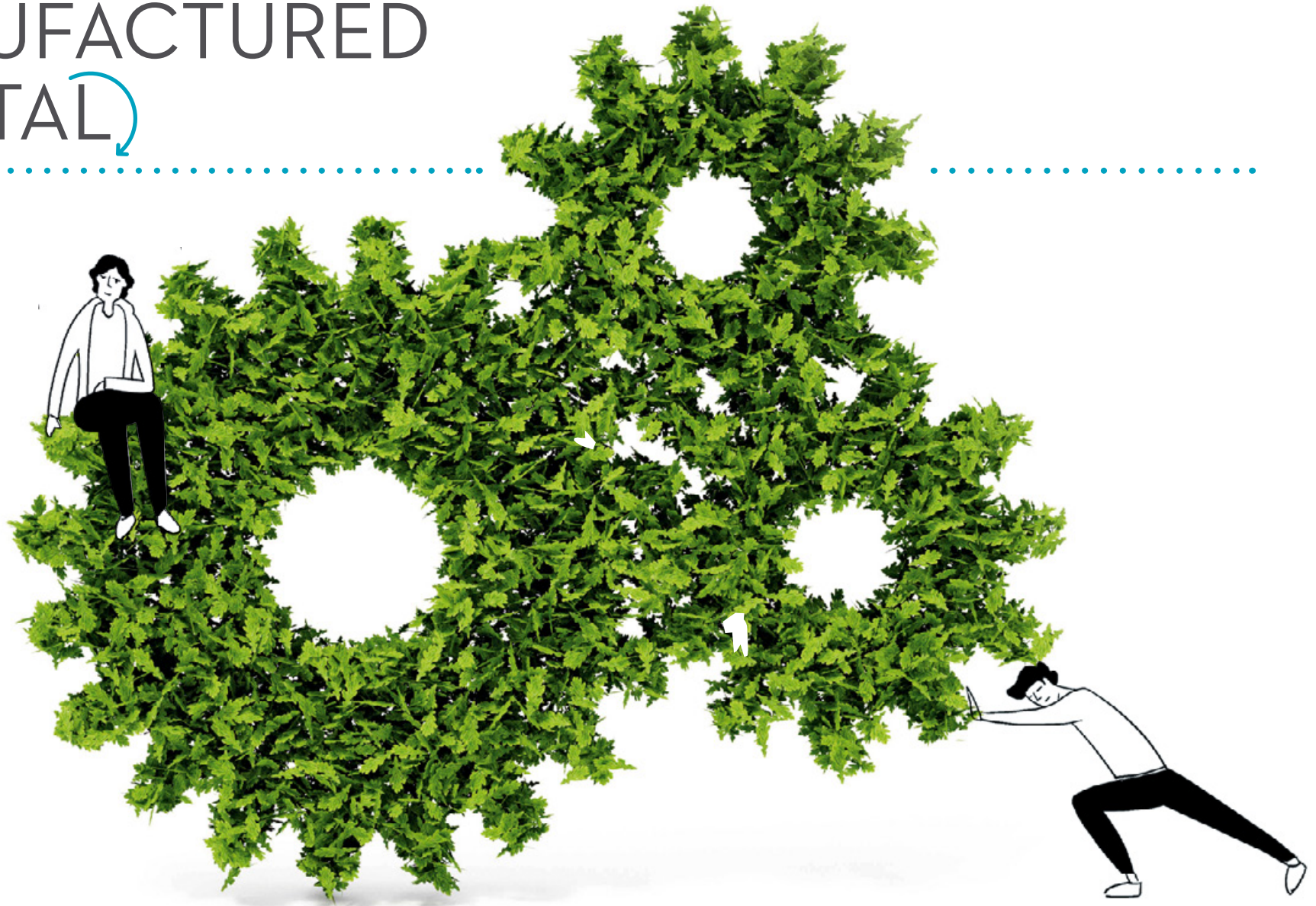


MATERIAL TOPIC	DIRECT OR INDIRECT IMPACT	TERM		
		SHORT	MEDIUM	LONG
MANAGEMENT AND VALORISATION OF WASTE INTO NEW RESOURCES (CIRCULAR ECONOMY)	Direct	Orange		
CLIMATE CHANGE	Direct	Orange		
BIODIVERSITY	Indirect		Yellow-green	
EMPLOYEE DEVELOPMENT AND WELL-BEING	Direct		Yellow-green	Teal
ENVIRONMENTAL COMMUNICATION, EDUCATION AND TRAINING	Direct		Yellow-green	Teal
PRODUCT AND SERVICE QUALITY AND RELIABILITY	Direct	Orange		
FINANCIAL BALANCE OF THE ORGANISATION	Indirect	Orange	Yellow-green	Teal
INCENTIVE FOR NEW BUSINESSES AND OPPORTUNITIES	Direct		Yellow-green	
IMPACT ON THE COMMUNITY	Direct		Yellow-green	Teal
INVOLVEMENT WITH SUPPLIERS	Direct	Orange		
RISK MANAGEMENT	Direct	Orange	Yellow-green	Teal
BRAND AND REPUTATION MANAGEMENT	Direct		Yellow-green	Teal
ATTRACTING AND RETAINING TALENT	Indirect		Yellow-green	Teal
ETHICS AND INTEGRITY	Indirect	Orange	Yellow-green	

>4 LIPOR DOESN'T STOP



>4.1 MANUFACTURED CAPITAL



Introduction
to Lipor

Strategic
Background

Stakeholders

Lipor
Doesn't Stop

For More Information



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



**ENSURE SUSTAINABLE CONSUMPTION
AND PRODUCTION PATTERNS**

➤ TRANSFORMATION OF WASTE INTO NEW RESOURCES THROUGH CIRCULARITY (306-1, 306-2)

Every year, LIPOR treats more than 500,000 tonnes of waste, produced by about 1 million inhabitants. At national level, the LIPOR Universe represents approximately 1% of mainland Portugal, covers 10% of the population and is responsible for the annual production of 12% of the total municipal waste (RU), corresponding to a capitation of around 58.25 kg/inhab.year¹.

Considering European and national environmental policies, LIPOR develops a Circular Business Model associated with its Integrated Management Strategy, based on four main components: Multimaterial recovery, Organic Recovery and Energy Recovery, complemented by a Landfill, to receive the rejected waste from the processes and previously prepared waste. (306-1, 306-2)

More than recovering, at LIPOR we prevent, transform and regenerate. It is part of us!

Waste Production Prevention is at the top of our Model. Embodying this strategic guideline, at LIPOR we have included efforts to reduce the production of municipal waste, as well as to reuse it, thus reducing treatment and transport costs, production costs, the consumption of natural resources and greenhouse gas emissions. In 2020 we focused on two main areas: **The Circularity of Biowaste** and the **Reuse and Recovery of Materials**, reflecting LIPOR's commitment to reduce waste production (quantity and hazardousness) and their impact on the Environment and Health. These aspects are even more relevant at a time when the dissemination of the COVID-19 pandemic represents an enormous impact on the economic activities, lifestyles and consumption habits of the population, inevitably affecting Sustainability, namely waste production, both in terms of quantity and typology.

Substituir o paragrafo sublinhado por este: We continue to promote the local treatment of biowaste, through home and community composting. In 2020, we have 15 818 composters implemented and 16 active community composting sites. In parallel, we create urban gardens, accounting 53 active biological gardens in LIPOR area. Concerning the fight against food waste, there are 49 restaurants adherent to Dose Certa, while Embrulha registers 156 adherent restaurants, 50 742 packages distributed and 14.90 tons of reused food.

Regarding multimaterial reuse, we highlight the creation of a new Reuse and Recovery Centre in LIPOR's facilities, which is one of the actions carried out within the scope of our participation in the ESTRAGEE Project, co-financed by the INTERREG V

¹ Current population of the eight Municipalities, reference year 2018, according to INE: 959,568 inhabitants.

- A Programme (POCTEP). The Centre, which will officially open in 2021, includes different services, namely the Repair of WEEE, Upcycling - creative transformation of waste and training and awareness-raising activities. The space will also be integrated in a new circuit to visit LIPOR's facilities, the Reuse Circuit.



target audiences to implement actions during the EWWR we provided a Training Programme, which took place online, with a total of 70 participants. We also highlight the launching of the LIPOR EWWR Recognition awarded to the actions distinguished by LIPOR, in each applicant category.



already working with its Associated Municipalities to respond to the next challenges and demands through communication, outreach and awareness-raising initiatives that promote more sustainable consumption, less waste and respect for the environment, promoting everyone's active participation.

Throughout 2020, a total of 552,043 tonnes of waste were received at LIPOR's different waste treatment and recovery facilities, which translated into a 1.3% increase compared to that recorded in 2019.

As usual, we lead the organisation of the European Week for Waste Reduction 2020 (EWWR) in LIPOR's area, with 152 actions carried out. To encourage the

As the next PERSU 2021-2030 is expected to be even stricter in its Prevention policies, LIPOR is

FORWARDING WASTE ACCORDING TO FINAL DESTINATION (t)* (306-4, 306-5)



FINAL DISPOSAL	2016	2017	2018	2019	2020	Δ% 20-19	%WEIGHT
MULTIMATERIAL RECOVERY	54 325	55 540	62 285	70 572	76 051	7,8%	13,8%
ORGANIC RECOVERY	47 944	50 911	56 479	58 791	49 645	-15,6%	9,0%
ENERGY RECOVERY	402 058	395 643	402 151	403 547	418 791	3,8%	75,9%
LANDFILL	4 759	11 649	12 059	11 938	7 556	-36,7%	1,4%
TOTAL	509 086	513 743	532 973	544 848	552 043	1,3%	100,0%

* These data refer to the primary inputs in the LIPOR System and include Woods.

It is worth highlighting the growing forwarding of waste for Multimaterial Recovery, as a result of the strong commitment that LIPOR and the Associated Municipalities have developed, both in awareness-raising campaigns to separate waste more and better, and in the intensification of selective collection (residential and non-residential door-

to-door), of recyclable materials, to the detriment of unsorted waste collection, as recommended in PERSU 2020, thus contributing to help fulfil the goals defined at national level. Recycling is a civic act of great importance for the environment and an attitude that generates employment and value for the economy.

The COVID-19 pandemic had implications across the economy and society at large. The confinement and consequent closure of commercial establishments, especially in the HORECA sector, had repercussions on the amount of organic waste received at LIPOR's Composting Plant, which decreased compared to 2019.

We kept the use of Technical Confinement at very low levels, in line with the best references in the European context, complying with national and community objectives of good waste management.

In 2020, LIPOR's positioning continued to evolve positively towards the goals set by PERSU 2020.

Regarding the Recovery from Selective Collection target (54.07 kg/inhab.year in 2020), the value was exceeded, reaching 58.08 kg/inhab.Year in 2020.

Regarding the goal of Preparation for Reuse and Recycling (35% in 2020), which encompasses the collection of paper/cardboard, plastic/metal, glass, wood and biodegradable waste and ferrous metals recovered at the Energy Recovery Plant, a value lower than the established 32.58% was reached in 2020. This result is justified by the closure of establishments, mainly in the HORECA sector, as a result of the pandemic, originating a significant decrease in the selective collection of food waste. In addition, contrary to what happened in previous years, part of the value relating to the mineral fraction (non-metallic slag) used as landfill cover was no longer considered for the target, which had a negative impact on the result. Had the accounting of this fraction been maintained, we would have reached a value of 40.70%.

It should be noted that biowaste (food waste and green waste) is very important to achieve this goal, due to its weight in municipal waste. LIPOR's goal will be to continue recovering food waste with composting potential, by investing in the expansion of Door-to-Door selective collection, as well as in ensuring the green waste selective collection, through free on demand collection or proximity systems, allowing this flow to be diverted from unsorted waste.

Finally, and regarding the maximum target for the disposal of SUW in landfills (10% foreseen for 2020) the value was substantially lower, standing at approximately 1.5%, in exemplary compliance with the national and community good waste management goals.

In order to achieve LIPOR's strategic goals, we have made efforts to develop projects together with our Associated Municipalities:

- The Door-to-Door Selective Collection (PaP), with the motto "Recycling is Giving More", is based on a positive approach through proactive and face-to-face door-to-door contact to reinforce the recycling practice. This project is crucial in order to meet the targets set in the Strategic Plan for Municipal Solid Waste (PERSU 2020) and in the European Directives for the year 2030, which define very ambitious recycling targets.



Promoted in close collaboration with the Associated Municipalities, in the last quarter of 2019 a new expansion phase of the Residential Door-to-Door Project began, targeting single and two-family households, which was extended throughout 2020.

Overall, this new phase of the Residential PaP envisaged extending the project, thus transforming the community included into a society with a more active and participatory role in sustainable practices.

- Green Waste Selective Collection allows the reduction of the amount of green waste present in the unsorted fraction of municipal waste and contributes to the achievement of the goals foreseen at national and community level. The expansion of green waste selective collection was achieved by reinforcing the existing circuits. In 2020 the distribution of mini bags was continued, mobilising citizen participation in the green waste selective collection and free services made available.



- LIPOR's Strategy is based on the impossibility of managing that which cannot be measured. It is, therefore, essential to monitor the implemented projects through its own Digital Platform. The LIPOR DATACENTER is an important project that aims to combine the promotion of good waste management practices. Throughout 2020, new

functionalities were developed in order to provide a greater structure to the whole process, such as the Container and Bag Management Model and the development of the Planning Tool to support the Operation of Associated Municipalities. A new version of the DATACENTER LIPOR APP was also launched, namely with the possibility of carrying out surveillance circuits.

- “Feira Limpa, Compras com Gosto!” (Clean Market, Shopping with Taste!) is a project that benefits everyone, from market traders to customers, who can enjoy a more pleasant space, and for the good environment. For that purpose, yellow and blue bags were distributed to all market traders for the separation of plastic and cardboard packaging at their own stall. Alongside this delivery and the availability of selective deposition equipment dedicated to local markets, awareness-raising actions were carried out for both vendors and visitors. The project, with the dedication of all those involved, has delivered great results.



- LIPOR, together with the Municipality of Póvoa de Varzim, developed an innovative project by installing a Reverse Vending equipment. It is located at the Municipal Market for the collection of recyclable materials with the attribution of benefits to the participants. Between 2018 and 2020, about 555,587 packages, totalling 43.23 tonnes, were collected.
- The Customised Environmental Intervention Service (SIAC) took its first steps in 2019 with the aim of acting in a sustained and focused way in the optimisation and management of municipal or similar waste in public or private entities of social, educational or business nature. This service

simultaneously aims to promote the adoption of good practices touching upon environmental, behavioural, participative citizenship and social accountability issues. In 2020, diagnostic and implementation visits were carried out and various entities such as schools, colleges, courts, companies, among others, were monitored, therefore covering more than 16,000 citizens.



While waiting for the publication of the PERSU 2021-2030, LIPOR and its Associated Municipalities continue working and developing efforts to find and promote solutions to meet the objectives and new challenges that will be proposed to the System.



> PRODUCT AND SERVICE QUALITY AND RELIABILITY

At LIPOR, waste is recovered from a resource perspective, and therefore, it is in order to fulfil this purpose that we recover it to be used to originate products.

One of the most iconic products is our organic soil fertiliser - Nutrimais®. In 2009 we launched Nutrimais® for Organic Farming, which is certified by SATIVA for use as a production factor in organic farming.

In 2014, we continued to sell organic and natural products with very low impact in terms of health and safety, either on direct consumers (farmers), or other people in contact with the products (children and/or adults).

On the other hand, this product's Life Cycle is natural and, therefore, difficult to change.

All parameters which are fundamental to the process are continuously controlled (humidity, oxygen, temperature), thus ensuring the best results.

The entire production is subject to sampling and analysis in accordance with a compost quality

verification plan, which includes physical, chemical and biological parameters.

Bearing this in mind, improvements in the life cycle are not assessed, namely in production methods aiming at the reduction of its hazardous content, as it is already almost non-existent. (416-1)

Labelling issues are now regulated by Decree-Law n.º 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 advisory and recommendation service regarding compost.

Nutrimais® Compost complies with all requirements defined by the legislation in effect, and its marketing authorisation is valid until 2021. (417-1)

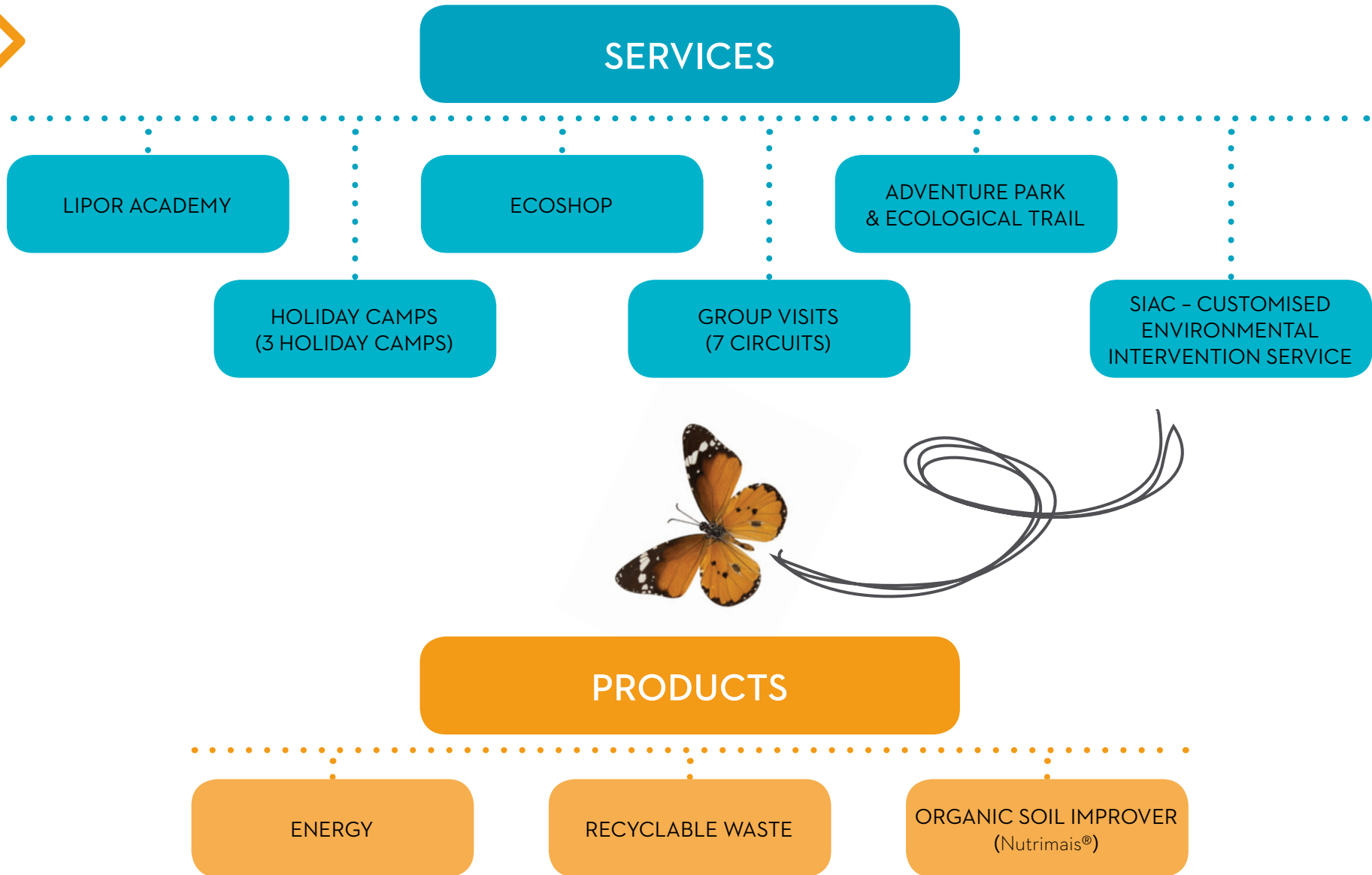
In order to assess the level of satisfaction with the service provided to our clients, and with the support of an Independent External Entity to ensure the reliability of the data, we carry out an annual analysis of their satisfaction levels. The

assessment solution we carry out is tailored to LIPOR's reality and follows a tested theoretical model that still allows comparison with the studies of previous years. The results obtained in 2020 were very satisfactory:

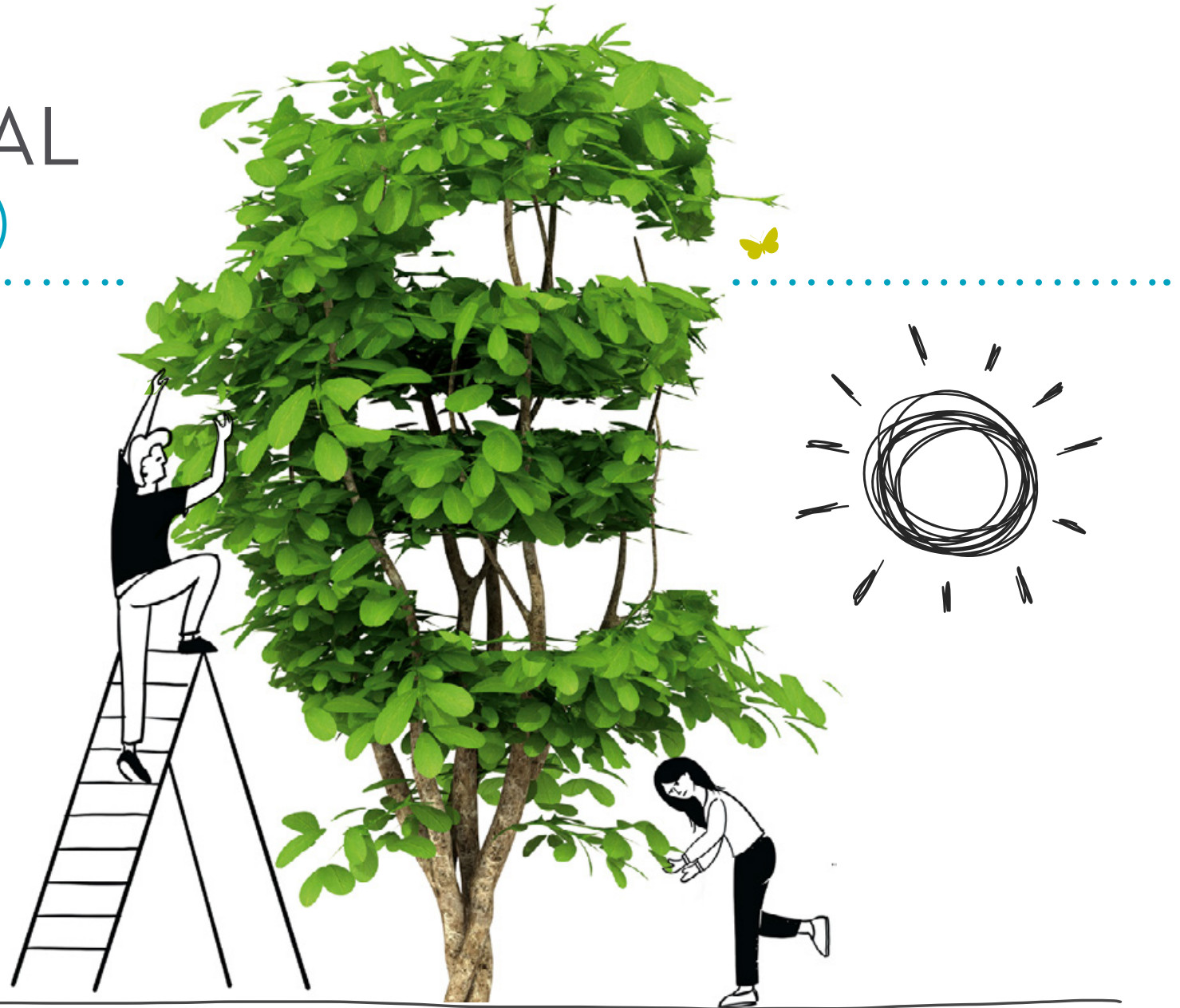
- > All Customer satisfaction dimensions (assurance, empathy, reliability, responsiveness) received very positive ratings (above 4, on a scale of 1 to 5)
- > Connection to the brand and perceived social accountability received also very positive ratings (both above 4 points)
- > Most Customers would surely recommend LIPOR's products and services and would contact LIPOR again when in need of similar products or services.

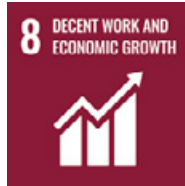
Compared to the previous year, the majority of customers considers that the work developed in 2020 by LIPOR is similar to that of 2019, highlighting the maintenance of good work and with no reason for complaint, better communication and follow-up.

THE SERVICE AND PRODUCT PORTFOLIO (102-2)



>4.2 FINANCIAL CAPITAL





**PROMOTE SUSTAINED,
INCLUSIVE AND SUSTAINABLE
ECONOMIC GROWTH, FULL
AND PRODUCTIVE EMPLOYMENT
AND DECENT WORK FOR ALL**

As an introductory note to the analysis of LIPOR's economic and financial performance, it should be noted that this year represented a transition to a different accounting standard. Until 2019, the organisation was governed by the Official Plan of Accounts for Local Government (POCAL). In recent years, the organisation prepared to adopt the System of Accounting Standardisation for

Public Administration (SNC-AP), culminating in its final implementation in 2020. This transition, which brought about a change of criteria in the recognition of certain financial flows, ended up creating a lag in the direct comparison between the results reported for 2019 (under the POCAL) and those that are now presented for 2020 (under the SNC-AP). As such, and so that the comparison between the results of the

two periods would not be biased by the adoption of different criteria, the 2019 results were "normalised", in alignment with the Public Accounting Standards that are at the genesis of the SNC-AP. Thus being, throughout the year-on-year comparative analyses in this chapter, the base will always be the 2019 "Normalised" Results.

➤ ECONOMIC AND FINANCIAL BALANCE

In 2020, LIPOR registered a positive Net Income of 3,399,546.01 euros, which corresponded to an increase compared to the results of 2019, showing the Organisation's capacity to respond in a year that was foreseeably challenging, but in which it was still necessary to respond to all the constraints created by the pandemic crisis the world is facing.

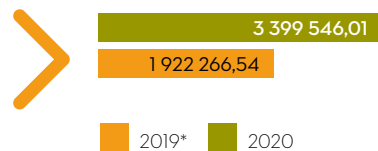
This positive evolution in Net Income was essentially due to the increase, albeit slight, in EBITDA (for the reasons mentioned below), and a reduction in Depreciation and Interest and Similar Costs compared to 2019.

enhancing new products, services and business models, reaching new markets and strategic partnerships, in order to overcome the challenges faced by the Organisation and meet the needs of our Stakeholders.

Continuous Improvement and Innovation are key pillars of LIPOR's culture and way of working, with a philosophy of seeking productivity and quality, redesigning processes, empowering Employees,

LIPOR's Turnover grew 2.0%, in comparison with the previous year, as the decrease in Income from the Provision of Services (1.2% decrease) was compensated by a 5.3% increase in Income from Product Sales.

NET INCOME (€)



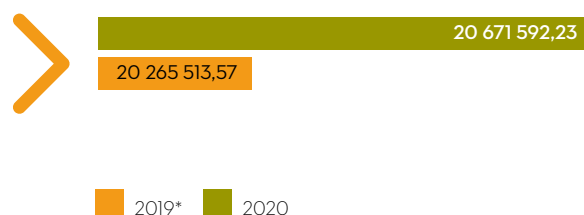
DIRECT ECONOMIC VALUE GENERATED (201-1)

REVENUES	VALUE 2019	VALUE 2020
SALES AND PROVISION OF SERVICES	40 027 327,00	47 929 882
SUPPLEMENTARY INCOME	336 256,00	326 924
TRANSFERS AND SUBSIDIES OBTAINED	7 193 027,00	265 407
INTEREST FROM DEPOSITS	5 918,00	11 817
CASH DISCOUNTS OBTAINED	0,00	0
TOTAL	47 562 527,00	48 534 030

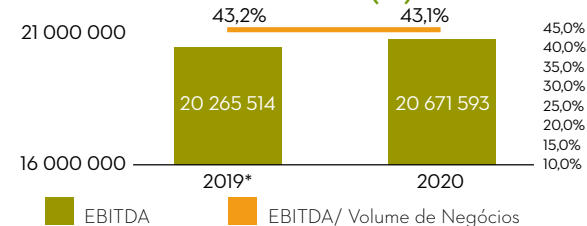
ECONOMIC VALUE DISTRIBUTED

OPERATING COSTS	2019	2020
EXTERNAL SERVICES AND SUPPLIES	46 810 946	47 840 429
SALARIES AND EMPLOYEE BENEFITS	4 368 906	4 730 126
PAYMENTS TO CAPITAL PROVIDERS	1 530 704	1 230 318
PAYMENTS TO THE GOVERNMENT	3 573	8 135
COMMUNITY INVESTMENTS	591 806	339 112
TOTAL	53 305 935	54 148 120
ECONOMIC VALUE GENERATED	47 562 527	48 534 030
ECONOMIC VALUE DISTRIBUTED	53 305 935	54 148 120
ECONOMIC VALUE RETAINED	-5 743 408	-5 614 089

EBITDA (€)



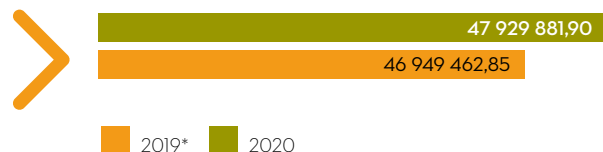
EBITDA EVOLUTION (€)



Analysing LIPOR's consolidated EBITDA performance in 2020, the 20,7 million euros represented something more than the 2% growth compared to that recorded in 2019*. Notwithstanding all the challenges LIPOR faced in 2020 - whether due to constraints at operational level or administrative transformations; this growth is quite revealing of LIPOR's capacity to respond to setbacks and its commitment to

sustainable growth. This EBITDA result corresponded to a 43% margin on Turnover which, compared to 2019, represents a slight decrease of 0,3%

TURNOVER (€)



The growth in Turnover was enough to cover the increase in operating costs, thus ensuring the growth in EBITDA when compared to the previous year. The evolution in Operating Costs, as a consequence of the normal growth of the activity, with special relevance for the amounts spent on Costs with Subcontracts, remaining External Services and Supplies items (specialised services, in particular) and Personnel Costs (namely the inclusion of new staff in the organisation), was offset by LIPOR's excellent performance in the Sales of Products (showing growth in all business areas), thus justifying LIPOR's investment in the empowerment of its structure.

INVOLVEMENT WITH SUPPLIERS

Being a public entity and also following the implementation of the SA8000 Standard, LIPOR develops several actions in order to ensure that its Suppliers comply with labour legislation in effect.

A computer-based warning system of the expenditure application 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 euros or higher, or a billing volume of 5 (five) invoices or more.

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

The Code of Conduct can be disseminated or sent by means of:

- E-mail;
- Specifications (in case of Public Tenders, Direct Procurement and Prior Consultations);

SUPPLIER COSTS (EUROS)	2018	2019	2020
INTERNATIONAL	672 267,98	647 756,39	11 272 476,66
NATIONAL	11 142 287,74	12 281 594,19	41 975 804,92
TOTAL	11 817 055,70	12 929 350,58	53 248 281,58

228 of these suppliers fulfilled the Standard requirements. Of those 228 suppliers, 84 had a turnover of 10,000.00 euros or more, and 144 had a billing volume of 5 (five) accounting documents or more.

In this context, it should be reported that (414-1):

- In 2020, 18 Codes of Conduct and respective Statements of Commitment were sent.
- A total of 95 duly signed and stamped Statements of Commitment were received. This total corresponds to the 18 statements requested (100%),

- Visit to LIPOR's website.

Suppliers are urged by telephone or e-mail to send the Statement of Commitment.

Having analysed mailing and reception of Statements of Commitment to the Code of Conduct in 2020, there was a decrease in the sending of codes of conduct and statements of commitment and there isn't the same flow as in the first year of the certification period. Thus being, LIPOR traded with 611 suppliers (102-9):

the remainder having been received through the documents pertaining to Public Procurement Procedures over €5,000.

2ND PARTY AUDITS (414-2)

	2018	2019	2020
2 ND PARTY AUDITS	2	3	3
VISITS (LIPOR FACILITIES)	4	4	3
TOTAL	6	7	6

>4.3 NATURAL CAPITAL



Introduction
to Lipor

Strategic
Background

Stakeholders

Lipor
Doesn't Stop

For More Information



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



6 CLEAN WATER AND SANITATION
ENSURE AVAILABILITY AND SUSTAINABLE MANAGEMENT OF WATER AND SANITATION FOR ALL



13 CLIMATE ACTION
TAKE URGENT ACTION TO COMBAT CLIMATE CHANGE AND ITS IMPACTS



15 LIFE ON LAND
PROTECT, RESTORE AND PROMOTE SUSTAINABLE USE OF TERRESTRIAL ECOSYSTEMS, SUSTAINABLY MANAGE FORESTS, COMBAT DESERTIFICATION, AND HALT AND REVERSE LAND DEGRADATION AND HALT BIODIVERSITY LOSS

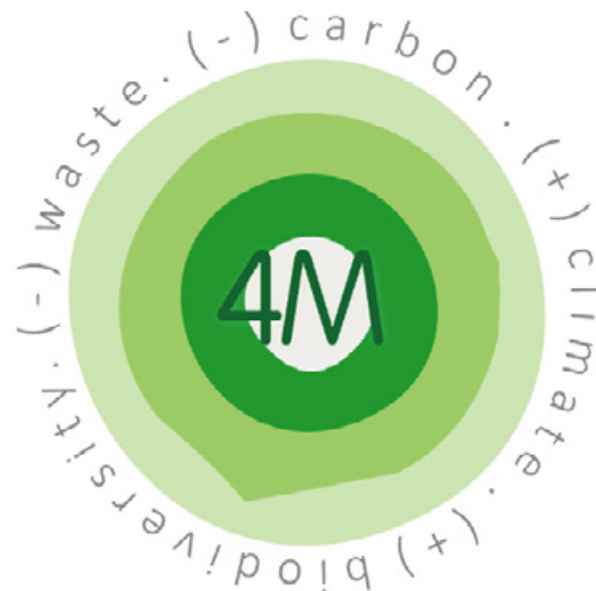


In 2020 LIPOR surpassed the goal defined, reaching a 23% GHG reduction (305-5)

➤ CLIMATE CHANGE

There is now unequivocal scientific evidence that the climate is changing. The Intergovernmental Panel on Climate Change (IPCC) Reports reaffirm this evidence and identify anthropogenic greenhouse gas (GHG) emissions as the determining factor for global warming since 1750. Even by reducing GHG emissions, climate change and its negative effects will perpetuate for decades.

Given this challenge and LIPOR's strategic goal to diversify activities and businesses, we have prepared a development framework for 2021-2030, based on 4 goals:

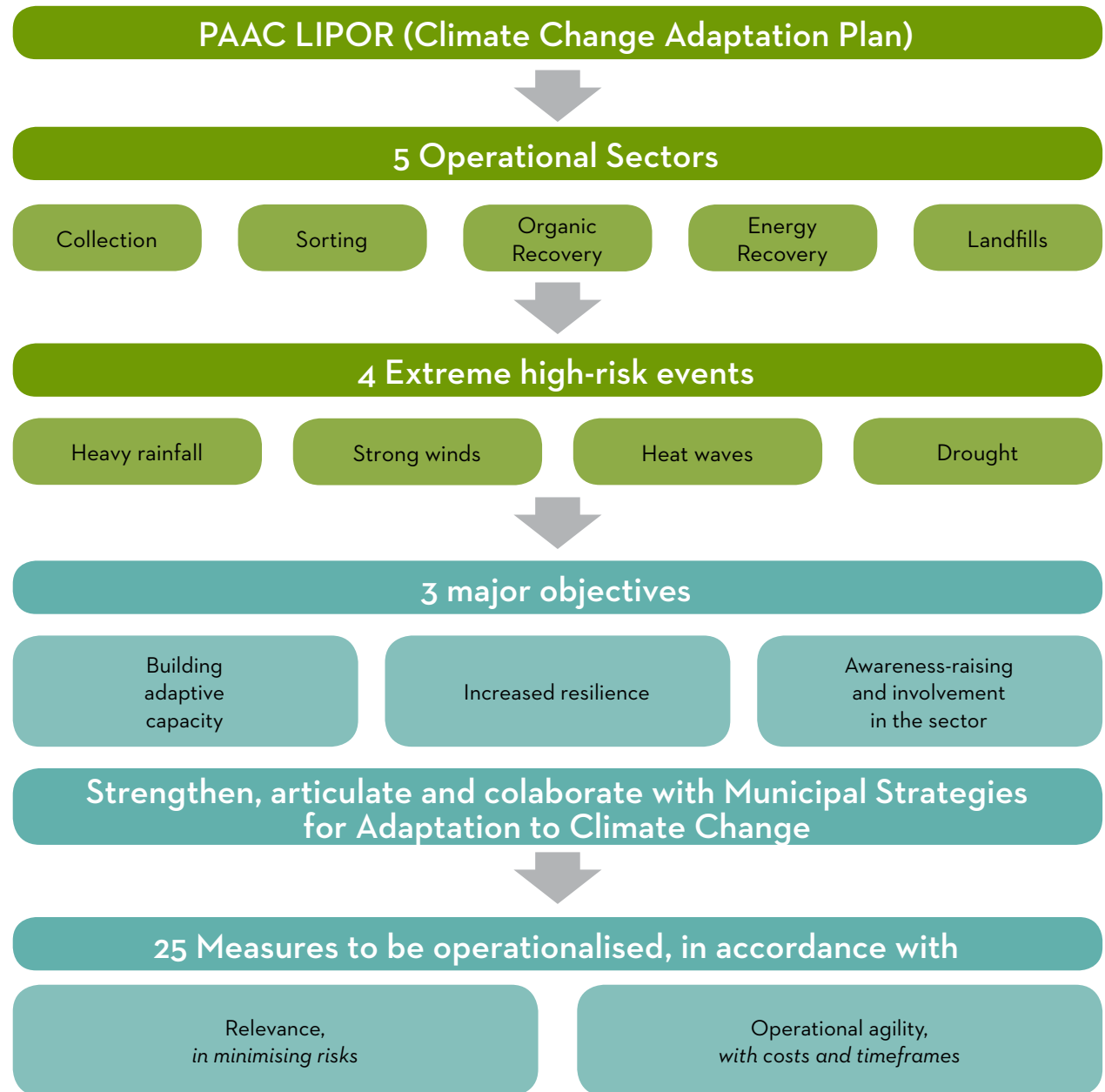


- Less Waste, investing in efficient resources management, favouring a circular business model;
- Less Carbon, strengthening the Carbon-Energy pairing, converging towards decarbonisation and energy transition;
- More Climate, leveraging our commitment to adapt to climate change;
- More Biodiversity, increasing the promotion of biodiversity in our context of activity.

These are the bases of the new LIPOR 4M Strategy - less Waste, less Carbon, more Climate, more Biodiversity, to achieve a 30% reduction of GHG emissions by the year 2030 (201-2).

Regarding the Adaptation to Climate Change, our commitment is divided into two strategic areas:

- A more operational area, centred on the operation aspects, covering the activities, operational units and supply flows/networks and service;
- A more programmatic/strategic area, which involves the dissemination of good practices and knowledge for the designing of strategies at sectoral, regional and national level.



Thus, a set of 25 adaptation measures were adopted as a starting point for the operationalisation of a climate change adaptation policy. The selected measures all respond to the objective of increasing the Organisation's resilience. 8 of these measures can be classified as general measures, covering all dimensions of the organisation, 13 as measures focused on interventions at treatment infrastructures level, and 4 as measures focused on human resources.

Currently, LIPOR has already implemented a wide range of measures, three of which are worth mentioning due to their impact on activities, namely: (i) the environmental and landscape requalification of the Adventure Park, (ii) the requalification of the Inner Platform and (iii) the installation of a Photovoltaic Plant for self-consumption on the roof structure of the Composting Plant.

In 2020 inventory were accounted 309,159 tCO₂e, representing a GHG emissions reduction of 2,9% as compared to 2019. In comparison to 2006 (reference year for the 3M Strategy targets), there was a 23,2% decrease in emissions (-93,648 tCO₂e). This reduction surpasses the goal defined for 2020 (-20%) (305-5). Regarding emissions intensity it is 0,599 tCO₂e/t (305-4).

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



VALUES IN tCO ₂ e	2006	2018	2019	2020	Δ2019-20	Δ2006-20
2006 = 100%	100%	80,3%	79,0%	76,8%		
TOTAL LIPOR GHG EMISSIONS - 3M TARGETS	402 807	323 544	318 264	309 159	-2,9%	-23%
SCOPE 1 - Direct Emissions	401 011	321 460	315 846	307 322	-2,7%	-23%
Waste Treatment and Recovery	399 635	320 377	314 594	306 554	-2,6%	-23%
Technical Confinement	191 464	97 549	92 202	86 887	-6%	-55%
Organic Recovery (CVO)	4 393	7 755	8 084	6 937	-14%	58%
Energy Recovery (CVE)	203 778	215 074	214 309	212 729	-1%	4%
Fuel consumption in the facilities	805	456	553	202	-64%	-75%
Natural Gas	805	435	540	193	-64%	-76%
Sorting Plant (RMM)	4,3					
Composting Plant (CVO)	33	109	154	130	-15%	292%
Energy Recovery Plant (CVE)	760	317	373	34	-91%	-96%
LIPOR in general	8	9	13	29	127%	265%
Diesel (CVE)	N.D.	20,70	12,66	8,5	-33%	
Transportation and Mobility	570	627	699	567	-19%	-1%
Self-owned Fleet	314	209	269	175	-35%	-44%
Light Vehicles Fleet	57					
Heavy Vehicles Fleet	206					
Ecofone Fleet	51					
Mobile Machinery	256	418	430	392	-9%	53%
Sorting Plant (RMM)	256	144	138	152	10%	-41%
Composting Plant (CVO)	N.D.	227	260	240	-8%	
Technical Confinement (Landfill of Maia)	N.D.	47	32	0	-100%	
SCOPE 2 - Indirect Emissions (Market-based)	1 749	1 868	2 080	1 567	-25%	-10%
Sorting Plant (RMM)	230					
Composting Plant (CVO)	1 117	1 738	1 992	1 567	-21%	40%
Energy Recovery Plant (CVE)	0	0	0	0		
Technical Confinement (CT)	0	130	88	0	-100%	
LIPOR in general	401	0	0	0		
Scope 2 - Indirect Emissions (Location Based)			1 985	1 571		
SCOPE 3 - Other Indirect Emissions	47	216	339	270	-25%	471%
Work Travels	47	37	96	17	-82%	-63%
Train	0,5	0,4	0,7	0,1	-80%	-69%
Aeroplane	47	36	93	17	-82%	-64%
Passenger car (rental)	N.D.	0,4	0,1	0,2	74%	
Bus/Coach (rental)	N.D.	0,4	2,1	0,3	-86%	
Third parties' fleet (transportation of slag, scrap and ashes)	N.D.	179	243	252	4%	
Values in tCO ₂ e	2006	2018	2019	2020		
Scope 1 - Direct Emissions	401 011	321 460	315 846	307 322	-3%	-23%
Scope 2 - Indirect Emissions (electricity)	1 749	1 868	2 080	1 567	-25%	-10%
Scope 3 - Other Indirect Emissions	47	216	339	270	-20%	471%
LIPOR TOTAL	402 807	323 544	318 264	309 159	-3%	-23%
Reduction compared to 2006 (%)		-19,7%	-21,0%	-23,2%	-100,0%	
Reduction compared to 2006 (t CO ₂ e)		-79 263	-84 543	-93 648	-402 807	

N/D = not defined

ENERGY EFFICIENCY

**In the last 10 years
LIPOR has saved
€139,560 in energy costs**

During 2020, the new ISO 50001 Standard Reference, 2019 version (Portuguese), was implemented. The migration took place with some setbacks due to the COVID-19 pandemic. Also in 2020, an Energy Audit was carried out at LIPOR's facilities, in Baguim do Monte, except for the Composting Plant, the Biogas Plant and the Photovoltaic Plant, on a voluntary basis, since in 2018 LIPOR ceased to be considered an Intensive Energy Consumer, in accordance with Decree-Law No. 71/2008, of 15 April 2008.

Comparing to 2019, the energy consumption results achieved in 2020 were lower, despite the fact that the sorting lines and the most important activities continued to operate. The greatest reductions in this Complex, were achieved in the consumption of petrol and Vehicular natural gas, which reached a 54.55% and a 53.77% reduction, respectively. Diesel consumption achieved an 11.89% reduction and electricity achieved a 4.96% reduction, compared with the same period.

LIPOR's global energy performance of the Baguim do Monte Complex, with the exception of the Organic Recovery Plant, in 2020 was atypical due to the COVID-19 Pandemic. Compared to what was forecast, energy consumption decreased by 17.44%, despite production having decreased only by 3.93%. These reductions in energy consumption led to a significant

increase in LIPOR's energy performance. The global target set for 2020, of 150 Ton/TEP, was exceeded, reaching 176.28 Ton/TEP, corresponding to a 17.52% increase compared with the forecast. **In short, LIPOR was more efficient, producing more with the same amount of energy.**

The target set for the Sorting Plant, of 83 Ton/TEP, was not achieved, reaching 74.80 Ton/TEP. This 9.89% reduction, compared with the forecast, was due to

an increase in energy consumption of 2.72% and a decrease in production of 7.41%.

Over the last 10 years, LIPOR has implemented several strategic and procedural actions, aiming to improve the efficiency of its production processes and the Organisation's energy performance. Through the implementation of these actions, LIPOR registered energy savings of about €139,560 until the end of 2020 (302-4).

LIPOR'S GLOBAL ENERGY CONSUMPTION

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



FACILITY	SOURCE	2018	2019	2020
COMPOSTING PLANT	Natural gas	1 921,13	2 710,84	2292,90
	Fuel (diesel)	3 063,38	3 322,87	3 151,85
	Electricity (GJ)	16 737,12	17 866,11	15 686,03
ENERGY RECOVERY PLANT	Natural gas	5 589,26	6 582,80	601
	Fuel (diesel)	278,89	297,11	123,95
	Electricity (GJ)	794,06	1 139,27	431,10
LANDFILL	Fuel (diesel)	632,73	407,49	0,00
	Electricity (GJ)	1 252,01	1 055,79	870,43
CLOSED LANDFILLS (ERMESINDE AND MATOSINHOS)	Matosinhos - Electricity (GJ)	0,00	9,82	0,00
	Ermesinde - Electricity (GJ)	402,27	372,10	318,27
	Electricity (GJ)	4 023,15	3 881,84	3 689,50
LIPOR (SORTING PLANT, SUPPORT PLATFORMS AND ADMINISTRATIVE BUILDINGS)	Natural gas	159,98	903,64	637
	Fuel (diesel)	4 925,11	5 071,17	4 510,99
	Fuel (petrol)	108,07	106,27	48,30



ENERGY INTENSITY (302-3)



RECEITAS	2018	2019	2020
TOTAL ENERGY CONSUMPTION (GJ)	39 887,143	43 727,123	32 220,5912
TREATED WASTE (T)	522 472,000	550 079,960	557 937,97
ENERGY INTENSITY (GJ/T)	0,076	0,079	0,0062

> BIODIVERSITY

LIPOR believes that a sustainable management of resources and natural capital must be based on a strong commitment to the promotion and conservation of nature and biodiversity, and therefore complements its activity with the development of a Biodiversity strategy, thus declaring its commitments in these areas.

In 2014 we implemented a Biodiversity Strategy until 2020 for the Greater Porto region, materialised in several projects developed with strategic partners in various areas. For 2020-2030, our commitments have been strengthened and we have reinforced our commitment by joining act4nature Portugal.

LIPOR cares for Biodiversity and Ecosystem Services and generates value 12 times higher than the investment made



In the year 2020 we wanted to celebrate, in May, the month of Biodiversity. A number of initiatives were developed, such as a webinar to mark the International Biodiversity Day and a training session on “Sustainable Green Areas”, promoted by the LIPOR Academy. With the aim of focusing on the diversity and importance of pollinators and improving

society’s perception of these insects and of insects in general, a strategic partnership was established with the CIBIO - Research Centre on Biodiversity and Genetic Resources.

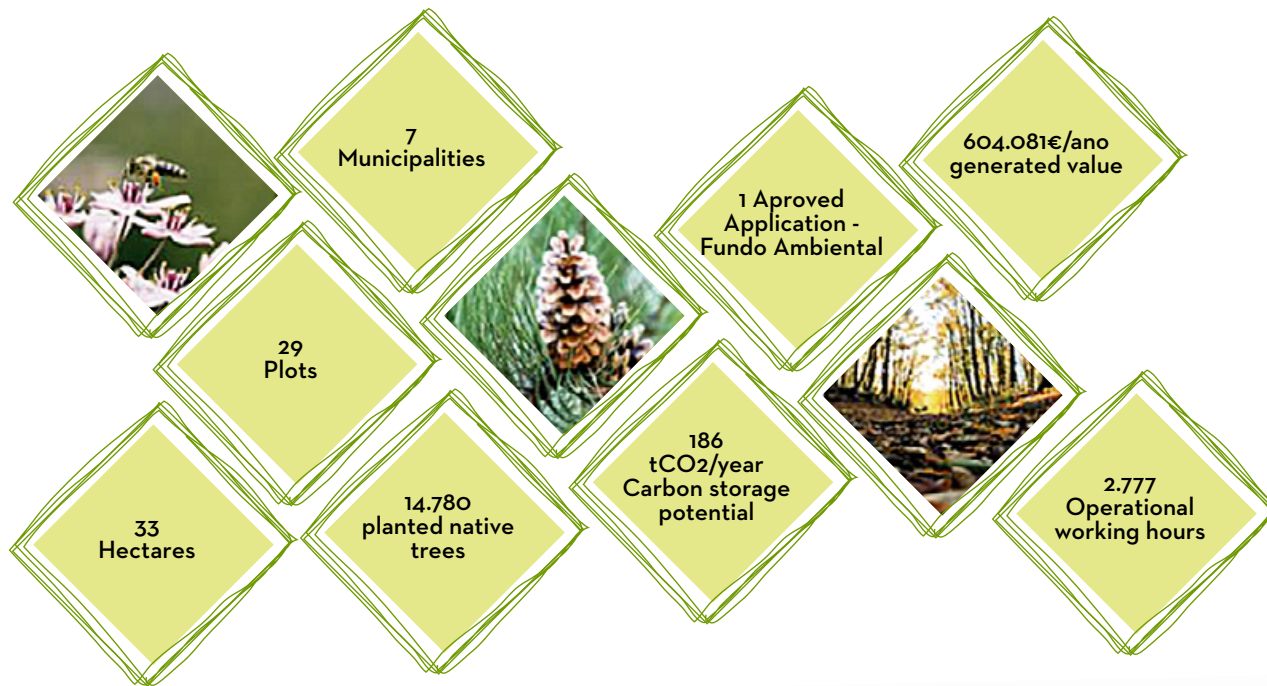
We continue to develop the strategic projects related to the recovery of the Tinto river and the maintenance

of areas of native forest, the Square Metre Programme.

Regarding the **Square Metre Programme** there were interventions on 33 hectares in the 2019/2020 campaign, an increase of 13 hectares compared to 2017.

With the **Tinto River Valorisation and Restitution Project for the community**, the river keeper continued the work, except between March and June due to the pandemic-related lockdown period, carrying out a total of 660 inspections and assessing 1,980 parameters. We highlight that the river maintained its condition’s improvement trend that was noted in 2019, not only with the increase in biodiversity, but also by the low record of occurrences (4% compared to the total number of inspections carried out).

LIPOR had an application approved within the scope of the Environmental Fund: Adapting the Territory to Climate Change, Implementing the P-3AC. There is now unequivocal scientific evidence that the climate is changing. With this project, LIPOR aims to adapt its infrastructures by reducing their vulnerability to the predictable effects of climate change. This project,



Introduction to Lipor



Strategic Background



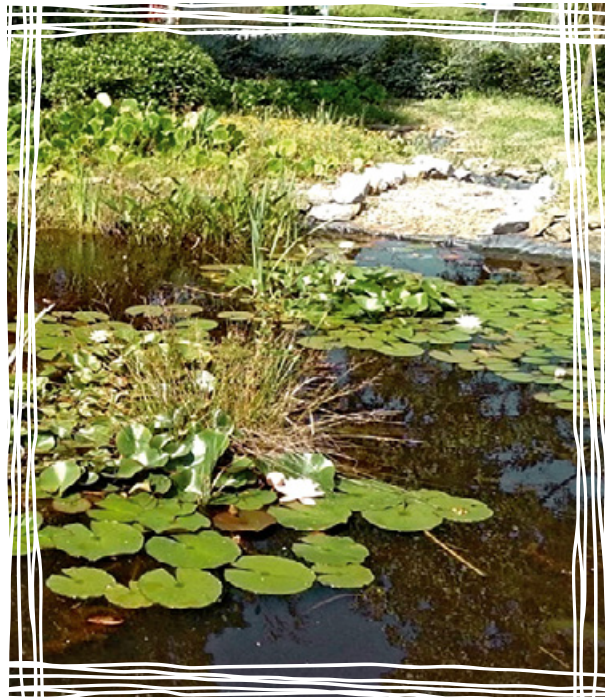
Stakeholders

Lipor Doesn't Stop



For More Information

which focuses on the rehabilitation of the Tinto River section located in the vicinity of LIPOR's Adventure Park and Eco-Trail, aims to create responses to climate risks and opportunities through initiatives from which effective adaptation can be developed. During 2020 a series of actions were implemented that are contributing to the retention and slowing down of water flow and creating ecological corridors and riparian galleries. This project will end in 2021. (201-2)



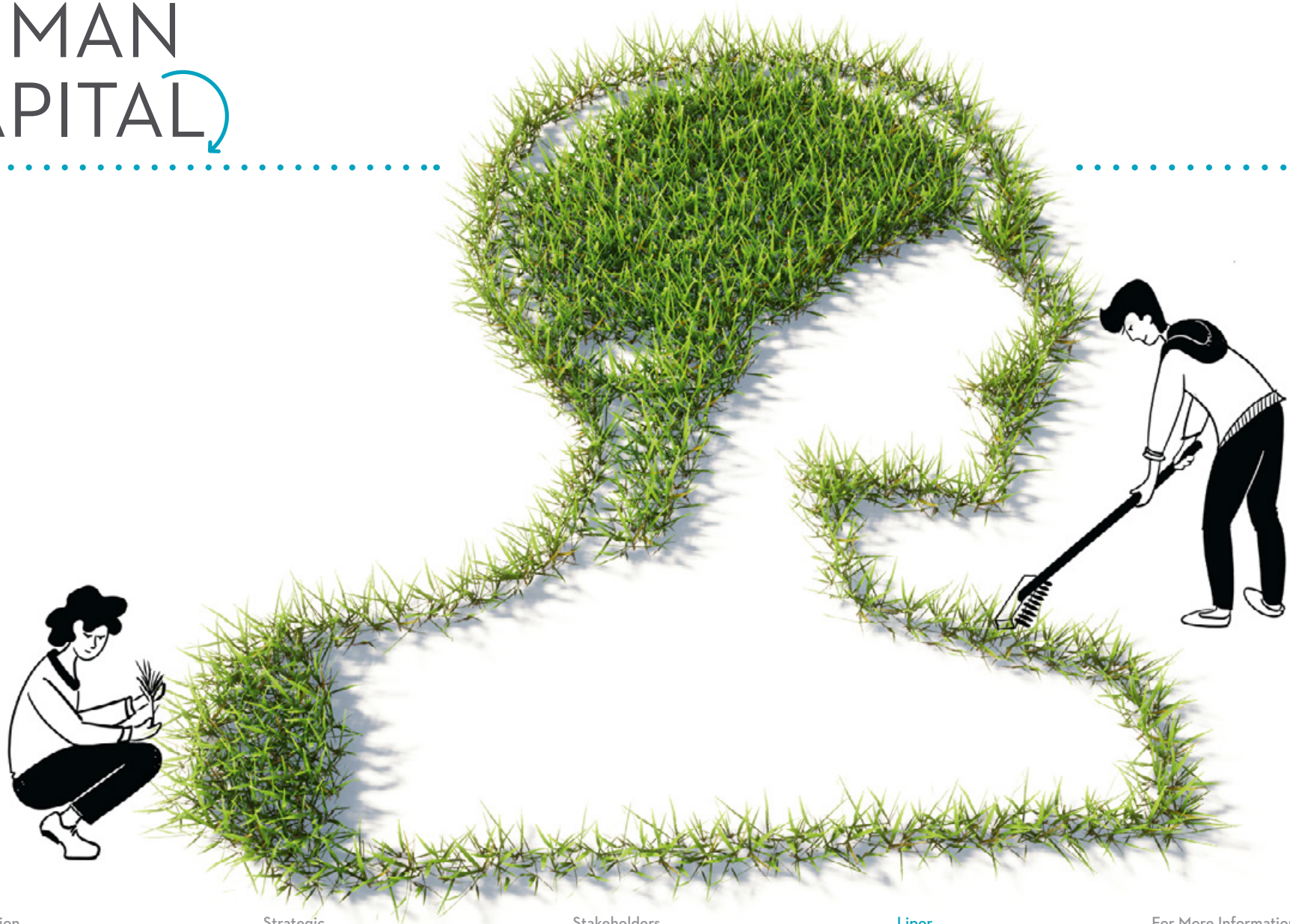
One of the large impact projects was the Biodiversity and Ecosystem Services Management Plan. After 20 years promoting and implementing strategic initiatives, actions and projects for the protection of nature and the promotion of biodiversity, it has become relevant for LIPOR and its Associated Municipalities to translate the impact of these investments into social, ecological and social-ecological benefits for the community it serves. Based on the TEEB - The Economics of Ecosystems and Biodiversity methodology, and with the technical and scientific support of the NBI Company, the contributions of the ecosystems managed by LIPOR to different

dimensions of human well-being have been identified, quantified and economically valued. In summary, we can say that the total value of the contributions generated by the boosting of Ecosystem Services promoted by LIPOR was estimated to be at least 12 times higher than the investment made. In estimated absolute terms, it is worth mentioning an investment assumed by LIPOR of 7 million euros and an estimate of the total value of the contributions generated by Natural Capital of at least 90 million euros.

In 2021, continue to follow us and learn more about our B side - Biodiversity! **(304-3)**



>4.4 HUMAN CAPITAL



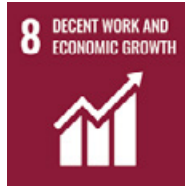
Introduction
to Lipor

Strategic
Background

Stakeholders

Lipor
Doesn't Stop

For More Information



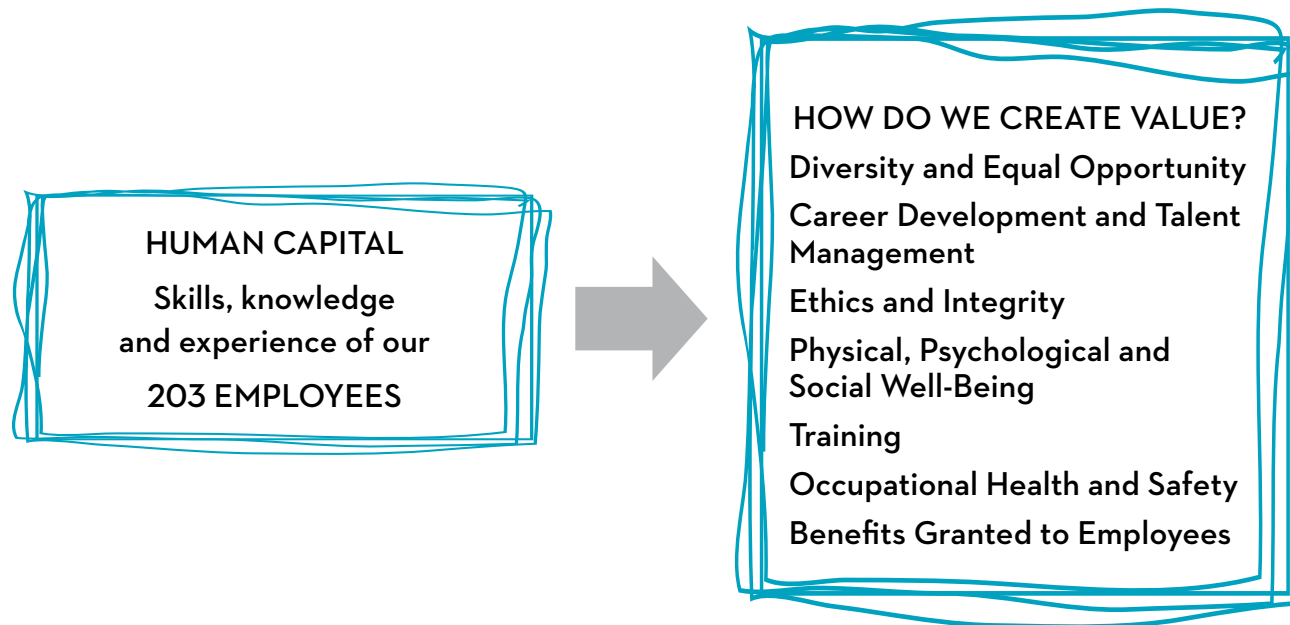
**PROMOTE SUSTAINED,
INCLUSIVE AND SUSTAINABLE
ECONOMIC GROWTH, FULL
AND PRODUCTIVE EMPLOYMENT
AND DECENT WORK FOR ALL**

LIPOR's greatest strength is People: All our Employees, who day after day, with their experience, knowledge and skills, have made LIPOR a reference Organisation, both in Portugal and internationally.

Human Resources Management is, therefore, a key element at LIPOR. Within this context, we

focus our efforts on the personal and professional development and valuation of our Employees, promoting their physical and emotional well-being and ensuring the best occupational health and safety conditions, through the compliance with the Quality, Environmental, Safety, Health and Social Accountability Management Systems.

Our performance at Human Resources level is even more impactful at the present moment, being fundamental in supporting the Organisation to overcome the challenges posed by the COVID-19 pandemic.



In 2020, we have **203 Employees** working full time (7 hours a day). A Team that is ambitious, passionate, creative and that, even in the face of adversity, continues to think positive! The Team is underpinned by LIPOR's intrinsic values, ethics, responsibility and rigour, which

are fundamental pillars to obtain the results that the Organisation sets out to achieve.

Equally fundamental for the achievement of these results is the employment generated by our Business

Partners (Citrup, Ferrovial, Hidurbe and Veolia), through the operation and exploration of the Composting Plant, the Sorting Plant, the Energy Recovery Plant and the Landfill.

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



	2020			TOTAL	BY GENDER	
	< 30 years	[30-50 years]	> 50 years		Male	Female
ENTRIES	3	4	0	7	5	2
EXITS	1	3	3	7	2	5
NO. OF EMPLOYEES	10	127	66	203	137	66
EMPLOYEE TURNOVER	0,99%	1,72%	0,74%	3,45%	1,72%	1,72%
NEW HIRE RATE	1,48%	1,97%	0,00%	3,45%	2,46%	0,99%

Our employees' satisfaction is fundamental to maintaining a positive and stimulating climate, boosting their loyalty, productivity and the quality of their work. This parameter is measured through Happiness at Work Surveys and the Work Excellence Index.

EMPLOYEE'S SATISFACTION



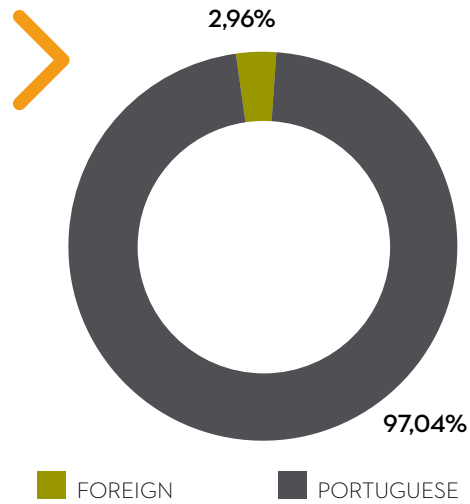
HAPPINESS SURVEY		
2019	2020	
4,37	4,47	+2,29%

	EXCELLENCE AT WORK INDEX		
	2019	2020	
GLOBAL ENGAGEMENT	67,0%	71,8%	+7,16%
	71,4%	71,9%	+10,78%

> WE ARE FOR DIVERSITY AND EQUAL OPPORTUNITIES

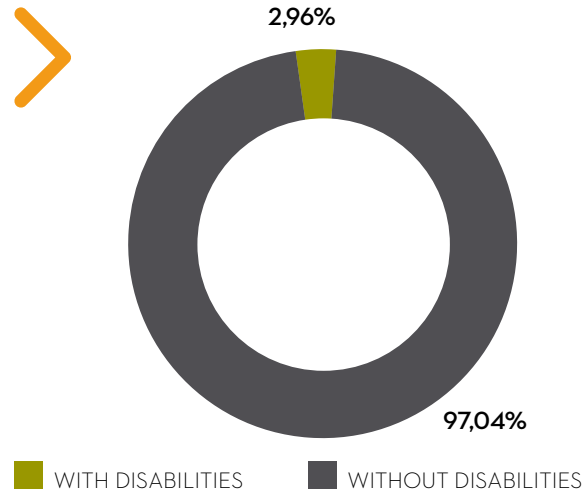
Human Resources Management at LIPOR promotes **Equal Opportunities, Diversity and Inclusion**, in which individual specificities are valued and all Employees are given an equal opportunity to show their talent and develop their potential, promoting the well-being and motivation of all.

EMPLOYEE NATIONALITY (405-1)



In 2020, LIPOR had six Employees of foreign nationality, the remaining being Portuguese nationals.

EMPLOYEES WITH DISABILITIES (405-1)

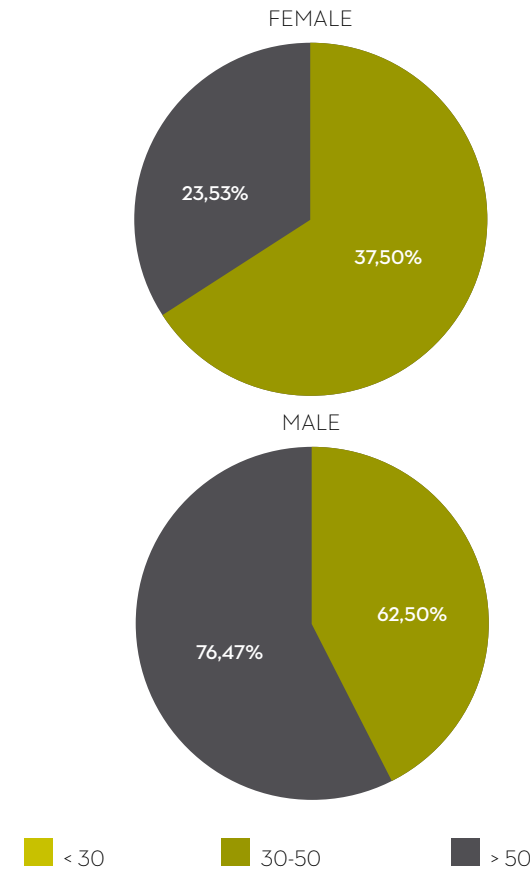


The care taken by the Organisation for several years to ensure Inclusion should be highlighted, with six Employees with disabilities in 2020.



LIPOR'S MANAGEMENT BY GENDER AND AGE GROUP (405-1)

LIPOR's Management includes the Members of the Intermunicipal Assembly and the Board of Directors, consisting of 24 members.



46,7% of LIPOR's management positions are held by Women.

EMPLOYEES BY GENDER AND CATEGORY (405-1)



	Male	Female	TOTAL
MANAGERS			15
IT SPECIALIST	1	1	2
SENIOR TECHNICIANS	21	48	69
IT TECHNICIAN	1	0	1
TECHNICAL ASSISTANTS	28	8	36
OPERATIONAL ASSISTANTS	78	2	80
TOTAL	137	66	203

REMUNERATION

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), wherefore 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 definition of basic salary by gender, so there's no discrimination regarding remuneration. In 2020, the national minimum wage amounted to €645.07, as determined by Decree Law no. 10-B/2020. (405-2)

> ATTRACTING AND RETAINING TALENT

CAREER DEVELOPMENT AND TALENT MANAGEMENT

The Organisation is strongly committed to Employee training and skills improvement, however there is no procedure other than the legal one for Career Management, since LIPOR is regulated by the General Labour Law for Public Service. However, there is a constant concern with Employees' professional development, giving them the opportunity to assume new job positions or duties through the mobility scheme. According to Law n.º 35/2014 of 20 June, mobility is a tool that can be used for public interest purposes, namely when it serves the economy, effectiveness and efficiency of bodies or services. During 2020, Lipor used this tool to move 3 workers to upper grades and 2 workers within their category. (404-2)

Um destaque para as admissões e os procedimentos concursais de recrutamento levados a cabo em 2020:

RECRUITMENT

ADMISSIONS 2020:

- 3 employees
- 3 PEPAL trainees

TENDER PROCEDURES:

- 12 Senior Technician positions
- 1 Technical Assistant position

Career Management is carried out through the procedures duly legislated in Law N.º 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), in accordance with Law n.º 66-B/2007 of 28 December, as applied to Local Administration by the Implementing Decree n.º 18/2009, of 4 September. This System is based on two areas: Individual or shared objectives and competences. With the changes made in the past years, SIADAP 3 became biannual. LIPOR's Employees are currently at the end of the 2019/2020 assessment cycle and the beginning of the 2021/2022 assessment cycle. (404-3).

COLLECTIVE LABOUR AGREEMENTS

LIPOR and SINTAP (Public Administration and Services 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. The aforementioned Collective 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. Currently, LIPOR is negotiating the revision of the Collective Agreement with the competent union structure. (102-41)

WE ARE ETHICAL AND A TEAM!

Within the scope of the Social Accountability Certification, SA 8000, LIPOR has been implementing several control mechanisms that ensure a high level of trust in the System. It is worth highlighting the quarterly Social Accountability visits, where Employees from all areas are interviewed.

The entire Organisation is subject to internal and external third-party Audits twice a year, that include an on-site check of working conditions and anonymous interviews to detect any possible fault that may escape from the Organisation’s ordinary control (102-17).

Within the same context, the Code of Ethics is systematically disseminated among the Employees

through internal training actions. Regarding internal and external mechanisms for concerns about Ethics, Employees may resort to several reporting channels at their disposal, namely:

- > Intranet
- > Suggestion box
- > Workers Representative

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



TYPE OF LINK WITH LIPOR		2018			2019			2020		
		Male	Female	Total	Male	Female	Total	Male	Female	Total
DIRECT EMPLOYEES	Permanent Staff	133	58	191	134	68	202	134	66	200
	Self-employed Workers	0	0	0	0	0	0	0	0	0
	Trainees	0	0	0	0	1	1	3	0	3
SUPERVISED WORKERS	“Vida-Emprego” (Life-Employment) Project	0	0	0	0	0	0	0	0	0
	CEI (Employment-Inclusion Contract)	0	0	0	0	0	0	0	0	0
	Total	0	0	0	0	1	1	3	0	3
CASUAL WORKERS (INDEPENDENT)	Temporary Workers	0	0	0	0	0	0	0	0	0
	Consultants	0	0	0	0	0	0	0	0	0
	Total	133	58	191	134	69	203	137	66	203

Our Employees are, undoubtedly, our greatest asset, enjoying, without distinction, the same rights and benefits. Regarding the type of contract with LIPOR, direct employees have an employment contract for an indefinite term, while Supervised Workers, in 2020, were doing PEPAL Internships.

➤ EMPLOYEE DEVELOPMENT AND WELL-BEING

In view of the directives to fight against the COVID-19 pandemic, the work regime underwent changes, adapting to the new reality, but maintaining the same commitment, responsibility and rigour as before. LIPOR did not stop, but it changed the way it works. All Employees whose duties permitted it switched to working from home, while Employees unable to adopt this regime, namely those in the Operational area, had their working hours staggered by fifteen minutes, in order to avoid overcrowding.

In order to support Employees during the lockdown period, by fostering the maintenance of emotional bonds with LIPOR, a set of initiatives was developed to promote their physical, psychological and social well-being. Thus;

- We reinforced the dissemination of information regarding the promotion of the physical and emotional well-being of our Employees over the Organisation's internal communication channels.
- Through Yammer, we disseminate suggestions about working from home, healthy habits, balanced diet and doing physical exercise, as well as reminders to enjoy family time, on a daily basis.

+ SAÚDE at yammer:		
	2019	2020
TOTAL PUBLICATIONS	29	100
TOTAL VISUALISATIONS	628	12.301
VISUALISATIONS/PUBLICATION (AVERAGE)	22	123

- Physical exercise - yoga and personal trainer sessions - as well as medical appointments, are now carried out online, ensuring that all Employees have access to this care.
- We also promote Workshops given by a psychologist and a nutritionist.

TRAINING



Training and the consequent valorisation of Employees continue to represent an important investment for LIPOR, due to the value added to Employees, the Organisation and our Stakeholders. During 2020, 43.9 hours of training were provided per Employee, a total of 9,002 hours of training (404-1).

Internal Staff Training (FIQ) is a LIPOR initiative that for several years has reinforced the sharing of knowledge with Employees on diversified subjects, with the purpose of providing them with skills transversal to all professional activities.


In 2020, 9 FIQs were held, delivered by Employees and/or guest speakers.

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



		2020		TOTAL
		Male	Female	
TRAINING HOURS	Managers	696,00	488,00	1 184,00
	Senior Technicians	1 610,50	4 574,50	6 185,00
	Technical Assistants	991,00	332,00	1 323,00
	Operational Assistants	308,00	2,00	310,00
	Total Training Hours	3 605,50	5 396,50	9 002,00
EMPLOYEES	Managers	8,00	7,00	15,00
	Senior Technicians	20,00	52,00	72,00
	Technical Assistants	29,00	8,00	37,00
	Operational Assistants	80,00	1,00	81,00
	Total Employees	137,00	68,00	205,00
TRAINING HOURS PER EMPLOYEE	Managers	87,00	69,71	78,93
	Senior Technicians	80,53	87,97	85,90
	Technical Assistants	34,17	41,50	35,76
	Operational Assistants	3,85	2,00	3,83
	Total	26,32	79,36	43,91

During the lockdown period, there was also an emphasis on disseminating free online training courses to Employees.



TRAINING

Planned Hours: 1974 Training Hours: 9002 Satisfaction rating: 4,47 (1-5)	ATAWAD: • Total Views: 2902 • Average number of views/publication: 30
--	---

OCCUPATIONAL HEALTH AND SAFETY

In order to prevent the occurrence of work-related injuries and diseases, by promoting hygiene, safety and health, and ensuring the elimination of hazards and risk reduction, LIPOR's Occupational Health and Safety Services are organised according to legal requirements.

LIPOR's Occupational Health and Safety Management System is certified according to ISO Standard 45001:2018. (403-1)



7,89%
absenteeism rate

ABSENTEEISM RATE (403-2)



DIRECT EMPLOYEES	2019			2020		
	Male	Female	Total	Male	Female	Total
TOTAL ABSENTEEISM RATE	7,52%	7,52%	7,52%	7,08%	9,35%	7,89%
GRI CALCULATION *	5,36%	4,23%	4,99%	5,13%	1,66%	3,90%

SUPERVISED EMPLOYEES	2019			2020		
	Male	Female	Total	Male	Female	Total
TOTAL ABSENTEEISM RATE	21,53%	30,07%	28,40%	12,09%	0,00%	9,20%
GRI CALCULATION *	10,42%	10,28%	10,30%	0,00%	0,00%	0,00%

WORK-RELATED ACCIDENTS (403-9, 403-10)

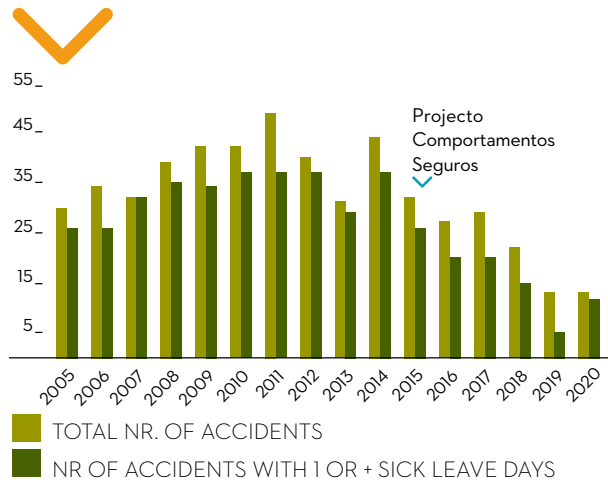


**Absence
of fatal or serious accidents
0,001%
work-related disease rate**

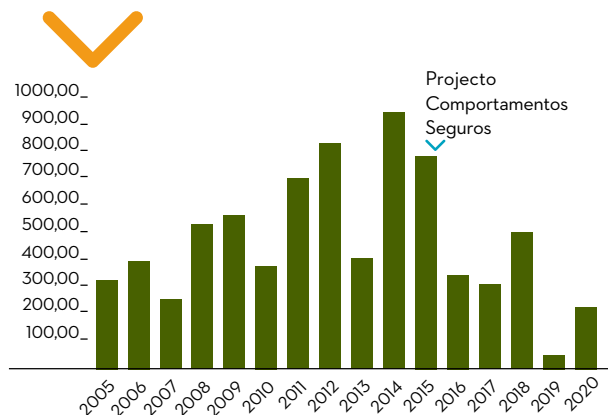
	2020			
	LIPOR EMPLOYEES		SUPERVISED WORKERS	
	Male	Female	Male	Female
NO. OF FATAL ACCIDENTS	0	0	0	0
NO. OF SERIOUS ACCIDENTS	0	0	0	0
NO. OF NON-SERIOUS ACCIDENTS	13	1	0	0
TOTAL NO. OF ACCIDENTS (EXCEPT FATAL ACCIDENTS)	13	1	0	0
NO. OF HOURS WORKED	304 016			
FATAL ACCIDENTS RATE (%)	0	0	0	0
SERIOUS ACCIDENTS RATE (EXCEPT FATAL ACCIDENTS)	0	0	0	0
FREQUENCY (TF)	39,47	3,29	0	0
SEVERITY (TG)	684	13	0	0
SICK LEAVE DAYS	208	4	0	0
OCCUPATIONAL DISEASES	1	0	0	0
OCCUPATIONAL DISEASE RATE	0,001%	0	0	0

“COMPORTAMENTOS SEGUROS” (SAFE BEHAVIOUR) PROJECT

NUMBER OF ACCIDENTS



SICK LEAVE DAYS



Since 2015, we have implemented the “Comportamentos Seguros” (Safe Behaviour) Project which aims to promote the continuous improvement of the safety culture in the Organisation, in order to avoid accidents. (403-7)

In 2020 we can see that:

- > the total number of accidents is similar to that of 2019 and the second lowest figure since 2005, 71% lower than the highest figure in 2011;
- > the number of accidents with sick leave (13) is similar to that of 2018 and the second lowest figure since 2005, and 65% lower than the highest figure of 37 accidents (2011, 2012 and 2014);
- > the number of sick leave days (212) is the second lowest since 2005, and 78% lower than the maximum value of 945 sick leave days (2014).

OUR RESPONSE DURING THE PANDEMIC

To minimise these risks, LIPOR has implemented several Prevention measures.

Occupational Medicine provides support in Prevention and Control, allowing us to anticipate and act in some risk cases. The emergence of the pandemic imposed new working arrangements and the need to make adaptations in the workplace. In this context, a general visit was made to LIPOR’s

buildings, in order to observe the implementation of the Contingency Plan and the measures adopted to mitigate exposure to COVID-19.

In addition, a study was conducted in 2020 on the psychosocial risks, with the aim of minimising the negative effects of the pandemic at psychological, physical and social level, namely work-related stress, burnout or depression.

We have some initiatives that can contribute to the minimisation of serious occupational diseases, such as 15 minutes of workplace gymnastics in operative and administrative areas, before each shift. As for employees carrying out administrative duties, since they have the possibility of working from home, gymnastics in the workplace now takes place online, two days a week. (403-6)

Employees also have access to Occupational Medicine Appointments, where a General Practitioner is available once a week, and occasionally also a Nurse, thus giving access to Curative Medicine. Although the Directorate-General for Health published Technical Information on Occupational Health no. 14/2020, within the scope of the pandemic situation that the country has been facing since February 2020, only some non-urgent occupational medicine activities were suspended, for a period of 3 months. For Employees to be able to clarify any doubts about the Coronavirus - SARS-CoV2 infection, the contact details of the company providing occupational medicine services were also made available. (403-3)

COVID-19 CONTINGENCY PLAN (403-4, 403-5)

Aware of the essential public service it provides in the management, recovery and treatment of municipal waste produced by the eight Associated Municipalities, LIPOR continued to receive and sort waste during the COVID-19 pandemic, ensuring compliance with the Guidelines and Recommendations of the Directorate-General for Health (DGS) and the Portuguese Government, assuming its relevant role in the population's public health.

Within this scope, a Contingency Plan was prepared with all the necessary measures to prevent infections and the spread of the virus, and LIPOR is strongly committed to contributing towards ensuring the necessary health conditions to fight the pandemic. Therefore, several extraordinary, temporary and transitional measures were implemented aiming to minimise risks and ensure the well-being and safety of all Employees.



"Safety Dialogues"	Safety Dialogues with Employees on COVID-19
Isolation Room	Establishment of an isolation room with the necessary conditions to ensure safety distancing for the employee with suspected symptoms
Disinfectant products	Distribution of disinfectant product as well as good practices to have in the office, in all departments
Disinfection of Equipment	Cleaning and disinfection of work equipment and vehicles between shifts; Reinforced cleaning and disinfection of workplaces and common areas.
Personal Protective Equipment	Provision of alcohol gel in common areas and Personal Protective Equipment (masks, gloves, etc.) to Employees.
Fingerprint attendance control	Fingerprint attendance control is no longer mandatory.
Employee Area	Demarcation of the Employee area for the exclusive use of LIPOR Employees and raising awareness to good hygiene practices for vending machines,
Safety Distancing	Guidance for compliance with safety distancing between employees at workstations, during breaks and in changing rooms. To enforce social distancing, additional changing rooms were also created.
Circulation Areas	Cleaning and disinfection of circulation areas with Sodium Hypochlorite.
"Foot washers"	Placement of "foot-washers" to disinfect footwear and awareness-raising on how to use them properly.
Temperature Measurement	System to measure the temperature of all those who enter LIPOR's facilities,

The whole Contingency Plan included a strong communication and awareness-raising component associated, with the distribution of information leaflets to Employees, detailing the DGS's prevention measures, as well as the internal procedure to adopt in the event of symptoms. There were clarification sessions on COVID-19 with the Occupational Practitioner and an internal e-mail address (covid19@lipor.pt) was created for further clarifications on the subject.



> BENEFITS GRANTED TO EMPLOYEES

Within the scope of the SA 8000 Standard Certification, and according to the principle of equality, LIPOR includes Supervised Employees in the Social Accountability visits, giving them the opportunity to express their views on several issues regarding their employment relations, among others. They are also invited to participate in general meetings on the Organisation's Strategy, Objectives and Performance Communication. Care is also taken to equalise benefits granted to LIPOR's Employees and Supervised Workers. (401-2)



CCD Lipor - “Cultural and Sports Centre for LIPOR Workers”

CCD was established in 2020. **This Association is an important means of representation and collaboration by Workers and for Workers!**

LIPOR Workers’ CCD aims at pursuing non-profit environmental, educational, cultural, sports and recreational activities, to improve the quality of life and use of leisure time of its members and their families. In its multifunctional dimension, LIPOR Workers’ CCD aims, among other things, to:



- > promote well-being, providing services and resources within the previously mentioned activities;
- > foster the integral development of employees and their families, based on training and information services and a wide and diversified range of activities and services;
- > organise sports initiatives, classes and training;
- > develop leisure and free time activities.



SEMENTE - “LIPOR Volunteers Association”

SEMENTE is a group of volunteers made up of LIPOR Employees and family members, and an important project within the scope of the social accountability policy.

In 2020 Solidarity was put to the test, but despite the physical distancing, SEMENTE was present in people’s lives and attentive to those most in need! Among the huge amount of work carried out, we highlight the Social Resources and Actions more directly in favour of LIPOR’s Employees and Senior Retired Workers:

SOCIAL RESOURCES		SEMENTE ACTIONS
		
Reopening of the Social Kitchen, with adapted menus; implementation of safety measures (social distancing, maximum capacity, staggered lunch times) - Implementation of the “Lanche ao Escritório” (Office Snack) service	LIPOR’s Senior Retired Workers Support Line (started in March)	Easter visit to LIPOR’s Retired workers
<ul style="list-style-type: none"> • Total no. of meals served to users: 2,208 • No. Of Office Snack Requests: 146 	<ul style="list-style-type: none"> • No. of Psychosocial Support calls made: 586 • Beneficiaries: 22 retired workers • Total time of outgoing calls: 55h40min29s 	<ul style="list-style-type: none"> • Beneficiaries: 40 LIPOR retired workers • Volunteers: 11 Hours • Volunteering: 44h00 (working)

>4.5 INTELLECTUAL CAPITAL



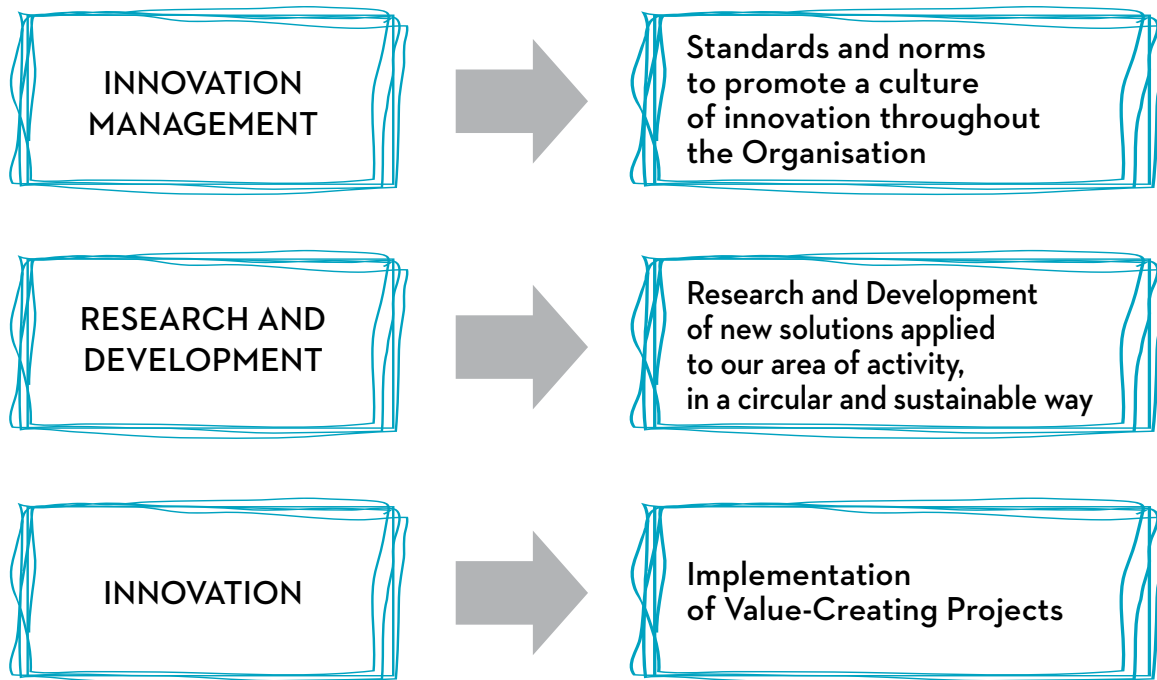


**BUILD RESILIENT INFRASTRUCTURE,
PROMOTE INCLUSIVE
AND SUSTAINABLE INDUSTRIALIZATION
AND FOSTER INNOVATION**

> INCENTIVE FOR NEW BUSINESSES AND OPPORTUNITIES

At LIPOR, innovation is a Strategic issue through which we differentiate ourselves and create value.

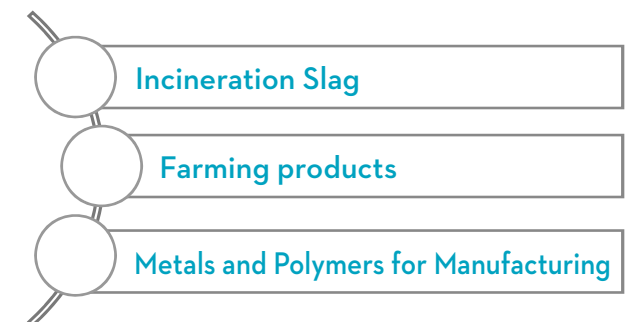
As a strategic pillar of the Organisation, its implementation is based on 3 different areas:



LIPOR has a certification for Research, Development and Innovation since 2012. (NP4457).

Since 2017, LIPOR has had an innovation strategy focused on product development in order to improve the effective circular economy in the waste sector.

Because we see waste as a resource, our main goal is to develop new products that add value, increasing quality levels, offering new options for various waste streams, ensuring customer satisfaction and environmental sustainability. We do this in 3 priority areas while at the same time prioritising process digitalisation:





In order to assess the performance level of the Organisation's Innovation activity, the Innovation Scoring was submitted to COTEC. In 2020, the value of Innovation Scoring was 630 points, on a maximum scale of 1000 points (L2).

> INNOVATION

The effective implementation of Projects that bring added value is based on the Research and Development of new solutions applied to the management and treatment of municipal waste, which we view in a comprehensive, circular and sustainable way.

LIPOR's Research, Development and Innovation Unit is developing **22** Studies and Projects, and has **52** already ongoing throughout the Organisation.

> ONGOING INNOVATION AT LIPOR!

New product development has different outcomes in three phases:

- > Prototype: Physical product being tested
- > Developed Product: Physical product ready for the market
- > Product Launched in the Market: Physical and economically viable product, launched in the market

In 2020, **10 prototypes** were produced, with **8 products under development** and **6 products already finished**, none of which have been launched in the market yet.

The impact of the pandemic resulted only in delays in the prototyping and supply of some equipment due to the temporary closure of laboratories and companies. In 2020 we decided to apply the codesign tool to all products under development, and there are 6 products with completed codesign.

One of the biggest challenges to good project management is being able to measure their impact, in economic, environmental and social terms. RDI projects' creation of value - tangible and intangible income - stands out, with 92 million euros, 96% of which are related to the provision of ecosystem services. The rest corresponds to revenue, avoided costs, CO2eq emissions avoided and social and environmental impact.

In 2020 there was a clear focus on the implementation and materialisation of the solutions developed, in an attempt to leverage some projects that will be quite relevant in the future, within the three key areas defined: Nutrimais® substrates; Slag Products and Equipment Sensors. Thus being, the 2020 priorities were:

HIGHLIGHTS INNOVATION 2020
Project for the Anaerobic Digestion Unit, the Slag Line and the Laúndos Green Composting Plant
Implementation of the Substrates Line and the ALGAVALOR Line
Production of the WALLIE pre-series (Registered trademark for the BIN UP household recycling bin)
Testing Sensors in Composters

> INNOVATION MANAGEMENT



Innovation Management allows Innovation to be continuous at LIPOR, to be carried out creatively and with an effort to involve all Employees. It includes, among other aspects, the promotion of an Innovation Culture within the Organisation; the Management of Ideas, the measurement of Projects' impact, the promotion of Organizational knowledge retention and Intellectual Property protection.

What's New Seminar, held in June on an online platform.



It was a moment of knowledge sharing and engagement for all, which demonstrated a true Innovation Culture throughout the Organisation.

Today, with so many uncertainties in the world, it is all the more necessary to invest in the search for new alternatives and solutions. In 2020, the first steps were taken to change the Idea Management IT Platform, so that we can continue to capitalise on the creativity of our Employees.

As a reflection of the knowledge produced by the Organisation, in 2020, **5 technical articles were published**, as a result of studies carried out by LIPOR, in partnership with external entities. Two of the articles were published in the Waste Management magazine, highly reputed in the field of waste.

INTERNATIONALISATION

The main focus of the Internationalisation Strategy is to drive new business, increase Organisation and Brand awareness and project LIPOR's know-how. This is based on the provision of international consultancy services, taking advantage of the knowledge and experience that the Organisation has, as a result of its activity, at the service of the Community, Municipalities and other Stakeholders, in the design and implementation of sustainable waste management solutions.

2020 was a fruitful year! Despite the pandemic that affected the World and severely limited international travel, all commitments were fulfilled.

In 2020, LIPOR had 5 Proposals approved for 3 Projects to be implemented in Tunisia and 2 Projects to be implemented in Argentina. (L5)

TUNISIA

In the first quarter there was a Business Mission to Tunis, where a Cooperation Agreement was signed between LIPOR and the Tunisian Ministry of Local Affairs and Environment (MALE). A service provision

contract was also signed for the development of an Education for Sustainable Development Project, with the objective of training Inspectors of the Tunisian Ministry of Education to mobilise the Tunisian school community.

Education for sustainable development

The project included the training of trainers to disseminate the knowledge acquired to the school community in Tunisia, and the preparation of pedagogic materials to be used in classroom context. The training programme was addressed to 54 Inspectors of the Tunisian Ministry of Education.

Support to the implementation of selective collection in 400 schools

LIPOR was the entity selected to support MALE in the implementation of selective collection in 400 Tunisian schools. The main objective of this Programme was to integrate the principles of Sustainable Development into daily school practices and all aspects of education and learning. The implementation of selective collection in schools implies the creation of suitable spaces and conditions for selective waste disposal. Five streams of materials will be separated at schools, duly packaged and then collected and sent for final disposal, namely paper and cardboard, plastics, used batteries, organic waste and unsorted waste. The schools, which are the target of the Project's action, will become part of the Tunisian Sustainable Schools network. It is estimated that the provision of this service will be completed in the first quarter of 2021.

ARGENTINA

Negotiations have started with a new market, Argentina, and LIPOR, in cooperation with the Ministry of the Environment and Sustainable Development, for two services to be provided in 2021. One of the projects will address marine litter and environmental education and the second will address sustainable cities and waste management.

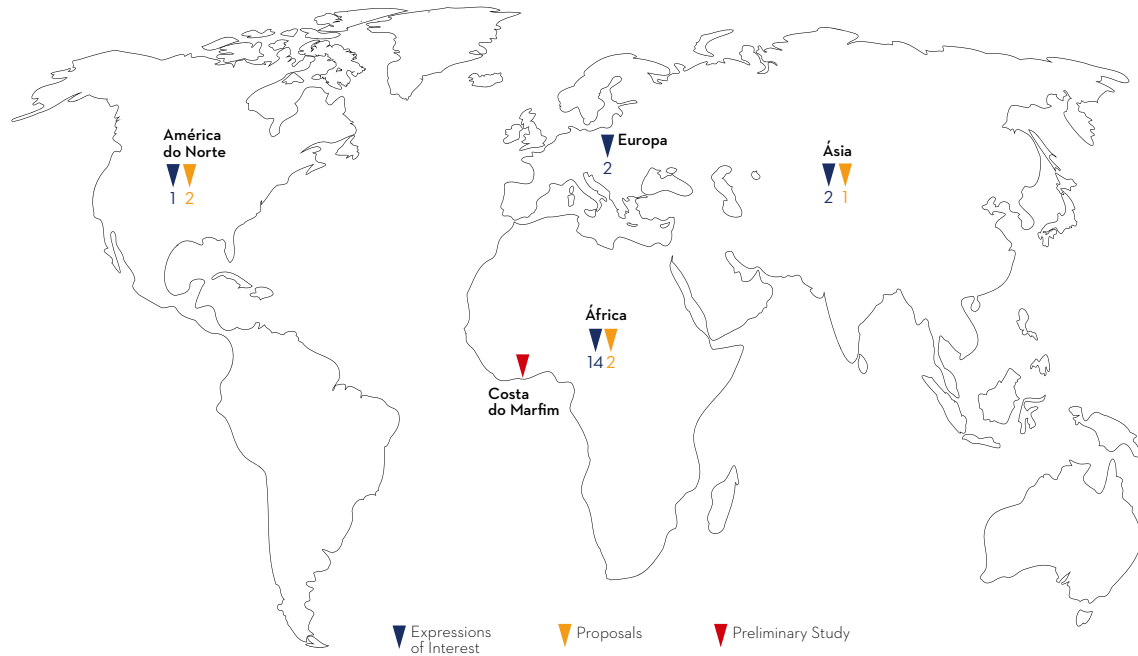
2020 was a year of Webinars, Virtual Missions, digitally connecting with other entities and online meetings on the most diverse platforms. Within the scope of conducting and participating in webinars, it is worth mentioning our collaboration with AICEP, Chambers of Commerce, the BMD - Multilateral Bank for Development and other entities of reference and of the sector.

In 2020, LIPOR maintained business and prospection relationships with 27 countries.

Expressions of Interest

Compared to the previous year, in 2020 LIPOR recorded an increase of around **75%** in the number of Expressions of Interest submitted and of around **50%** in the number of Proposals presented.

between Portugal and Brazil, with the participation of the National Secretary for Environmental Quality of the Brazilian Ministry for the Environment and representatives from the Brazilian Association of Waste and Waste Water Treatment Companies (ABETRE) and the National Association of Municipal Environment Agencies (ANAMMA).



WASHINGTON - Multilateral Development Bank (MDB)

- Preparation of a Business Case aimed at countries facing the challenge of sustainable waste management, in collaboration with the IDB - Inter-American Development Bank. This strategic initiative will not be limited to action within the IDB, but also with other MDB bodies. The Business Case was concluded in December 2020, with the promotion and dissemination of this new tool being reserved for 2021.

COMPETENCIES POOL

International Consultants

LIPOR's Consultants Pool currently counts on the participation of 36 Consultants. International Consultants are LIPOR Employees who are available to participate in Projects in an International context, making their experience and knowledge available to International Customers. In 2020, 20% of those enrolled in the Pool were allocated to International Projects.

> EXTERNAL MARKETS | 2020 HIGHLIGHTS

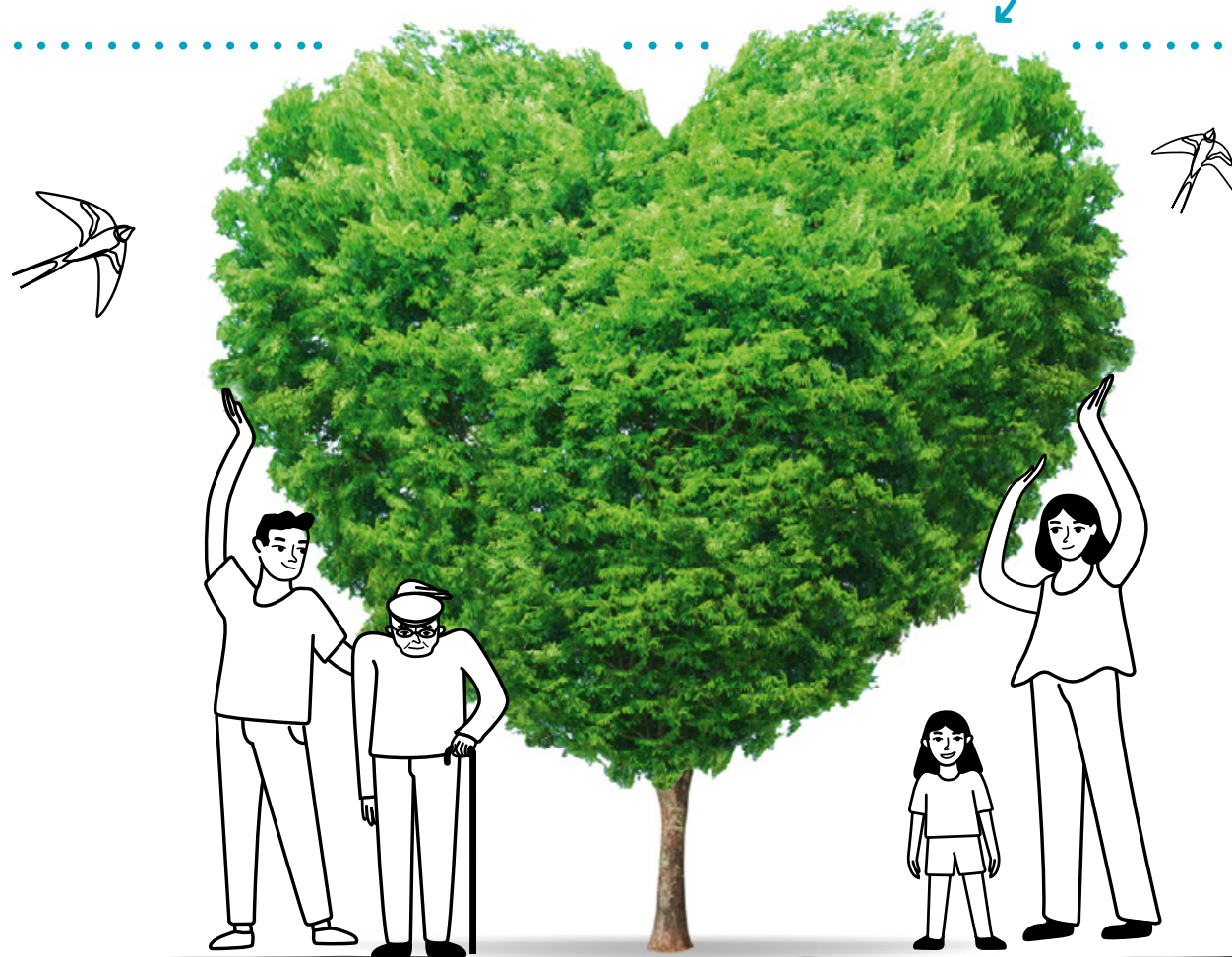
BRAZIL

- Participation with 4 Guest Professors, among LIPOR's Senior Executives and Managers, in the Executive MBA in Administration: Energy Recovery and Waste Treatment, invited by ABREN - Associação Brasileira de Recuperação Energética de Resíduos and Getúlio Vargas Foundation.
- Reception of the visit of the Brazilian Ministry of Health to LIPOR's facilities.

Participation in International Work Groups

- Member of the Board of ECN (European Compost Network)
- Participation in the ECN Work Group; CEWEP (Confederation of European Waste-to-Energy Plants) and ISWA (International Solid Waste Association)

>4.6 SOCIAL AND RELATIONSHIP CAPITAL





ENSURE INCLUSIVE AND EQUITABLE QUALITY EDUCATION AND PROMOTE LIFELONG LEARNING OPPORTUNITIES FOR ALL



STRENGTHEN THE MEANS OF IMPLEMENTATION AND REVITALIZE THE GLOBAL PARTNERSHIP FOR SUSTAINABLE DEVELOPMENT



MAKE CITIES AND HUMAN SETTLEMENTS INCLUSIVE, SAFE, RESILIENT AND SUSTAINABLE

ENVIRONMENTAL EDUCATION, TRAINING AND COMMUNICATION

Citizens nowadays have the power of assessment, intervention and mobilisation.

While well-informed citizens generate positive impact, on the other hand, ill-informed citizens can lead to harmful consequences and often irreparable fragmentation. This is where the power of Environmental Communication and Education lies. At LIPOR, it comes in the form of instruments to promote public acceptance, capitalising the value of projects within the community, highlighting their added values and empowering local players for an assertive and constructive intervention at all relevant and decisive moments.



The year 2020 had a strong impact on the development of our **environmental education and training projects and services**, particularly in all activity which development and monitoring process implies a high and permanent level of contact, due to the global pandemic context. Even so, we reinvented ourselves, we discovered methodologies, we produced and transferred content online, to develop actions that the context allowed us to.

In the period under review, 1,315 awareness-raising and direct training actions were developed, involving 32,084 participants (L1). In addition, 198 new educational contents were produced in digital format, reaching 303,094 people.

303.094
Digitally
aware
citizens

One of the most emblematic projects is Geração+ (Generation+), an educational project for public and private educational institutions, as well as social organisations and other associations and entities located in our Associated Municipalities, with the objective of altering the Institutions' environmental management practices. This year, the Generation+ project, which involves 284 entities, made available a digital platform for sharing content and activities with institutions - PadletG+.

During such a challenging year, LIPOR Academy reorganised the training contents in distance learning programmes and adapted the themes to the interests that emerged from a population mostly working from home or on *layoff*. As a result of this adaptation, the online training provided has grown 333% in a year. In 2020, 50 courses were developed, with 252 hours of training, involving 1,737 trainees. Another important achievement in 2020 was the certification of the courses by the Engineers Association - Selective Collection Circuits and Principles of Circular Economy in Waste Management.

The limitations imposed by the Pandemic caused **LIPOR's Communications** to reflect on the need to redefine a new way to communicate and involve citizens by leveraging digital communication. From this reflection came a new Digital Communication Management Model, which was materialised, for example, with the creation of LIPOR's Twitter account. An effort was made to communicate online and offline with Citizens, for the continuity of the LIPOR Brand Communication through the path of visibility, valuing the quality of the service provided to citizens and the construction of a new narrative based on a 360° communication strategy.

1.077.264
LIPOR's
reach on
Facebook,
the most
followed
network

While fighting against the pandemic, LIPOR and its Associated Municipalities developed communication work with the population, alerting them to the new care to be taken when disposing of their waste, so that the new rules for handling household waste could be followed. Internally, through the multiple means of internal communication, communication and awareness-raising on good practices in waste management associated with the pandemic context was also developed.

Several initiatives were organised online, namely the Cycle of *Webinars* dedicated to the theme of Organic Recovery entitled "Biowaste: New Challenges, New Solutions", in the year when LIPOR and the

Associated Municipalities celebrated 15 years of Soil Enhancement.

The year 2020 will also be marked by the launch of the LIPOR Portal, which is now more responsive. A new LIPOR Intranet was also launched, which is more dynamic, user-friendly and has new functionalities that boost employee engagement.

> BRAND AND REPUTATION MANAGEMENT

One of the most significant tasks we have been carrying out is the challenge of Communicating the LIPOR Brand in a unique way. In 2019, within the scope of the Semiotics Project, we decided to structure

communication along the path of visibility and build a Lifestyle for LIPOR communications.

We believe that LIPOR already promotes, among citizens, projects that translate a "sustainable way of life". In 2020 we presented an integrated communication strategy, in which each piece of communication fulfils LIPOR's values, tells the same brand story and articulates the same contrasts. There are different lifestyles.... and one of those is the LIPOR Lifestyle!

Adjusting our Brand Strategy to the type of publics we want to connect with, and the lifestyle we want to promote, is a priority for LIPOR. Building a LIPOR Lifestyle is building a community that shares the same values, visions and ideals.



> IMPACT ON THE COMMUNITY

One of the fundamental dimensions for LIPOR to fulfil its Purpose is through Social Accountability Policies.

In an unpredictable year such as 2020, all the activity inherent to Environmental Education Equipment, such as the Adventure Park & Eco-Trail, was suspended, with online events and the production of educational content being enhanced. Regarding study visits to LIPOR's Units, a methodology has been developed to adapt them to asynchronous digital format or Live Streaming.

Even in the face of the current situation this year, our commitment to action with the community was strengthened, and we continued to provide support and sponsorship, as well as the "Operação Tampinhas" project. The "Operação Tampinhas" Project receives bottle caps, which are forwarded for recycling and whose sales value is used to donate medical, orthopaedic and similar equipment. This project has been underway since 2006 and in 15 stages, 847 tonnes of bottle caps have been treated, with a total value of 576,254 euros, which were used to provide 1,650 pieces of medical, orthopaedic or similar equipment, distributed to 599 Beneficiary Entities.

We established Partnerships in the environmental and social areas, to create impact in the community:

LIPOR and ERP Portugal together, to create a Network of WEEE Recovery Centres: LIPOR and ERP Portugal commit to create a Network of WEEE -

Waste Electrical and Electronic Equipment Recovery Centres [CREW], which will allow significant gains in the waste production prevention strategy.

LIPOR joins the Transformers

Build, train, educate on the Environmental Sustainability topic to include in all Superpower Schools resources and the Mentor Handbook.



LIPOR joins forces with Educafrica

LIPOR and Educafrica work together within the scope of "Africa2Eco", a project that aims at reducing the amount of recyclables on public roads, raising environmental awareness among the population on waste management, and promoting circular economy through the production and sale of products made of transformed material.

LIPOR and CIBIO together for Biodiversity

Celebrate World Pollinator Day and the International Day of Biological Diversity, by developing various

initiatives to increase literacy on pollinators and insects in general.

LIPOR joins the Girl Move Academy to "Transform the World"

For the 3rd consecutive year, LIPOR joins the unique initiative of the Girl Move Academy. Even with all the constraints resulting from the pandemic period we lived in, we welcomed a Girl Mover and provided her with a Life Internship. Even though the internship was virtual, it was full of momentum, proximity and exchange of knowledge.

Some of the financed projects we are part of:

Algavalor

We are committed to ALGAVALOR!

The overall objective is the integrated production of microalgae and the valorisation of their biomass and extracts in different applications. This project aims to develop and launch new products in the human food and superfoods, animal nutrition, cosmetics and biofertilisers markets. LIPOR is part of this mobilising project, financed by Compete 2020, which has more than 20 co-promoters and partners.



CityLoops

We promote the circularity of biowaste in the city of Porto!

EU-funded project focusing on organic, construction and demolition waste. These cities will act as pilots and will promote a series of demonstration actions and activities involving construction and demolition waste (CDW) and organic waste (OW) with the aim of making these materials circular. As part of CityLoops, more than 30 new tools and procedures will be tested, involving 28 partners.

D-Noses

Citizen Science!

Taking into account that throughout Europe odour pollution is the second biggest reason for environmental complaints from citizens, just after noise, we align ourselves with the D-NOSES Project. EU-funded, this project will provide a solution to this widely neglected problem by reversing the way odour pollution problems are usually analysed. The new method will empower citizens using participatory platforms and tools to help them drive change, and will apply a quadruple helix model of social engagement at local, national and global levels.



ESTRAEE

We give new life to Waste Electrical and Electronic Equipment!

Under the Spain-Portugal cooperation programme, through the EP - INTERREG V - POCTEP Programme, we are part of the ESTRAEE Project, which promotes, in the Galicia-North Portugal cross-border area, a strategy for the sustainable management of end-of-life Electrical and Electronic Equipment, involving citizens, Local Administration, manufacturers and producers, through the Extended Producer Responsibility Systems.

There is river and sea, there is rubbish to transform

We live the Rivers and the Seas!

Project developed under the Environment, Climate Change and Low Carbon Economy Programme 'Environment Programme', of the Financial Mechanism of the European Economic Area 2014-2021 - Small Grants Scheme #1 - Projects for prevention, which aims to develop a set of initiatives and tools that intensely and continuously promote Ocean Literacy and Sea Protection and Preservation integrated in education systems, information to citizens, training of technicians at administrative and business level, in order to adopt better environmental management practices in this area.

LIFE TACKLE

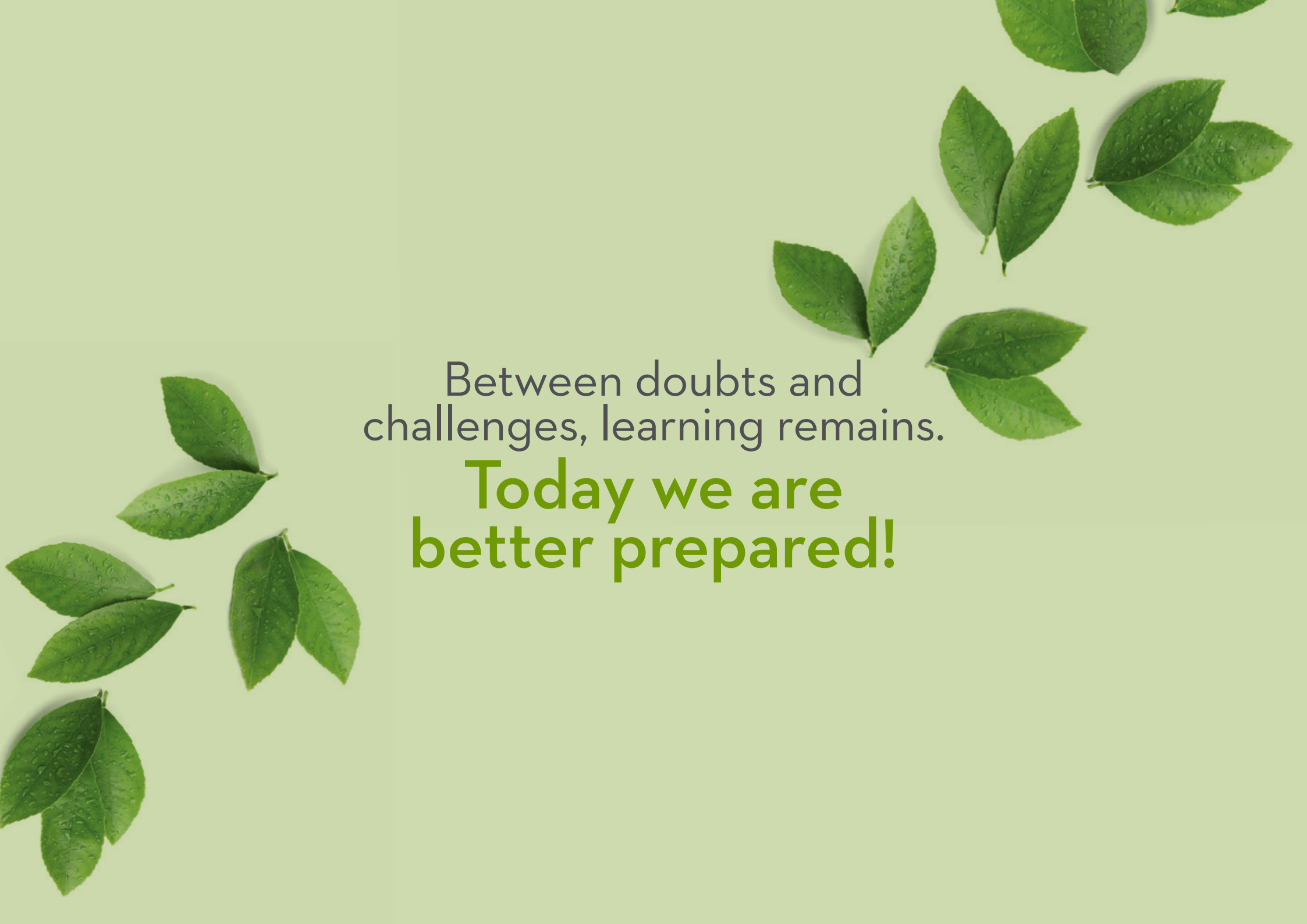
We are in this together!

Project co-financed by the European Commission through the Life Environment Programme, which aims to improve the environmental management of matches and events, raising the general level of awareness and attention to environmental issues in the football sector, thus involving its most relevant stakeholders - National Football Associations, Football Clubs, Stadium Managers and Supporters.



Lipor
Doesn't Stop

For More Information



Between doubts and
challenges, learning remains.

**Today we are
better prepared!**

>5 FOR MORE INFORMATION



>5.1 ACCOUNTABILITY DOCUMENTS



ACCOUNTABILITY DOCUMENTS

No.	NAME	SNC-AP	Document TC
FINANCIAL STATEMENTS			
1	Reconciliation to opening balance sheet SNC-AP	NCP1	
	First time adoption of the SNC-AP: transitional disclosure	NCP1	
2	Balance	NCP1	A1
3	Profit and loss account by nature	NCP1	A1
4	Statement of changes in net worth	NCP1	A1
5	Cash flow statement	NCP1	A1
6	Notes to the financial statements	NCP1	A1
BUDGET STATEMENT			
7	Budget performance statement	NCP26	A1
8	Revenue budget execution statement	NCP26	A1
9	Expenditure budget execution statement	NCP26	A1
10	Statement of execution of the multi-annual investment plan	NCP26	A1
11	Budget amendments in revenue	NCP26	A1
12	Budget amendments in expenditure	NCP26	A1
13	Amendments to the MIP	NCP26	A1
14	Treasury operations	NCP26	A1
15	Administrative procurement: Contracts status	NCP26	A1
16	Administrative procurement: awards by type of procedure	NCP26	A1
17	Transfers and subsidies - revenue	NCP26	A1
18	Transfers and subsidies - expenditure	NCP26	A1
OTHER DOCUMENTS			
19	Statement of multi-annual commitments	-	-
20	Statement of overdue payments	-	-
21	Statement of overdue receipts	-	-
22	Financial audit report	-	A1

> 5.2 FINANCIAL STATEMENTS

> 1. RECONCILIATION TO OPENING BALANCE SHEET SNC-AP TRANSITIONAL DISCLOSURE

LIPOR - SERVIÇO INTERMUNICIPALIZADO GESTÃO RESÍDUOS GRANDE PORTO
RECONCILIATION TO OPENING BALANCE SHEET SNC-AP 2020

Balance Sheet Items (1)	Amounts As Per POCAL 31/12/2019 (2)	Recognition (3)	Derecognition (4)	Measurement Criterion (5)	Impairments/ Reversals (6)	Other (7)	Errors (8)	Reclassifica- tions (9)	SNC-AP 01/01/2020 (10)=(2)+...+(9)
ASSETS	168 319 546,88								169 736 434,63
Non-Current Assets									
Tangible Fixed Assets	127 311 234,68					2 072 581,06			129 383 815,74
	1 048 511,76		-653 894,52						394 617,24
Ativos Intangíveis									
Financial holdings	0,00							0,00	0,00
TOTAL Non-Current Assets	128 359 746,44								129 778 432,98
Current Assets									
Inventories	208 330,11							14 670,40	223 000,51
Customers, Taxpayers and Users	7 791 695,15							2 994 984,39	10 786 679,54
State and other Public Entities	1 611 500,63							0,00	1 611 500,63
Other accounts receivable	3 982 850,60							-2 996 783,18	986 067,42

Balance Sheet Items (1)	Amounts As Per POCAL 31/12/2019 (2)	Recognition (3)	Derecognition (4)	Measurement Criterion (5)	Impairments/ Reversals (6)	Other (7)	Errors (8)	Reclassifica- tions (9)	SNC-AP 01/01/2020 (10)=(2)+...+(9)
Deferrals	1 789 877,53							-14 670,40	1 775 207,13
Other financial assets	15 002 753,09							0,00	15 002 753,09
Cash and deposits	9 572 793,33							0,00	9 572 793,33
TOTAL Current Assets	39 959 800,44								39 958 001,65
TOTAL ASSETS									169 736 434,63
Assets/Capital	-49 061 897,60							0,00	-49 061 897,60
Reserves	-9 818 083,54							0,00	-9 818 083,54
Retained Earnings	0,00							-1 418 686,55	-1 418 686,55
Revaluation Surplus	-2 344 133,47							0,00	-2 344 133,47
Other changes in Net Worth	0,00							-46 496 972,24	-46 496 972,24
Net Profit for the Period	-2 016 267,74							0,00	-2 016 267,74
TOTAL Net Worth	-63 240 382,35								-111 156 041,14
LIABILITIES	-105 079 164,53								-58 580 393,49
Non-Current Liabilities									
Provisions	-10 684 609,75							0,00	-10 684 609,75
Financing obtained	-24 802 689,60							0,00	-24 802 689,60
Deferrals	0,00							-169 344,96	-169 344,96
Other accounts payable	-316 080,32							500,00	-315 580,32
TOTAL Non-Current Liabilities	-35 803 379,67								-35 972 224,63
Current Liabilities									
Suppliers	-6 881 156,05							30 060,33	-6 851 095,72
Advances from customers, taxpayers and users	-145 956,51							0,00	-145 956,51
State and other Public Entities	-121 149,49							-0,01	-121 149,50
Financing obtained	-9 850 000,00							0,00	-9 850 000,00
Investment Providers	-928 858,01							-24 168,12	-953 026,13
Other accounts payable	-4 347 427,49							0,00	-4 347 427,49
Deferrals	-47 001 237,31							46 661 723,80	-339 513,51
TOTAL Current Liabilities	-69 275 784,86								-22 608 168,86
NET WORTH+LIABILITIES	-168 319 546,88								-169 736 434,63

➤ NOTES TO THE FINANCIAL STATEMENTS WITH FIRST-TIME ADOPTION OF THE SNC-AP (ACCOUNTING NORMALISATION SYSTEM FOR PUBLIC ADMINISTRATIONS)

1) How the transition from the previous standards to the NCP (Public Accounting Standards) affected the reported financial position, financial performance and cash flows.

In 2020, with the transition, there were several situations that affected LIPOR's financial statements. Several tangible fixed assets that were recognised in one category according to the POCAL and which in the new regulations belong to another category were reclassified, and there was an adjustment in the useful lives of the properties, according to the foreseen rates.

There was a derecognition of intangible fixed assets as some of these assets do not meet the definition of intangible fixed assets in the SNC-AP. They were therefore derecognised in this account and transferred to a 56 - Retained earnings account.

Capital transfers and subsidies for depreciable investments have been reclassified to other changes in net assets, whereas under the previous regulations they were as deferred income under liabilities.

2) Reconciliation of net assets reported under previous standards with net assets under the NCP, between the date of transition to the NCP and the end of the latest period presented in the most recent annual financial statements prepared under previous standards.

Net Assets 31Dec19 - POCAL **63.240.382,35**

Tangible Fixed Assets Adjustment 2.072.581,07

Intangible Fixed Assets Derecognition -653.894,52

Transfer of Investment Grants 46.496.972,24

Net Assets 01Jan20 - SNC AP **111.156.041,14**

The main adjustments arising from the transition to the SNC-AP, recognised in account 564 - SNC-AP Transition Adjustments, were as follows:

- (i) As provided for in the POCAL, until 31 December 2019, LIPOR recognised under Tangible Fixed Assets the real estate assets at CIBE rates, and adjustments were made to the useful life of this type of asset in accordance with Ordinance 189/2016;
- (ii) As provided for in the POCAL, until 31 December 2019, LIPOR recognised under Intangible Fixed Assets a set of expenses that in the light of NCP 3 - Intangible Assets, do not meet the criteria to be recognised as intangible assets;

(iii) The application of NCRF 14 - Revenue from transactions without consideration determines that non-refundable transfers and subsidies for the acquisition of tangible fixed assets and intangible assets, transfers and subsidies for the acquisition of non-depreciable assets and other capital transfers and subsidies are presented as Equity components. Under POCAL, these subsidies were presented as a Liability component, under accruals and deferrals.

3) Reconciliation of the result reported under previous rules, for the last period of the most recent annual financial statements, with the result under the NCP for the same period

The 2019 net income under the NCP would be affected as follows:

- (iv) Cancellation of the amortisation of intangible fixed assets (positive impact on income) of 380,736.50 euros; and
- (v) Recognition under expenditure on Intangible Fixed Assets (negative impact on income) of 563,287.37 euros.

4) Recognition or reversal, for the first time, of impairment losses when preparing the opening balance sheet in accordance with the NCP (disclosures that, according to paragraph 9,

would be required should the recognition of such impairment losses or reversals have occurred in the period beginning on the date of transition to the NCP)

Not applicable.

5) Distinction in the reconciliations of (2) and (3) between corrections of prior period errors and changes to accounting policies in accordance with previous standards (if applicable)

Not applicable.

6) These financial statements, prepared in accordance with the NCP, are not LIPOR's first financial statements.

These financial statements are the first ones presented by LIPOR under the SNC-AP. In comparisons, the amounts reclassified to POCAL were maintained.



> 2. BALANCE SHEET

Entity: LIPOR - Serviço Intermunicipalizado de Gestão de Resíduos do Grande Porto (501394192). Balance Sheet (individual) as at 31 December 2020.

Currency: EUR

Items	Notes	SNC-AP	POCAL
		31/12/2020	31/12/2019
Non-current assets			
Tangible fixed assets			
Investment properties	5	118 624 368,44	127 311 234,68
Intangible assets		0,00	0,00
Biological assets	3	472 036,21	1 048 511,76
Financial holdings		0,00	0,00
Debtors due to subsidised loans and reimbursable subsidies		0,00	0,00
Customers, taxpayers and users		0,00	0,00
Shareholders/partners/associates		0,00	0,00
Deferrals		0,00	0,00
Other financial assets		0,00	0,00
Deferred tax assets		0,00	0,00
Other accounts receivable		0,00	0,00
Outras contas a receber		0,00	0,00
		119 096 404,65	128 359 746,44
Current assets			
Inventories	10	173 668,35	208 330,11
Biological assets		0,00	0,00
Debtors due to transfers and non-refundable subsidies		0,00	0,00
Debtors due to subsidised loans and reimbursable subsidies		0,00	0,00
Customers, taxpayers and users	9	8 987 598,48	7 791 695,15
State and other public entities	23,1	3 002 720,58	1 611 500,63
Shareholders/partners/associates		0,00	0,00
Other accounts receivable	23,2	1 204 465,47	3 982 850,60
Deferrals	23,6	1 815 746,56	1 789 877,53
Financial assets held for trading		0,00	0,00
Other financial assets		0,00	15 002 753,09
Non-current assets held for sale		0,00	0,00
Cash and deposits	1	18 809 952,51	9 572 793,33
		33 994 151,95	39 959 800,44
Total Assets		153 090 556,60	168 319 546,88

Items	Notes	SNC-AP	POCAL
		31/12/2020	31/12/2019
Net Worth			
Assets/Capital		49 061 897,60	49 061 897,60
Own shares (quotas)		0,00	0,00
Other equity instruments		0,00	0,00
Issuance premiums		0,00	0,00
Reserves		9 918 896,93	9 818 083,54
Retained earnings		-373 163,43	0,00
Adjustments in financial assets		0,00	0,00
Revaluation surplus		2 344 133,47	2 344 133,47
Other changes in Net Worth		39 420 245,19	0,00
Net profit for the period		3 399 546,01	2 016 267,74
Anticipated dividends		0,00	0,00
Interests not controlled		0,00	0,00
		103 771 555,77	63 240 382,35
Liabilities			
Non-current liabilities			
Provisions	15	11 384 609,75	10 684 609,75
Financing obtained		16 502 689,00	24 802 689,60
Investment providers		0,00	0,00
Suppliers		0,00	0,00
Accountability for post-employment benefits		0,00	0,00
Deferrals	23.6	74 501,16	0,00
Deferred tax liabilities		0,00	0,00
Other accounts payable	23.2	557 680,80	316 080,32
		28 519 480,71	35 803 379,67
Current liabilities			
Creditors for transfers and non-refundable subsidies granted		0,00	0,00
Suppliers		5 704 114,85	6 881 156,05
Advances from customers, taxpayers and users		244 931,14	145 956,51
State and other public entities	23.1	98 065,13	121 149,49
Shareholders/partners/associates		0,00	0,00
Financing obtained		8 300 000,60	9 850 000,00
Investment providers		1 144 003,48	928 858,01
Other accounts payable	23.2	5 062 178,21	4 347 427,49
Deferrals	23.6	246 226,71	47 001 237,31
Financial liabilities held for trading		0,00	0,00
Other financial liabilities		0,00	0,00
		20 799 520,12	69 275 784,86
Total Liabilities		49 319 000,83	105 079 164,53
Total Net Worth and Liabilities		153 090 556,60	168 319 546,88

> 3. PROFIT AND LOSS ACCOUNT BY NATURE

Entity: LIPOR - Serviço Intermunicipalizado de Gestão de Resíduos do Grande Porto (501394192)
Profit and loss account by nature (individual) for the period ended 31 December 2020.

Currency: EUR

Income and Expenses	Notes	SNC-AP	POCAL
		31/12/2020	31/12/2019
Taxes, contributions and fees	13/14	1 246 346,08	1 142 144,29
Sales	13/23.3	24 296 831,82	23 040 305,26
Provision of services and concessions	13/23.3	23 633 050,08	16 987 021,85
Current transfers and subsidies obtained	14/23.3	265 406,74	7 193 026,57
Income/expenses allocated from subsidiaries, associates and joint ventures		0,00	0,00
Changes in production inventories	10	-1 457,06	39 041,30
Work for the entity itself		0,00	0,00
Cost of goods sold and materials consumed	10	-74 229,68	-105 417,98
External services and supplies	23.4	-30 450 976,31	-28 901 356,28
Staff costs	23.5	-4 823 005,46	-4 395 530,49
Transfers and subsidies granted		-183 633,26	-2 205,01
Social benefits		0,00	0,00
Impairment of inventories and biological assets (losses/reversals)		0,00	0,00
Impairment of receivables (losses/reversals)	15	-6 768,85	-9 117,16
Provisions (increases/reductions)	15	-700 000,00	-1 776 759,67
Impairment of non-depreciable/repayable investments (losses/reversals)		0,00	0,00
Fair value increases/decreases		0,00	0,00
Other income	14	9 028 035,69	8 634 622,72
Other expenses		-1 558 007,26	-1 494 085,78
Profit and loss before depreciation and financial results		20 671 592,53	20 351 689,62
Depreciation and repayment expenses/reversals	5	-16 053 546,01	-16 636 447,08
Impairment of depreciable/repayable investments (losses/reversals)		0,00	0,00
Operating income (before financial results)		4 618 046,52	3 715 242,54
Interest and similar income obtained	13	11 817,15	13 603,87
Interest and similar expenses charged	7	-1 230 317,66	-1 712 578,67
Profit before tax		3 399 546,01	2 016 267,74
Income tax		0,00	0,00
Net profit for the period		3 399 546,01	2 016 267,74

> 4. STATEMENT OF CHANGES IN NET ASSETS

Entity: LIPOR - Serviço Intermunicipalizado de Gestão de Resíduos do Grande Porto (501394192).
Statement (individual or consolidated) of changes in net worth as at 31 December 2020.

Currency: EUR

Description	Notes	Net Worth attributable to net worth holders of the parent entity											Interests not controlled	Total net worth
		Subscribed Capital/ Assets	Own shares (quotas)	Other equity instruments	Issuance premiums	Reserves	Retained earnings	Adjustments in financial assets	Revaluation surplus	Other changes in net worth	Net profit for the period	Total		
POSITION AT THE BEGINNING OF THE PERIOD	(1)	49 061 897,60	0,00	0,00	0,00	9 818 083,54	1 418 686,55	0,00	2 344 133,47	46 496 972,24	2 016 267,74	111 156 041,14	0,00	111 156 041,14
CHANGES IN PERIOD														
Transition adjustments to the accounting standards		0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Changes in accounting policies		0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Correction of material errors		0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Translation differences on financial statements		0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Realisation of revaluation surplus		0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Revaluation surplus and respective variations		0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Capital transfers and subsidies		0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	(7 070 437,91)	0,00	(7 070 437,91)	0,00	(7 070 437,91)
Capital transfers and subsidies		0,00	0,00	0,00	0,00	100 813,39	(1 791 849,98)	0,00	0,00	0,00	(2 016 267,74)	(3 707 304,33)	0,00	(3 707 304,33)
	(2)	0,00	0,00	0,00	0,00	100 813,39	(1 791 849,98)	0,00	0,00	(7 070 437,91)	(2 016 267,74)	(10 777 742,24)	0,00	(10 777 742,24)
NET PROFIT FOR THE PERIOD	(3)	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	3 399 546,01	3 399 546,01	0,00	3 399 546,01
INTEGRAL RESULT	(4)=(2)+(3)	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	3 399 546,01	3 399 546,01	0,00	3 399 546,01
TRANSACTIONS WITH EQUITY HOLDERS FOR THE PERIOD														
Capital/assets subscriptions		0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Issuance premium subscriptions		0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Inputs to cover losses		0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Other operations		0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	(6 289,14)	0,00	(6 289,14)	0,00	(6 289,14)
	(5)	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	(6 289,14)	0,00	(6 289,14)	0,00	(6 289,14)
POSITION AT THE END OF THE PERIOD	(6)=(1)+(2)+(3)+(5)	49 061 897,60	0,00	0,00	0,00	9 918 896,93	(373 163,43)	0,00	2 344 133,47	39 420 245,19	3 399 546,01	103 771 555,77	0,00	103 771 555,77

> 5. CASH FLOW STATEMENT

Entity: LIPOR - Serviço Intermunicipalizado de Gestão de Resíduos do Grande Porto (501394192).

Currency: EUR

Items	Notes	Periods	
		2020	2019
Cash flows from operating activities			
Receipts from customers		42 630 985,88	-
Receipts from taxpayers		-	-
Receipts from current transfers and subsidies		-	-
Receipts from users		-	-
Payments to suppliers		33 558 041,70	-
Payments to staff		2 646 654,21	-
Payments to taxpayers / users		-	-
Payments of transfers and subsidies		-	-
Payments of social benefits		-	-
	Cash generated from operations	6 356 814,31	-
Payment / receipt of income tax		480 183,75	-
Other receipts/payments		422 401,08	-
	Cash flows from operating activities (a)	5 454 229,48	-
Cash flows from investment activities			
Payments regarding:			
Payments - Tangible fixed assets		6 214 781,31	-
Payments - Intangible Assets		-	-
Payments - Investment properties		-	-
Payments - Financial Investments		-	-
Payments - Other assets		-	-
Receipts from:			
Receipts#- Tangible fixed assets		-	-
Receipts - Intangible assets		-	-
Receipts - Investment properties		-	-
Receipts - Financial investments		-	-
Receipts - Other assets		-	-
Receipts - Investment subsidies		-	-

Items	Notes	Periods	
		2020	2019
Receipts - Capital transfers		-	-
Receipts - Interest and similar income		1 665,97	-
Receipts - Dividends		-	-
	Cash flows from investment activities (b)	6 213 115,44	-
Cash flows from financing activities			
Receipts from:			
Receipts - Financing obtained		-	-
Receipts - Proceeds from equity and other equity instruments		-	-
Receipts - Coverage of losses		-	-
Receipts - Donations		-	-
Receipts - Other financing operations		-	-
Payments regarding:			
Payments - Financing obtained		9 850 000,00	-
Payments - Interest and similar expenses		1 348 960,13	-
Payments - Dividends		-	-
Payments - Reductions in equity and other equity instruments		-	-
Payments - Other financing operations		-	-
	Cash flows from financing activities (c)	11 198 960,13	-
Variation in cash and cash equivalents (a+b+c)		11 957 846,09	-
Effect of exchange rate differences		-	-
Cash and cash equivalents at the beginning of the period		24 575 546,42	-
Cash and cash equivalents at the end of the period		18 809 952,51	-
Cash and cash equivalents at the beginning of the period		24 575 546,42	-
Cash equivalents at the beginning of the period		-	-
Non-cash equivalent portion of cash balance		-	-
Exchange rate variations on cash at the beginning of the period		-	-
Balance from previous year (SGA)		24 575 546,42	-
SGA Budget execution		24 195 058,69	-
SGA From treasury operations		380 487,73	-
Cash and cash equivalents at the end of the period		18 809 952,51	-
Cash equivalents at the end of the period		-	-
Non-cash equivalent portion of cash balance		-	-
Exchange rate variations on cash at the end of the period		-	-
Balance for next year (SGS)		18 809 952,51	-
SGS Budget execution		18 252 272,02	-
SGS From treasury operations		557 680,49	-

> 6. APPENDIX TO THE FINANCIAL STATEMENTS

Note 1 - Identification of the entity, reporting period and accounting standards

The information regarding the entity, the reporting period and the accounting standards used to prepare the financial statements can be found in ANNEX I and the organisational structure in ANNEX II.

The breakdown of cash and cash equivalents is presented below.

Table 1 - Breakdown of cash and deposits

Account	2020		2019	
Cash		8 922,76		793 698,45
Demand deposits		14 797 994,37		8 779 094,88
Bank deposits payable on demand	14 797 994,37		8 779 094,88	
Other deposits		4 003 035,38		15 002 753,09
Term deposits	4 003 035,38		15 002 753,09	
Earmarked deposits				
Total		18 809 952,51		24 575 546,42

Note 2 - Main accounting policies, changes in accounting estimates and errors

The financial statements were prepared for the first time in accordance with the Accounting Normalisation System for Public Administrations (SNC-AP), approved by Decree-Law No. 192/2015 of 11 September, and the requirements of the Public Accounting Standards (NCP) were applied. To this end, an opening balance sheet of 01 January 2020 was prepared in accordance with the SNC-AP Implementation Manual.

The balance sheet and income statement for 2020 were prepared in accordance with the SNC-AP and the information for the previous year is based on the Official Accounting Plan for Local Authorities (POCAL), through a simple conversion of the balances of accounts and items in accordance with the SNC-AP.

Tangible fixed assets and investment properties

In the transition of the year to the new accounting standards, reclassifications were made based on the complementary classifier 2 (CC2). All tangible fixed assets and investment properties were measured at cost.

As a result of a legal agreement reached with the Municipality of Maia, an accounting adjustment was made relating to the agreement in the amount of 5,114,611.41 euros, which was added to tangible fixed assets in three fixed asset statements, relating to the Building of the Energy Recovery Plant, to the Equipment of the Energy Recovery Plant and to the Landfill of the Energy Recovery Plant, which in turn was offset by the elimination of the amount owed by the Municipality of Maia in the amount of EUR 3,171,280.88 and the remaining amount of EUR 1,943,330.53 applied in a retained earnings account.

Intangible assets

Analysing the assets that made up this account according to the previous standard (POCAL), it was found that some of these assets do not meet the definition of intangible fixed assets in the SNC-AP. They were therefore derecognised in this account and transferred to a 56 - Retained earnings account.

Financial investments

Financial investments are also measured at cost.

Depreciation and amortisation

Depreciation and amortisation correspond to the normal depreciation of fixed assets, arising from expenditure on their use, and the straight-line method is used, considering the reference useful life stated in CC2.

Accounts receivable

Trade and other receivables are recognised initially at fair value, deducted from impairment losses. The impairment of accounts receivable is established when there is objective evidence that LIPOR will not receive the full amount outstanding in accordance with the original terms of its receivables.

Inventories

Inventories were measured at acquisition cost. The inventory system adopted is the permanent, measured at weighted average cost.

Material errors from previous periods

Not applicable.

Note 3 - Intangible assets

In 2020, the movement in the carrying amount of intangible assets is shown in the following tables.

Table 2 - Changes in accumulated repayments and impairment losses

Items	Start of period				End of period			
	Gross Amount (1)	Accumulated Repayments (2)	Accumulated impairment losses (3)	Carrying amount (4)=(1)-(2)-(3)	Gross Amount (5)	Accumulated Repayments (6)	Accumulated impairment losses (7)	Carrying amount (8)=(5)-(6)-(7)
Intangible assets of public domain, historical, artistic and cultural heritage								
Goodwill								
Development projects								
Computer programmes and information systems	2 040 660,72	-1 997 405,48		43 255,24	2 040 660,72	-2 032 917,85		7 742,87
Industrial and intellectual property	17 814,48	-17 814,48		0,00	18 329,64	-18 274,80		54,84
Others								
Intangible assets in progress	351 362,00			351 362,00	464 238,50			464 238,50
Total	2 409 837,20	-2 015 219,96	0,00	394 617,24	2 523 228,86	-2 051 192,65	0,00	472 036,21

Table 3 - Carrying amount and changes for the period

Items	Initial Carrying Amount	Variations							Final Carrying Amount
		Inputs	Internal Transfers	Revaluation	Reversals and Losses	Impairment Losses	Repayment Period	Decreases	
Intangible assets of public domain, historical, artistic and cultural heritage									
Goodwill									
Development projects									
Computer programmes and information systems	43 255,24						-35 512,37		7 742,87
Industrial and intellectual property		515,16					-460,32		54,84
Others									
Intangible assets in progress	351 362,00	112 876,50							464 238,50
Total	394 617,24	113 391,66					-35 972,69		472 036,21

Table 4 - Inputs

Items	Adições										
	Internal	Procurement	Assignment	Transf Or	Exprop	Donation	Donation as Payment	Rental	Merger	Others	Total
Intangible assets of public domain, historical, artistic and cultural heritage				Exchange				Financ			
Goodwill											
Development projects											
Computer programmes and information systems											
Industrial and intellectual property		515,16									515,16
Others											
Intangible assets in progress		112 876,50									112 876,50
Total		113 391,66									113 391,66

Note 4 - Service concession agreements: grantor

Not applicable.

Note 5 - Tangible fixed assets

Tangible fixed assets were measured at cost and asset depreciation costs start when it becomes available for use and ceases when the asset is derecognised. LIPOR uses the straight-line method to calculate depreciation.

In 2020, the movement in the carrying amount of tangible assets is shown below.

Table 5 - Changes in accumulated depreciation and accumulated impairment losses

Items	Start of period				End of period			
	Gross Amount (1)	Accumulated Depreciation (2)	Accumulated impairment losses	Carrying amount (4)=(1)-(2)-(3)	Gross Amount (5)	Accumulated Depreciation (6)	Accumulated impairment losses (7)	Carrying amount (8)=(5)-(6)-(7)
Assets of public domain, historical, artistic and cultural heritage								
Land and natural resources								
Buildings and other constructions								
Infrastructures								
Historical, artistic and cultural heritage								
Others								
Public domain assets in progress								
Other tangible fixed assets								
Land and natural resources	25 698 684,15	-90 440,76		25 608 243,39	25 698 684,15			25 698 684,15
Buildings and other constructions	86 377 365,50	-49 038 203,05		37 339 162,45	86 784 580,83	-52 901 475,92		33 883 104,91
Basic equipment	149 089 689,75	-86 725 723,78		62 363 965,97	149 728 544,52	-99 295 166,16		50 433 378,36
Transport equipment	3 852 430,52	-2 104 586,18		1 747 844,34	3 949 777,83	-2 417 366,00		1 532 411,83
Administrative equipment	2 868 790,29	-2 505 594,76		363 195,53	3 006 590,96	-2 588 120,18		418 470,78
Biological equipment				0,00				
Others	1 632 718,87	-1 173 307,16		459 411,71	1 734 246,80	-1 281 242,37		453 004,43
Tangible fixed assets in progress	3 315 550,44			3 315 550,44	6 205 313,98			6 205 313,98
	272 835 229,52	-141 637 855,69		131 197 373,83	277 107 739,07	-158 483 370,63		118 624 368,44
Total	272 835 229,52	-141 637 855,69		131 197 373,83	277 107 739,07	-158 483 370,63		118 624 368,44

Table 6 - Carrying amount and changes for the period

Items	Initial Carrying Amount	Inputs	Internal transfers	Revaluations	Reversals from impairment losses	Impairment losses	Depreciations for the period	Decreases	Final Carrying Amount
Assets of public domain, historical, artistic and cultural heritage									
Land and natural resources									
Buildings and other constructions									
Infrastructures									
Historical, artistic and cultural heritage									
Others									
Public domain assets in progress									
Other tangible fixed assets									
Land and natural resources	25 608 243,39		90 440,76						25 698 684,15
Buildings and other constructions	37 339 162,45	407 215,33					-3 863 272,87		33 883 104,91
Basic equipment	62 363 965,97	2 002 850,29					-12 569 442,38	-1 363 995,52	50 433 378,36
Transport equipment	1 747 844,34	97 347,31					-312 779,82		1 532 411,83
Administrative equipment	363 195,53	204 037,84					-82 525,42	-66 237,17	418 470,78
Biological equipment									
Others	459 411,71	104 071,07					-107 935,21	-2 543,14	453 004,43
Tangible fixed assets in progress	3 315 550,44	2 889 763,54							6 205 313,98
	131 197 373,83	5 705 285,38	90 440,76				-16 935 955,70	-1 432 775,83	118 624 368,44
Total	131 197 373,83	5 705 285,38	90 440,76				-16 935 955,70	-1 432 775,83	118 624 368,44

Table 7 - Inputs

Items	Inputs										
	Internal	Procurement	Assignment	Transfer or exchange	Expropriation	Donation, inheritance and others	Donation as Payment	Financial Leasing	Merger, division, restructuring	Others	Total
Assets of public domain, historical, artistic and cultural heritage											
Land and natural resources											
Buildings and other constructions											
Infrastructures											
Historical, artistic and cultural heritage											
Others											
Public domain assets in progress											
Other tangible fixed assets											
Land and natural resources											
Buildings and other constructions		407 215,33									407 215,33
Basic equipment		2 002 850,29									2 002 850,29
Transport equipment		97 347,31									97 347,31
Administrative equipment		204 037,84									204 037,84
Biological equipment											
Others		104 071,07									104 071,07
Tangible fixed assets in progress		2 889 763,54									2 889 763,54
		5 705 285,38									5 705 285,38
Total		5 705 285,38									5 705 285,38

Table 8 - Decreases

Items	Disposals for consideration	Transfer or exchange	Return or reversal	Merger, division, restructuring	Others	Total
Assets of public domain, historical, artistic and cultural heritage						
Land and natural resources						
Buildings and other constructions						
Infrastructures						
Historical, artistic and cultural heritage						
Others						
Public domain assets in progress						
Other tangible fixed assets						
Land and natural resources						
Buildings and other constructions						
Basic equipment			-9 867,00		-1 354 128,52	-1 363 995,52
Transport equipment						
Administrative equipment					-66 237,17	-66 237,17
Biological equipment						
Others					-2 543,14	-2 543,14
Tangible fixed assets in progress						
			-9 867,00		-1 422 908,83	-1 432 775,83
Total			-9 867,00		-1 422 908,83	-1 432 775,83

Note 6 - Leases

LIPOR has six operating lease contracts, whose data is presented in the following table.

Table 9 - Operating leases - lessor

Leased Assets	Value of the contract	Accumulated payments made				Future minimum payments				Present value of future minimum payments
		Period		Accumulated		Up to 1 year	Between 1 and 5 years	More than 5 years	Total	
		Minimum payments	Contingent Rents	Minimum payments	Contingent Rents					
Copying, Printing and Scanning Equipment	74 548,80	20 859,82	0,00	7 374,76	0,00	24 849,60	21 464,62	0,00	46 314,22	43 739,09
Transport Equipment	41 691,36	9 591,06	0,00	20 984,02	0,00	11 116,28	0,00	0,00	11 116,28	10 688,73
Transport Equipment	42 418,08	10 604,52	0,00	10 747,05	0,00	10 604,52	10 461,99	0,00	21 066,51	19 869,35
Transport Equipment	25 446,72	6 398,64	0,00	13 817,86	0,00	5 230,22	0,00	0,00	5 230,22	5 029,06
Transport Equipment	70 025,76	10 972,93	0,00	0,00	0,00	17 482,44	41 570,39	0,00	59 052,83	54 161,78
IT equipment	41 940,00	3 880,89	0,00	0,00	0,00	13 980,00	24 079,11	0,00	38 059,11	35 345,68
Total	296 070,72	62 307,86	0,00	52 923,69	0,00	83 263,06	97 576,11	0,00	180 839,17	168 833,69

Values do not include VAT

Note 7 - Borrowing costs

Information in ANNEX III.

Note 8 - Investment properties

Not applicable.

Note 9 - Impairment of assets

Information in ANNEX IV.

Note 10 - Inventories

The cost of each inventory item is determined through the weighted average of its initial cost and the cost of similar items acquired during the year 2020 - weighted average cost. The following table includes the information of the values of the inventory account and the movements for the period.

Table 10 - Inventories

Assets	Gross amount	Accumulated impairment	Recoverable amount
Goods			
Raw, subsidiary and consumable materials	56 945,30		56 945,30
Finished and intermediate products	116 723,05		116 723,05
By-products, waste, residues and rubbish			
Products and work in progress			
Total	173 668,35	0,00	173 668,35

Table 11 - Inventories' movements for the period

Item	Initial carrying amount	Movements for the period						Other Inventory increases	Final carrying amount
		Net Procurement	Consumption/ Expenses	Changes in production inventories	Impairment losses	Reversals from impairment losses	Other inventory write-downs		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)=(1)+(2)-(3)- /(4)-(5)+(6)- (7)+(8)
Goods									
Raw, subsidiary and consumable materials	90 150,00	56 945,30					90 150,00		56 945,30
Finished and intermediate products	118 180,11	74 229,68	74 229,68	-1 457,06					116 723,05
By-products, waste, residues and rubbish									
Products and work in progress									
Total	208 330,11	131 174,98	74 229,68	-1 457,06	0,00	0,00	90 150,00	0,00	173 668,35



Note 13 - Income from transactions with consideration

The notes aim to prescribe the accounting treatment of income arising from transactions and events that have a consideration, highlighting as a main aspect the determination of the moment of recognition.

Income is recognised when it is probable that future economic benefits or service potential will flow to the entity and these benefits can be reliably measured.

Details of this income are presented below.

Table 12 - Income from consideration

Type of income	Income for the period recognised in		Amounts receivable		Advances received
	Resultados	Património líquido	Início do período	Final do Período	
Fees, fines and other penalties					
Other fines and penalties	66 939,75		0,00	66 939,75	
Sales					
Finished and intermediate products - Agricultural and livestock products	746 326,48		190 598,74	235 351,70	
Finished and intermediate products - Other	23 102 114,46		3 612 961,32	4 799 299,26	
By-products, waste, residues and rubbish - Scrap	448 390,88		59 707,56	116 734,20	
Provision of services					
Solid waste - from Municipalities	23 375 427,74		3 008 902,96	2 396 945,39	
Solid waste - Private Sector origin	98 678,34		26 906,46	8 946,77	
Studies, Opinions, Projects and Consultancy	118 550,00		0,00	0,00	
Containers rental	36 354,00		9 088,50	3 029,50	
Other Services - Training	4 040,00		2 450,00	0,00	
Disposals					
Disposals of tangible fixed assets	4 811,25		0,00	4 811,25	
Other income and earnings					
Other Supplementary Income	326 924,12		59 865,12	72 158,22	
Recovery of accounts receivable	3 687,43		0,00	0,00	
Inventory Earnings	3 485,76		0,00	0,00	
Other Non-Specified - Current	292 804,09		0,00	0,00	
Interest, dividends and other similar income					
Interest earned (deposits) and Interest on late payments	11 817,15		2 126,11	10 750,35	
Total	48 640 351,45		6 972 606,77	7 714 966,39	

Values do not include VAT

Note 14 - Income from transactions without consideration

Transactions without consideration are subdivided into taxes and transfers. Taxes are economic benefits or service potential mandatorily paid or payable to public entities in accordance with appropriate legal provisions, created to provide income

to public administrations. Transfers are inflows of future economic benefits or service potential arising from transactions without consideration other than tax.

Details of this income are presented below.

Table 13 - Income without consideration

Type of income	Income for the period recognised in		Amounts receivable		Advances received
	Resultados	Patrimonio líquido	Inicio do período	Final do Período	
Fees, fines and other penalties					
Waste Management Fee (TGR - CVE and Landfill)	1 179 406,33		187 956,56	165 085,79	
Current transfers and subsidies obtained					
Others	265 406,74		0,00	0,00	
Allocation of subsidies and transfers to investments	8 205 815,21		0,00	0,00	
Total	9 650 628,28		187 956,56	165 085,79	

Values do not include VAT

Note 15 - Provisions, contingent liabilities and contingent assets

Regarding the several ongoing lawsuits, either filed by LIPOR or by other entities, after legal review for annual reporting purposes, the provision for other risks and costs was adjusted to EUR 11,384,609.75, which is estimated to be sufficient

to face possible indemnities for proceedings where there is a significant risk of unfavourable rulings to LIPOR.

No provision has been made for the remaining ongoing lawsuits, namely those brought by third parties against LIPOR, since it is impossible to measure with sufficient reliability the amount of damages claimed.

Table 14 - Provisions

Items	Initial carrying amount (1)	Increases				Decreases				Final carrying amount (10)=(1)+(5)-(9)
		Reforços (2)	Aumentos da quantia descontada (3)	Outros aumentos (4)	Total aumentos (5)=(2)+(3)+(4)	Utilizações (6)	Reversões (7)	Outras diminuições (8)	Total diminuições (9)=(6)+(7)+(8)	
Taxes, contributions and fees Guarantees to customers										
Legal proceedings in progress	10 684 609,75	700 000,00			700 000,00					11 384 609,75
Accidents at work and occupational diseases Environmental issues										0,00
Non-gratuitous contracts Restructuring and reorganisation										0,00
Other provisions	5 244 026,49	6 768,85			6 768,85	4 322,72			4 322,72	5 246 472,62
Total	15 928 636,24	706 768,85	0,00	0,00	706 768,85	4 322,72	0,00	0,00	4 322,72	16 631 082,37

Note 20 - Related parties disclosures

Not applicable.

Note 23 - Other disclosures

23.1 - State and Other Public Entities

As at 31 December 2020 the detail of the state and other public entities account is as follows:

Table 15 - State and other public entities

Account	State and other public entities	SNC-AP		POCAL	
		31/12/2020		31/12/2019	
		Outstanding Balance	Credit Balance	Outstanding Balance	Credit Balance
242	Income tax		40 917,22		38 030,29
243	Withholding tax on income	3 002 720,58		1 611 500,63	
244	Value Added Tax (VAT)				
245	Other Taxes		57 147,91		46 597,47
246	Contributions to social protection systems and health subsystems				
249	Local authority taxes				36 521,73
	Other Taxation	3 002 720,58	98 065,13	1 611 500,63	121 149,49

23.2 - Other Accounts Receivable/Payable

As at 31 December 2020, other accounts payable and receivable are detailed as follows:

Table 16 - Other Receivables/Payables

Account	Description	SNC-AP	POCAL
		31/12/2020	31/12/2019
	Other accounts receivable		
2721	Debtors due to income accruals	5 682,53	7 531,14
2281	Advances to suppliers	416 092,88	0,00
2789	Other debtors - others	782 690,06	3 975 319,46
	Balance receivable	1 204 465,47	3 982 850,60
	Other accounts payable		
2372	Staff guarantees	140,00	390,00
2771	Guarantees received from third parties	557 540,80	315 690,32
2722	Creditors from accrued expenses	5 062 178,21	4 347 427,49
	Balance payable	5 619 859,01	4 663 507,81

23.3 - Revenues

The amount of revenues/subsidies, recognised during the period, arises from:

Table 17 - Revenues

Account	Description	SNC-AP	POCAL
		31/12/2020	31/12/2019
712	Finished and intermediate products	23 848 440,94	22 668 796,65
713	By-products, waste, residues and rubbish	448 390,88	371 508,61
720	Provision of services and concessions	23 592 656,08	16 939 633,18
721	Equipment rental	36 354,00	36 354,00
729	Other services (training)	4 040,00	11 034,67
751	Current transfers obtained	265 406,74	270 890,83
	Total	48 195 288,64	40 298 217,94

23.4 - External supplies and services

We present herein the detail of the external supplies and services account as at 31 December 2020:

Table 18 - External supplies and services

Account	Description	SNC-AP	POCAL
		31/12/2020	31/12/2019
6217	Urban and solid waste collection and treatment services	23 527 466,95	21 826 807,99
6219	Other subcontracts or concessions	1 533 311,20	1 732 775,50
6221	Specialised work	2 249 576,09	2 031 954,12
6222	Advertising, communication and image	469 881,95	128 472,01
6223	Surveillance and security	201 244,31	210 677,55
6224	Fees	139 773,04	277 005,00
6226	Conservation and repair	853 637,20	659 708,71
6231	Fast wearing parts, tools and utensils	99 684,12	27 929,66
6232	Books and technical documentation	1 772,19	1 835,45
6233	Office supplies	31 190,04	30 834,70
6234	Offers, advertising and publicity items	26 901,79	24 588,39
6235	Educational, cultural and recreational material	53 473,02	107 481,32
6236	Hygiene and cleaning products, clothing and personal items	16 472,37	14 316,80
6239	Other miscellaneous consumables	20 950,00	215 013,22
6241	Electricity	218 575,11	237 472,59
6242	Fuels and lubricants	120 927,94	179 418,40
6243	Water	21 297,23	16 628,22
6251	Travel and accommodation	49 379,10	130 908,14
6253	Transport of goods and other goods sold	23 404,03	9 367,14
6261	Rents and leases	483 029,53	343 418,48
6262	Communication	53 112,66	50 401,25
6263	Insurance	86 796,66	76 749,12
6265	Litigation and notary	32 237,11	4 981,80
6266	Service representation expenses	12 591,01	27 647,90
6267	Cleanliness, hygiene and comfort	121 783,78	96 781,41
6269	Other services	2 507,88	438 181,41
	Total	30 450 976,31	28 901 356,28

23.5 - Staff costs

As at the end of December 2020, the detail of staff costs was as follows:

Table 19 - Staff costs

Account	Description	SNC-AP	POCAL
		31/12/2020	31/12/2019
630	Remuneration of holders of sovereign bodies and members of local government bodies	55 282,24	46 242,80
632	Staff remuneration	3 530 806,81	3 292 299,91
633	Post-employment benefits	1 383,27	135,04
635	Charges on remunerations	997 815,09	909 762,55
636	Accidents at work and occupational diseases	56 369,03	60 930,29
637	Social action expenditure	77 343,36	0,00
638	Other staff costs	92 879,39	71 567,59
639	Other social charges	11 126,27	14 592,31
	Total	4 823 005,46	4 395 530,49



23.6 - Accruals and deferrals

As at 31 December 2020, accruals and deferrals were detailed as follows:

Table 20 - Accruals and Deferrals

Account	Description	SNC-AP	POCAL
		31/12/2020	31/12/2019
	Accrued income		
27211	Interests receivable	682,53	1 531,14
27219	Other accrued income	5 000,00	6 000,00
	Deferred Expenses		
28191	Diesel (stock)	14 206,55	35 780,24
28191	Stock entries	278 891,45	190 818,36
28191	Computer licences	80 719,77	102 453,41
28191	Other multi-annual costs	1 992,00	3 984,00
28191	Other deferred expenses	1 439 936,79	1 442 171,12
	Total	1 821 429,09	1 782 738,27
	Accrued expenses		
27221	Accrued remunerations	647 290,26	563 293,39
27222	Accrued interest	653 926,31	886 802,68
27229	Other accrued expenses	3 760 961,64	2 896 978,70
	Deferred Income		
28210	Current transfers and subsidies obtained	246 226,71	339 513,51
28292	Corporate Income Tax Return - to be regularised	74 601,56	74 601,56
28292	Nutrimais - consignment customers	0,00	90 150,00
28222	Capital transfers and subsidies obtained - other entities	0,00	0,00
28292	Other settlements	100,40	0,00
	Total	5 383 106,88	4 851 339,84

Final note

The notes that are not numbered in this appendix are not applicable to LIPOR or their presentation is not relevant to the reading of the financial statements.

> 5.3 ANNEXES

> ANNEX I - CHARACTERISATION OF THE ENTITY

Introduction

The reform of public accounting and accounts arises in the context of the need to review the public finance management model, with a view to remedying a number of weaknesses in the previous model. The publication of the Accounting Normalisation System for Public Administrations (SNC-AP), approved by Decree-Law No. 192/2015 of 11 September, and the new Budgetary Framework Law (LEO), approved by Law No. 151/2015 of 11 September, pave the way for the public management reform.

The new SNC-AP aims to promote accounting harmonisation, fostering the alignment between public accounting and national accounts, standardising procedures, improving the transparency of public accounts, contributing to the satisfaction of the needs of information users and budgetary and financial reporting of public entities. This set of standards that make up the new accounting standard represents an important model of accounting standardisation and implies deep changes in public accounting.

Thus, this report analyses not only the budget implementation of Lipor - Intermunicipal Waste Management of Greater Porto, in 2020, but also its economic and financial situation, presenting in annex the financial statements.

Financial reporting

The SNC-AP brings a new vision of accountability that incorporates not only legal compliance but also harmonisation, credibility, transparency and comparability of public accounts, both domestically and internationally. The focus is increasingly on reporting useful information (financial and non-financial) that dynamically reflects the changes occurring in public entities and the needs felt by users.

This new standard is made up of the budget accounting, financial accounting and management accounting sub-systems. The budget accounting is intended to provide a detailed record of the budget procedure. The financial accounting, based on international public accounting standards, allows for the recording of transactions and other events which affect financial position, financial performance and cash flows. The management accounting makes it possible to evaluate the results of activities and projects that contribute to the implementation of public policies and the achievement of objectives.

MODEL 8.3 - Characterisation of the entity

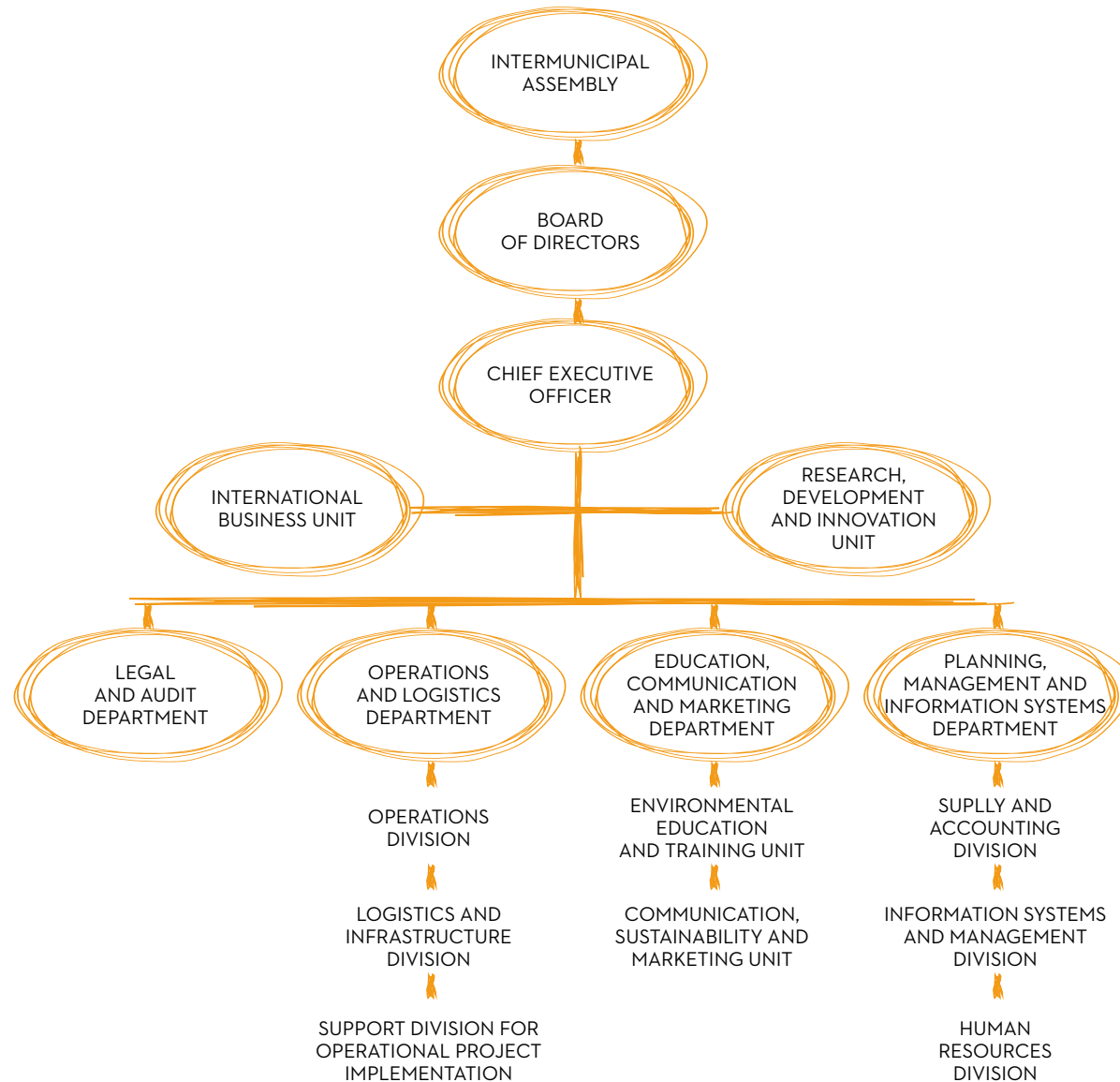
Caracterização da Entidade		
		Modelo 8.3 - Caracterização da Entidade (Setor Empresarial Local)
1	Designação	LIPOR - Serviço Intermunicipalizado de Gestão de Resíduos do Grande Porto
	Contactos oficiais	
	Endereço postal	
2	Arruamento	Rua da Morena, 805
3	Código postal	4435-746 BAGUIM DO MONTE
4	Localidade postal	BAGUIM DO MONTE
5	Endereço de correio eletrónico	info@lipor.pt
6	Sítio na internet	www.lipor.pt
7	Telefone	229 770 100
	Fax	229 756 038
8	Número de Identificação de Pessoa Coletiva (NIPC)	501 394 192
9	Classificação Portuguesa de Atividades Económicas (Código e Designação)	38212 - Tratamento e eliminação de outros resíduos não perigosos
10	Data de Constituição	12/11/1982
11	Tipo de Sociedade	ADMINISTRAÇÃO LOCAL: Sociedades Não Financeiras do Sector Público - detidas pela administração local - Associação de Municípios
12	Tem serviços de natureza consultiva e/ou serviços de fiscalização?	Não
13	Organograma em anexo	(ver anexo II)
14	Entidades que exercem influência dominante na sociedade	Câmara Municipal de Espinho Câmara Municipal de Gondomar Câmara Municipal da Maia Câmara Municipal de Matosinhos Câmara Municipal do Porto Câmara Municipal da Póvoa de Varzim Câmara Municipal de Valongo Câmara Municipal de Vila do Conde
15	Âmbito territorial	Nacional - Portugal Continental
16	Descrição sumária das atividades	A associação tem por objecto imediato a reciclagem, valorização, tratamento e aproveitamento final dos resíduos sólidos entregues pelos municípios associados, e por outras entidades que a associação venha a admitir, bem como a gestão, manutenção e desenvolvimento das infra-estruturas necessárias para o efeito
17	Foi reclassificada nos termos da Lei de Enquadramento Orçamental	Não
18	É emitente de valores mobiliários admitidos à negociação em mercado regulamentado	Não
19	Dispõe de órgão de auditoria interna	Sim
20	Possui procedimentos de controlo interno	Sim
21	Foi efetuada cobertura de prejuízos nos termos do artigo 35.º do CSC	Não
22	Recebeu transferência financeira de reequilíbrio de contas prevista no n.º 2 do art. 40.º da Lei n.º 50/2012	Não

Caracterização da Entidade

23	<p>Alterou a composição dos órgãos executivo, deliberativo ou de fiscalização</p> <p>Identificação dos membros do Órgão Executivo - Conselho de Administração</p> <p>Presidente do Conselho de Administração:</p> <p>Vogais Efetivos:</p> <p>Vogais Suplentes:</p>	Sim																														
24	<p>Verificaram-se alterações no capital social, nas entidades participantes ou na respetiva participação</p>	Não																														
25	<p>Verificaram-se atualizações de Estatutos, no contrato de sociedade, em acordos parassociais ou de reequilíbrio financeiro?</p>	Não																														
26	<p>Situação da sociedade (em atividade; em dissolução; em liquidação; em fusão; em cisão; em transformação; em alienação; em integração; em internalização, outra)</p>	Em atividade																														
27	<p>Organização Contabilística</p>	<p>Referencial Contabilístico: As demonstrações financeiras foram preparadas, pela primeira vez, com base nos registos contabilísticos mantidos em conformidade com o Sistema de Normalização Contabilística para as Administrações Públicas (SNC-AP), aprovado pelo Decreto-Lei nº 192/2015 de 11 de setembro, e foram aplicados os requisitos das Normas de Contabilidade Pública (NCP) relevantes para a LIPOR. Aplicação do SNC-AP através do ERP SAP</p>																														
28	<p>Sistema Informático</p> <p>Outra Informação</p> <p>Aprovação dos Documentos</p> <p>Norma de Controlo Interno</p> <p>Regulamentos (todos publicados no sítio da LIPOR na Internet)</p> <p>Plano de Prevenção de Riscos de Corrupção e Infrações Conexas da LIPOR</p> <p>Plano de Prevenção dos Riscos de Gestão e eventuais alterações</p> <p>Relatório de Avaliação da Execução do Plano de Prevenção dos Riscos de Gestão</p> <p>Inscrição do Saldo da Gerência do Ano Anterior</p> <p>Revisão Orçamental</p> <p>Alteração Orçamental</p> <p>Informação relativa a Pessoal</p> <p>Nº de trabalhadores a 31 de dezembro</p> <p>Prazo Médio de Pagamento (dias)</p>	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 33%;"></th> <th style="width: 33%; text-align: center;">Data de Aprovação</th> <th style="width: 33%;"></th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Órgão Executivo</td> <td></td> <td style="text-align: center;">Órgão Deliberativo</td> </tr> <tr> <td style="text-align: center;">05/09/2016</td> <td></td> <td style="text-align: center;">09/09/2016</td> </tr> <tr> <td style="text-align: center;">01/02/2021</td> <td></td> <td></td> </tr> <tr> <td></td> <td style="text-align: center;">Data de Aprovação</td> <td></td> </tr> <tr> <td style="text-align: center;">Órgão Executivo</td> <td></td> <td style="text-align: center;">Órgão Deliberativo</td> </tr> <tr> <td style="text-align: center;">24/01/2020</td> <td></td> <td style="text-align: center;">17/02/2020</td> </tr> <tr> <td></td> <td style="text-align: center;">204</td> <td></td> </tr> <tr> <td style="text-align: center;">Início do exercício</td> <td></td> <td style="text-align: center;">Fim do Exercício</td> </tr> <tr> <td style="text-align: center;">60</td> <td></td> <td style="text-align: center;">60</td> </tr> </tbody> </table>		Data de Aprovação		Órgão Executivo		Órgão Deliberativo	05/09/2016		09/09/2016	01/02/2021				Data de Aprovação		Órgão Executivo		Órgão Deliberativo	24/01/2020		17/02/2020		204		Início do exercício		Fim do Exercício	60		60
	Data de Aprovação																															
Órgão Executivo		Órgão Deliberativo																														
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	204																															
Início do exercício		Fim do Exercício																														
60		60																														
29	<p>É entidade pública concedente?</p>	Não																														
30	<p>É entidade concessionária /subconcessionária (pública)?</p>	Não																														
31	<p>É entidade concessionária /subconcessionária (privada)?</p>	Não																														

Nota: Anexar no separador "Outros documentos", procedimentos de controlo interno, caso existam.

> ANNEX II - ORGANISATIONAL STRUCTURE



> ANNEX IV - IMPAIRMENT OF ASSETS



Assets	Nature	Gross amount	Accumulated impairment	Recoverable amount
Financial Holdings		5 185 277,96	5 185 277,96	0,00
Customers, taxpayers and users		9 048 793,14	61 194,66	8 987 598,48
Total		14 234 071,10	5 246 472,62	8 987 598,48



> 5.4 OTHER DOCUMENTS - LCPA

> STATEMENT OF MULTI-ANNUAL COMMITMENTS

Statement of multi-annual commitments existing as at 31 December 2020

Article 15 (1)(a) of the LCPA

Pursuant to Article 15, paragraph 1 a) of Law No. 8/2012 of 21 February,

I hereby declare that all multi-annual commitments existing as at 31 December 2020 are duly recorded in the central database, in the SAP application, for the following global amounts:

Year	Amount
2021	36 680 189,73€
2022	42 234 812,40€
2023	32 133 514,26€
2024	32 750 831,51€
Next years	11 747 519,41€

Porto, May 11th, 2021

The Chairman of Board Administration,


(Aires Henrique do Couto Pereira, Eng.)

.....

> STATEMENT OF OVERDUE PAYMENTS

Statement of overdue payments as at 31 December 2020

Article 15, paragraph 1 b) of the LCPA

Pursuant to Article 15, paragraph 1 b) of Law No. 8/2012 of 21 February 2012,
I hereby declare that LIPOR has no overdue payments.

Porto, May 11th, 2021

Chairman of Board Administration,



(Aires Henrique do Couto Pereira, Eng.)

.....

> STATEMENT OF OVERDUE RECEIPTS

Statement of overdue receipts as at 31 December 2020

Article 15, paragraph 1 b) of the LCPA

Pursuant to Article 15, paragraph 1 b) of Law No. 8/2012 of 21 February 2012,
I hereby declare that the overdue receipt existing as at 31 December 2020 amount to 3,086,582.77 euros.

Porto, May 11th, 2021,

Chairman of Board Administration,



(Aires Henrique do Couto Pereira, Eng.)

>5.5 STATUTORY AUDIT AND AUDITOR'S REPORT



MANUEL TEIXEIRA CARDOSO

Revisor Oficial de Contas

CERTIFICAÇÃO LEGAL DAS CONTAS

RELATO SOBRE A AUDITORIA DAS DEMONSTRAÇÕES FINANCEIRAS

Opinião

Auditei as demonstrações financeiras anexas da **Lipor-Serviço Intermunicipalizado de Gestão de Resíduos do Grande Porto**, que compreendem o balanço em 31 de Dezembro de 2020, que evidencia um total de 153.090.556,60 euros e um total de Património Líquido (capital próprio) de 103.771.555,77 euros, incluindo um resultado líquido de 3.399.546,01 euros, a demonstração dos resultados por naturezas, a demonstração das alterações no Património Líquido (capital próprio) e a demonstração dos fluxos de caixa relativas ao ano findo naquela data, e as notas anexas às demonstrações financeiras que incluem um resumo das políticas contabilísticas significativas.

Em minha opinião, as demonstrações financeiras anexas apresentam de forma verdadeira e apropriada, em todos os aspectos materiais, a posição financeira da Lipor-Serviço Intermunicipalizado de Gestão de Resíduos do Grande Porto em 31 de Dezembro de 2020 e o seu desempenho financeiro e fluxos de caixa relativos ao ano findo naquela data de acordo com Normas de Contabilidade e Relato Financeiro adoptadas em Portugal através do Sistema de Normalização Contabilístico para a Administração Pública (SNC-AP).

Bases para a opinião

A minha auditoria foi efectuada de acordo com as Normas Internacionais de Auditoria (ISA) e demais normas e orientações técnicas e éticas da Ordem dos Revisores Oficiais de Contas. As minhas responsabilidades nos termos dessas normas estão descritas na secção "Responsabilidades do auditor pela auditoria das demonstrações financeiras" abaixo. Sou independente da Entidade nos termos da lei e cumpro os demais requisitos éticos nos termos do código de ética da Ordem dos Revisores Oficiais de Contas.

Estou convicto de que a prova de auditoria que obtive é suficiente e apropriada para proporcionar uma base para a minha opinião.

Responsabilidades do órgão de gestão pelas demonstrações financeiras

O órgão de gestão é responsável pela:

- preparação de demonstrações financeiras de acordo com a Norma Contabilística e de Relato Financeiro para Entidades do Sector Não Lucrativo adoptada em Portugal através do SNC-AP;
- elaboração do relatório de gestão nos termos legais e regulamentares aplicáveis;
- criação e manutenção de um sistema de controlo interno apropriado para permitir a preparação de demonstrações financeiras isentas de distorção material devida a fraude ou erro;
- adopção de políticas e critérios contabilísticos adequados nas circunstâncias; e
- avaliação da capacidade da Entidade de se manter em continuidade, divulgando, quando aplicável, as matérias que possam suscitar dúvidas significativas sobre a continuidade das actividades.

Inscrito na Ordem dos Revisores Oficiais de Contas sob o nº. 293
Quinta da Salgadinha - Rua Nova da Salgadinha, 198
4560-406 PAÇO DE SOUSA
Tel. 91 997 46 46 - E-mail: mteixeiracardoso@gmail.com



MANUEL TEIXEIRA CARDOSO

Revisor Oficial de Contas

Responsabilidades do auditor pela auditoria das demonstrações financeiras

A minha responsabilidade consiste em obter segurança razoável sobre se as demonstrações financeiras como um todo estão isentas de distorções materiais devido a fraude ou erro, e emitir um relatório onde conste a minha opinião. Segurança razoável é um nível elevado de segurança mas não é uma garantia de que uma auditoria executada de acordo com as ISA detectará sempre uma distorção material quando exista. As distorções podem ter origem em fraude ou erro e são consideradas materiais se, isoladas ou conjuntamente, se possa razoavelmente esperar que influenciem decisões económicas dos utilizadores tomadas com base nessas demonstrações financeiras.

Como parte de uma auditoria de acordo com as ISA, faço julgamentos profissionais e mantenho cepticismo profissional durante a auditoria e também:

- identifiquei e avaliei os riscos de distorção material das demonstrações financeiras, devido a fraude ou a erro, concebi e executei procedimentos de auditoria que respondam a esses riscos, e obtive prova de auditoria que seja suficiente e apropriada para proporcionar uma base para a minha opinião.

O risco de não detectar uma distorção material devido a fraude é maior do que o risco de não detectar uma distorção material devido a erro, dado que a fraude pode envolver conluio, falsificação, omissões intencionais, falsas declarações ou sobreposição ao controlo interno;

- obtive uma compreensão do controlo interno relevante para a auditoria com o objectivo de conceber procedimentos de auditoria que sejam apropriados nas circunstâncias, mas não para expressar uma opinião sobre a eficácia do controlo interno da Entidade;

- avaliei a adequação das políticas contabilísticas usadas e a razoabilidade das estimativas contabilísticas e respectivas divulgações feitas pelo órgão de gestão de acordo com a Norma Contabilística e de Relato Financeiro para Entidades do Sector Não Lucrativo adoptada em Portugal através do SNC-AP;

- concluí sobre a apropriação do uso, pelo órgão de gestão, do pressuposto da continuidade e, com base na prova de auditoria obtida, se existe qualquer incerteza material relacionada com acontecimentos ou condições que possam suscitar dúvidas significativas sobre a capacidade da Entidade para dar continuidade às suas actividades. Se concluir que existe uma incerteza material, devo chamar a atenção no meu relatório para as divulgações relacionadas incluídas nas demonstrações financeiras ou, caso essas divulgações não sejam adequadas, modificar a minha opinião. As minhas conclusões são baseadas na prova de auditoria obtida até à data do meu relatório. Porém, acontecimentos ou condições futuras podem levar a que a Entidade descontinue as suas actividades;

- avaliei a apresentação, estrutura e conteúdo global das demonstrações financeiras, incluindo as divulgações, nos termos da Norma Contabilística e de Relato Financeiro para Entidades do Sector Não Lucrativo adoptada em Portugal através do SNC-AP; e

- comuniquei com os encarregados da governação, entre outros assuntos, o âmbito e o calendário planeado da auditoria, e as conclusões significativas da auditoria incluindo qualquer deficiência significativa de controlo interno identificado durante a auditoria.

A minha responsabilidade inclui ainda a verificação da concordância da informação constante do relatório de gestão com as demonstrações financeiras.

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MANUEL TEIXEIRA CARDOSO

Revisor Oficial de Contas

ÊNFASES

Atendendo a que se trata do primeiro ano de aplicação do referencial contabilístico SNC-AP verifiquei e conferi a reconciliação dos valores patrimoniais ativos e passivos que deram origem ao balancete de abertura e que dizem respeito no último balancete do ano de 2019 no referencial contabilístico POCAL através de mapa próprio gerado pelos serviços de contabilidade da Entidade com colunas próprias para reconhecimento, desconhecimento, critérios de mensuração, imparidades/reversões, erros e reclassificações.

Não foram detectados erros ou omissões tendo validado os valores de abertura das contas para 2020.

As explicações contidas nas notas do Anexo nas páginas 45, 46 e 47 são suficientemente claras e explicativas dos movimentos registados e das correções efetuadas pelo que, em meu entender, não tenho de acrescentar outras notas ou explicações.

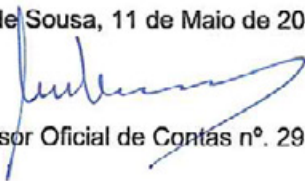
RELATO SOBRE OUTROS REQUISITOS LEGAIS E REGULAMENTARES

Sobre o relatório de gestão

Em minha opinião, o relatório de gestão foi preparado de acordo com as leis e regulamentos aplicáveis em vigor e a informação nele constante é coerente com as demonstrações financeiras auditadas, não tendo sido identificadas incorrecções materiais.

A Entidade cumpre com as suas obrigações fiscais e à Segurança Social regularmente não existindo débitos em mora e tendo obtido as certificações legais exigíveis como prova do regular cumprimento.

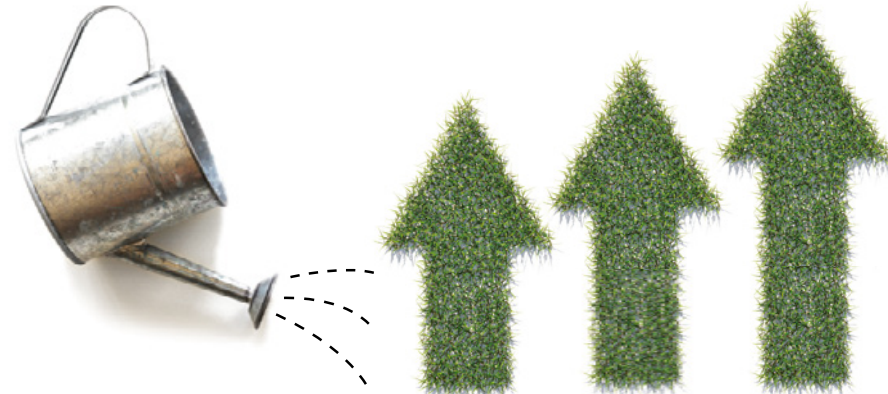
Paço de Sousa, 11 de Maio de 2021



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>5.6 GRI CONTENT AND INDEX



MANAGEMENT APPROACH (103)

MATERIAL TOPIC DESIGNATION	MATERIAL TOPIC AND BOUNDARY (103-1)	MANAGEMENT APPROACH AND ITS COMPONENTS (103-2)	EVALUATION OF THE MANAGEMENT APPROACH (103-3)
Involvement with suppliers	<p>LIPOR has always based its relationship with its value chain, namely with its Suppliers, on transparency and openness. One of the focal points of the Social Accountability Management System standard is the Control of the Value Chain of the organisation. Naturally, suppliers are a fundamental part of this process and we want to maintain a partnership relationship with them based mainly on the Values we share.</p> <p>The GRI social topic “Supplier Social Assessment” related to the “Involvement with suppliers” topic which was identified as materially relevant through the described materiality exercise process (page 32)</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 - Social Accountability Policy - Code of Conduct for Suppliers and Subcontractors - Supplier performance assessment 	<p>From this Sustainability perspective, we have created a set of tips and information that can be a driver of transformation in your organisation, the Green Purchasing Guide.</p> <p>We also provide a fundamental document in this relationship, the Code of Conduct for Suppliers and Subcontractors, which establishes suppliers' commitment to the principles of the Universal Declaration of Human Rights, the Conventions of the International Labour Organization and the National and Community Legislation in force. A six-monthly assessment is also defined for all suppliers who meet a set of previously defined requirements.</p>
Ethics and Integrity	<p>The Code of Ethics is intended to be a guide for the conduct of the Organisation and its Employees that meets the specific demands faced by LIPOR as a public entity. It applies to all workers and managers who work in LIPOR, as well as to service providers, trainees and other employees, regardless of the type of legal relationship in place.</p> <p>The topic “Ethics and Integrity” was identified as materially relevant by the described materiality exercise process (page 32).</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 - Social Accountability Policy - LIPOR's Code of Ethics 	<p>This code establishes a set of values and ethical-professional principles that must be observed in the fulfilment of the activities developed by LIPOR's employees and managers in their professional relations with each other and with third parties, namely in terms of interpersonal relationships, prevention and fight against harassment at work, Institutional offers, invitations or similar benefits.</p>

MATERIAL TOPIC DESIGNATION	MATERIAL TOPIC AND BOUNDARY (103-1)	MANAGEMENT APPROACH AND ITS COMPONENTS (103-2)	EVALUATION OF THE MANAGEMENT APPROACH (103-3)
Attracting and Retaining Talent	<p>The policy for reinforcing the Organisation's Human Capital prioritises the retention of Talent and the attraction of new qualified Staff.</p> <p>The topic "Attracting and Retaining Talent" was identified as materially relevant by the described materiality exercise process (page 32).</p>	<p>To manage this material topic, LIPOR resorts to the following policies and commitments:</p> <ul style="list-style-type: none"> - Mission, Vision, Values and Policy - Social Accountability Policy - LIPOR's Code of Ethics 	<p>The Board of Directors is very involved in the Policy for the reinforcement of the Organisation's Human Capital, therefore attracting qualified staff and retaining the Talent available is one of its priorities.</p>
Brand and Reputation Management	<p>Brand management serves to enable the reputation and external visibility of the organisational strategy.</p> <p>The topic "Brand and Reputation Management" was identified as materially relevant by the described materiality exercise process (page 32).</p>	<p>To manage this material topic, LIPOR resorts to the following policies and commitments:</p> <ul style="list-style-type: none"> - Mission, Vision, Values and Policy - LIPOR's Strategic Plan 2015-2020 - Environmental Communication, Education and Training Strategy 	<p>To communicate the LIPOR Brand, a set of strategic projects, such as Brand Vision and Semiotics, has been developed.</p> <p>A Customer Satisfaction Survey is carried out every year, to monitor LIPOR's reputation. Level of connection to the LIPOR Brand (L3).</p>
Environmental Communication, Education and Training	<p>LIPOR regards Environmental Communication, Education and Training of the Community it serves as one of its primary responsibilities. Hence, in order to promote citizen engagement and a change of mindsets, LIPOR develops several initiatives through its Education, Communication and Marketing Department, which comprises the Environmental Education and Training Unit and the Communication, Sustainability and Marketing Unit, for different target audiences, aiming to encourage citizens to commit themselves to good environmental practices and to boost the acquisition of competencies for a broader civic participation, so as to increase and consolidate the growth of environmentally responsible and sustainable processes.</p> <p>The "Environmental Communication, Education and Training" topic was identified as materially relevant by the described materiality exercise process (page 32).</p>	<p>To manage this material topic, LIPOR resorts to the following policies and commitments:</p> <ul style="list-style-type: none"> - Mission, Vision, Values and Policy - LIPOR's Strategic Plan 2015-2020 - Environmental Communication, Education and Training Strategy 	<p>LIPOR's effort to promote Environmental Communication, Education and Training is reflected in the diversity of the developed projects and initiatives, and the number of realised actions and sensitised citizens.</p> <p>Through its Academy, LIPOR aims to develop and enhance competencies through training and qualification, using advanced educational methods and equipment.</p> <p>The LIPOR Academy 2020 training offer extends to different areas of knowledge, thus integrating courses or training actions specifically designed to meet market needs. The total population involved in the awareness and environmental education actions is an essential indicator (L1).</p>
Transformation of Waste into New Resources through Circularity	<p>LIPOR, links its Circular Business Model to the Integrated Waste Management System, with the clear vision that waste is a resource and totally focused on a regenerative and restorative view of waste within the Value Chain. Having clearly recognised that waste management must be approached in a resource perspective, LIPOR focuses all its efforts on proper waste recovery, based on the projection of a circular business model and the development of projects that demonstrate auxiliary circular practices.</p> <p>The GRI environmental topics "Materials" and "Effluents and waste" relate to the "Transformation of Waste into New Resources through Circularity" topic which was identified as materially relevant by the described materiality exercise process (page 32).</p>	<p>To manage this material topic, LIPOR resorts to the following policies and commitments:</p> <ul style="list-style-type: none"> - Mission, Vision, Values and Policy - LIPOR's Strategic Plan 2015-2020 - Voluntary commitment to Circular Economy principles - Statement regarding the Plastics and Single-Use Plastics Strategy 	<p>Circular Economy is much more than just waste, wherefore LIPOR's circular business model is complemented and supported by several circularity practices.</p> <p>We highlight the development of sustainable public procurement projects, the design of environmental education and intervention programmes, the enhancement of prevention strategies, the fight against food waste, training courses and voluntary commitments regarding biodiversity and carbon.</p> <p>LIPOR's approach to Circular Economy focuses on a perspective of basing its intervention in divulging the need for a paradigm shift and on the concept of circular economy, providing technical expertise to increase skills through a certified competences training plan and creating integrated Circular Economy dynamics among several civil society actors, at local and national level.</p>

MATERIAL TOPIC DESIGNATION	MATERIAL TOPIC AND BOUNDARY (103-1)	MANAGEMENT APPROACH AND ITS COMPONENTS (103-2)	EVALUATION OF THE MANAGEMENT APPROACH (103-3)
Impact on the Community	<p>LIPOR's development has been based on its commitment to Stakeholders. Sustainability principles are integrated in the Organisation's daily management:</p> <ul style="list-style-type: none"> - To take on the challenge of Sustainability - To promote the Prevention of Waste Production - To strengthening its relationship with stakeholders - To regard waste as a resource - To define and implement a Waste Management Hierarchy. - To be a self-sufficient Organisation - To apply the "Polluter Pays" principle and the Producer Responsibility policy. <p>Having taken on the Sustainability challenge and committed itself to the global priorities of the Sustainable Development Goals, LIPOR interconnects them with its business strategies.</p> <p>The "Impact on the Community" topic was identified as materially relevant through the described materiality exercise process (page 30).</p>	<p>The management approach is evident in the Organisation's policies as well as in the commitments it subscribes to:</p> <ul style="list-style-type: none"> - Mission, Vision, Values and Policy - LIPOR's Strategic Plan 2015-2020 - BCSO Charter of Principles - SDGs Alliance Portugal. 	<p>LIPOR develops a wide range of projects that approach the environmental, energy, social accountability, prevention, environmental education and awareness areas, demonstrating its unequivocal commitment to Sustainability. It should be noted that some of these projects are long-term projects, allowing the consolidation of its relationship with Stakeholders and the achievement of consistent results. In order to strengthen this commitment, LIPOR's Sustainability Agenda was created in 2017, including an execution goal, measured through the monitoring of the projects included therein. In 2018 and 2020, as a result of the updating of the materially relevant themes, the Agenda was also updated, following the Stakeholder Consultation Processes.</p> <p>Annually is carried out the Customers Satisfaction Study, in order to monitor the Social Accountability Perceived (L4).</p>
Climate Change	<p>As a part of its commitment to sustainable development, LIPOR considers it essential to fully integrate of the climate change issue in its activities, thus regarding:</p> <ul style="list-style-type: none"> - Climate Change as the main threat to global sustainability and, hence, the top priority of its environmental and sustainable development policy; - The Fight against and Adaptation to Climate Change as structuring strategies for its action, given its responsibilities as a GHG emissions managing agent and producer, and as a promoter of knowledge, action and mobilisation amongst citizens and the society. <p>An efficient use of energy is, more and more, a major priority, leading to a reduction in operating costs and a sustainable policy.</p> <p>The GRI material topics "Emissions" and "Energy" relate to-the "Climate Change" topic which was identified as materially relevant through the described materiality exercise process (page 30).</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 - 4M Strategy - less waste, less Carbon, more Climate, more Biodiversity - Implementation of the ISO 50001 - Energy Management Standard. 	<p>The adoption of the LIPOR 4M strategy - less waste, less Carbon, More Climate, More Biodiversity represents its commitment to action. 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> <p>The management itself of a unit such as the Energy Recovery Plant requires a permanent supervision and verification of its performance, in order to identify potential negative impacts, such as the emission of atmospheric pollutants.</p>

MATERIAL TOPIC DESIGNATION	MATERIAL TOPIC AND BOUNDARY (103-1)	MANAGEMENT APPROACH AND ITS COMPONENTS (103-2)	EVALUATION OF THE MANAGEMENT APPROACH (103-3)
Incentive for New Businesses and New Opportunities	<p>LIPOR has a Research, Development and Innovation Unit (IDI) and an International Business Unit (UNI), both working to Incentive for new businesses and opportunities. After being acknowledged by the Organisation as strategic priorities in 2013, both are now classified as Organisational Units. LIPOR boosts different types of innovation: product innovation, process innovation, organisational innovation and marketing innovation.</p> <p>The international approach is a result of the experience and know-how gathered over 35 years of activity, made available to international partners and customers, adding value through resource enhancement, social accountability and performance eco-efficiency.</p> <p>The "Incentive for New Businesses and Opportunities" topic was identified as materially relevant by the described materiality exercise process (page 32).</p>	<p>The approach to managing this topic is reflected in the following policies and commitments of the Organisation:</p> <ul style="list-style-type: none"> - Mission, Vision, Values and Policy - LIPOR's Strategic Plan 2015-2020. - Quality, Environmental, Energy, Health and Safety, - Certification according to the NP4457 Standard - Research, Development and Innovation Management System. 	<p>LIPOR has been certified in Research, Development and Innovation since 2012 (NP4457) and, since 2017, it has an innovation strategy focused on product development in order to improve the effective circular economy in the waste sector.</p> <p>It's through Innovation Scoring that is evaluated the innovation and benchmarking performance of the Organisation (L2)</p> <p>The guarantee of customised solutions is ensured by the International Business Unit. LIPOR ensures total commitment with projects, provides comprehensive solutions and the trusted recognition of a brand with 38 years of experience, measured in the number of presented Proposals and Studies.</p> <p>The development of LIPOR's projects is supported by a network of technology and service partners highly renowned and with much know-how.</p>
Financial Balance of the Organisation	<p>As a Municipalities Association, LIPOR's purpose is not to obtain profit; however, in order to decrease its dependence on the fees charged to the Associated Municipalities, it constantly focuses on the optimisation of its performance, which is why this is a material topic for LIPOR.</p> <p>The GRI economic topic "Economic Performance" relates to the "Financial Balance of the Organisation" topic identified as materially relevant by the described materiality exercise process (page 32)</p>	<p>To manage this material topic, LIPOR resorts to the following policies and commitments:</p> <ul style="list-style-type: none"> - LIPOR's Articles of Incorporation - 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>
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 topic "Biodiversity" relates to the "Biodiversity" topic identified as materially relevant through the described materiality exercise process (page 32).</p>	<p>To manage this material topic, LIPOR resorts to the following policies and commitments:</p> <ul style="list-style-type: none"> - LIPOR's Strategic Plan 2015-2020 - LIPOR's Policy - Biodiversity Strategy - act4nature commitments 	<p>We believe that we must integrate the issues of biodiversity preservation, promotion and recovery into our business strategy.</p> <p>Therefore, in 2014 we implemented a Biodiversity Strategy until 2020 for the Greater Porto region, which materialised in several projects developed with strategic partners in various areas.</p> <p>For 2020-2030, our commitments have been strengthened and we have reinforced our commitment by joining act4nature Portugal.</p>

MATERIAL TOPIC DESIGNATION	MATERIAL TOPIC AND BOUNDARY (103-1)	MANAGEMENT APPROACH AND ITS COMPONENTS (103-2)	EVALUATION OF THE MANAGEMENT APPROACH (103-3)
Development and Well-being (of employees)	<p>LIPOR strives every day to fulfil its Mission, Vision, Values and Quality, Environment, Safety, Social Accountability, Energy and Innovation Policy. With regards to the legal requirements applicable to LIPOR (for example, in recruitment and remuneration) and the requirements of the SA8000 - Social Accountability Standard, topics such as Child Labour, Discrimination (race, gender or other), Slave or Compulsory Labour, etc. are duly controlled in order to ensure their thorough fulfilment. As far as training is concerned, LIPOR deems it essential to the promotion of the Organisation's development, wherefore it has continued to invest in training, competences development and the granting of social benefits to its Employees.</p> <p>The GRI social topics "Employment", "Occupational Health and Safety", "Training and Education", "Diversity and Equal Opportunity" and "Supplier Social Assessment" relate to the "Competences and Know-how" topic identified as materially relevant through the described materiality exercise process (page 32).</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 - Quality, Environmental, Energy, Health and Safety, - Certification according to the SA8000 Social Accountability Standard - AA1000APS Standard Certification - Code of Ethics - Portuguese Charter for Diversity. 	<p>Transversal to the whole Organisation, the Social Responsibility Management System - SA8000 ensures compliance with its requirements, setting annual goals and conducting regular audits. Within the scope of the Integrated Quality, Environmental, Safety and Hygiene Management System, annual objectives regarding safety and hygiene are defined and periodically evaluated by the Board. In system review meetings, the Organisation's main risks and workplace accidents are analysed, being then established action plans to cope with them.</p>
Product and Service Quality and Reliability	<p>Product and service quality and reliability is a decisive factor for LIPOR's success, wherefore the Organisation's ultimate goal is Excellence.</p> <p>The GRI social topics "Customer Health and Safety", and "Marketing and Labelling" relate to the "Product and Service Quality" topic identified as materially relevant through the described materiality exercise process (page 32).</p>	<p>To manage this material topic, LIPOR resorts to the following policies and commitments:</p> <ul style="list-style-type: none"> - Mission, Vision, Values and Policy - Quality, Environmental, Energy, Health and Safety, Social Accountability and Innovation Policy - LIPOR's Strategic Plan 2015-2020 - Certification according to the ISO 9001:2015 Standard - Quality Management System. 	<p>The operational areas are duly certified according to the ISO14001, ISO9001, OHSAS1800 standards, ensuring that all requirements are duly met and are subject to periodical audits. A Customer Satisfaction Survey is carried out every year, in order to monitor their satisfaction, on based on which an Action Plan is devised to implement/answer the questions raised.</p>
Risk Management	<p>LIPOR's Quality, Environmental, Energy, Health and Safety, Social Accountability and Innovation Policy reflects its standards and the Board of Directors' commitment regarding quality assurance, pollution prevention, environmental protection and preservation, safety management, social accountability and investment in research, development and innovation.</p> <p>The GRI environmental topics "Environmental Compliance" and "Environmental Grievance Mechanisms" and the GRI social topics "Socioeconomic Compliance" and "Grievance Mechanisms" relate to the "Maintenance of Management Systems" topic identified as materially relevant through the described materiality exercise process (page 32).</p>	<p>The management approach to this topic is mostly evident in:</p> <ul style="list-style-type: none"> - the Quality, Environmental, Energy, Health and Safety, Social Accountability and Innovation Policy - LIPOR's Articles of Incorporation - LIPOR's Corruption Risk and Related Offences Management Plan. 	<p>We ensure the certification of Management Systems in the different areas: training, environmental, energy, quality, safety conditions, hygiene and health for all Employees at the different work stations. The compliance of the system is guaranteed by the development of long-term projects, which make it possible to identify and anticipate risks, consolidate the relationship with the Stakeholders and obtain results in a consistent manner.</p>

> GRI CONTENT INDEX (102-55)



CONTENT INDEX SERVICE

2021

GRI STANDARDS | CONTENT



For Content Index Service, GRI Services reviewed that the GRI content index is clearly presented and the references for all topics included align with the appropriate sections in the body of the report.

GRI STANDARDS CONTENT	DESCRIPTION	PAGE LOCATION TOPIC REPORT	EXTERNAL ASSURANCE
GRI 101: FOUNDATION 2016			
GRI 102: STANDARD DISCLOSURES 2016			
ORGANISATIONAL PROFILE			
102-1	Name of the Organisation.	Page 10 of the Integrated Report: LIPOR - An Organisation with History	●
102-2	Activities, brands, products and services.	Page 43 of the Integrated Report: LIPOR Doesn't Stop - Manufactured Capital https://www.lipor.pt/pt/valorizar/valorizacao-multimaterial/ https://www.lipor.pt/pt/valorizar/valorizacao-organica/central-de-valorizacao-organica/ https://www.lipor.pt/pt/valorizar/valorizacao-energetica/ https://www.lipor.pt/pt/valorizar/confinamento-tecnico/	●
102-3	Location of the Organisation's headquarters.	Page 9 of the Integrated Report: LIPOR - Report Nature	●
102-4	Number of countries where the Organisation operates.	Page 10 of the Integrated Report: LIPOR - An Organisation with History	●
102-5	Nature of ownership and legal form.	Page 22 of the Integrated Report: Strategic Background - Corporate Strategy	●
102-6	Markets served.	Page 10 of the Integrated Report: LIPOR - An Organisation with History	●
102-7	Scale of the Organisation.	Page 14 of the Integrated Report: LIPOR - An Organisation with History	●
102-8	Information on Employees and other workers.	Page 61 of the Integrated Report: LIPOR Doesn't Stop - Human Capital	●
102-9	Organisation's Supply Chain	Page 47 of the Integrated Report: LIPOR Doesn't Stop - Financial Capital	●
102-10	Significant changes to the Organisation and its Supply chain	Current page. No significant changes occurred during the reporting period.	●
102-11	Precautionary principle or approach.	Page 32 of the Integrated Report: Materiality	●
102-12	Charters, principles or other initiatives to which the Organisation subscribes.	Current page LIPOR subscribes the Aalborg Charter, the Charter of European Cities and Towns Towards Sustainability. This subscription occurred within the scope of the promotion of the "Sustainable Future" project and the implementation of Local Agenda 21 processes in the Parishes within LIPOR's area of intervention. Regarding the Food Waste issue, LIPOR endorsed the DON'T WASTE OUR FUTURE Charter 2015. In 2017, LIPOR subscribed the Portuguese Diversity Charter and the Terms of Reference for the SDGs Alliance Portugal. We subscribed the Charter of Principles for Sustainable Management, which establishes common sustainable development commitments for Portugal.	●
102-13	Membership of associations, and national or international organisations.	Page 28 of the Integrated Report: External Environment https://www.lipor.pt/en/about-us/organizations-we-are-part-of/	●

STRATEGY AND ANALYSIS			
102-14	Message from the Chairman of LIPOR's Board of Directors.	Page 8 of the Integrated Report: LIPOR - Message from the Chairman	●
102-15	Key impacts, risks and opportunities.	Page 29 of the Integrated Report: Strategic Background - Risks and Opportunities	●
ETHICS AND INTEGRITY			
102-16	Organisation's values, principles, standards and norms of behaviour.	Page 12 of the Integrated Report: LIPOR - An Organisation with History	●
102-17	Internal and external mechanisms for concerns about ethics.	Page 61 of the Integrated Report: LIPOR Doesn't Stop - Human Capital	●
GOVERNANÇA			
102-18	Governance structure of the Organisation.	Page 22 of the Integrated Report: Strategic Background - Corporate Strategy	●
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.	Page 22 of the Integrated Report: Strategic Background - Corporate Strategy	●
102-21	Indication of processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics.	Page 32 of the Integrated Report: Stakeholders	●
102-23	Indication of whether the Chair of the highest governing body is also an executive officer.	Page 22 of the Integrated Report: Strategic Background - Corporate Strategy	●
STAKEHOLDERS			
102-40	List of the Organisation's Stakeholders.	Page 33 of the Integrated Report: Stakeholders	●
102-41	Collective labour agreements.	Page 61 of the Integrated Report: LIPOR Doesn't Stop - Human Capital	●
102-42	Basis for identification and selection of Stakeholders.	Page 33 of the Integrated Report: Stakeholders	●
102-43	Approach to Stakeholders Engagement.	Page 32 of the Integrated Report: Stakeholders	●
102-44	Key topics and concerns that have been raised by Stakeholders and group response.	Page 35 of the Integrated Report: Stakeholders	●
REPORTING PRACTICE			
102-45	Entities included in the financial statements.	Page 81 of the Integrated Report: For More Information - Financial Statements	●
102-46	Process for defining report content.	Page 32 of the Integrated Report: Stakeholders	●
102-47	Material topics identified in the process for defining report content.	Page 33 of the Integrated Report: Stakeholders	●
102-48	Restatements of information given in previous reports	Current page. No exceptions were identified throughout the Report	●
102-49	Significant changes from previous reporting periods.	Page 142. For More Information - Methodological notes	●
102-50	Reporting period.	Page 9 of the Integrated Report: LIPOR - Report Nature	●
102-51	Date of most recent previous report.	Page 9 of the Integrated Report: LIPOR - Report Nature	●
102-52	Reporting cycle.	Page 9 of the Integrated Report: LIPOR - Report Nature	●
102-53	Contact point for questions regarding the report.	Page 9 of the Integrated Report: LIPOR - Report Nature	●
102-54	Claims of reporting in accordance with the GRI.	Página 9 do Relatório Integrado: A LIPOR - Natureza do Relatório	●
102-55	GRI content index.	Página 123 of the Integrated Report: For More Information - GRI Content and Index	●
102-56	Policy and practice with regard to external assurance.	Página 9 of the Integrated Report: LIPOR - Report Nature	●



> MATERIAL TOPICS

MATERIAL TOPIC: ECONOMIC PERFORMANCE

GRI 103: MANAGEMENT APPROACH 2016			
GRI STANDARD CONTENT	DESCRIPTION	PAGE LOCATION REPORT	EXTERNAL ASSURANCE
103-1	Material Topic and Boundary	Page 127: For More Information	●
103-2	Management approach and its components	Page 127: For More Information	●
103-3	Evaluation of the management approach	Page 127: For More Information	●
GRI 201: ECONOMIC PERFORMANCE 2016			
GRI STANDARD CONTENT	DESCRIPTION	PAGE LOCATION REPORT	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 government.	Page 46: LIPOR Doesn't Stop - Financial Capital	●
201-2	Financial implications and other risks and opportunities for the organisation's activities due to climate change.	Page 50: LIPOR Doesn't Stop - Natural Capital	●

MATERIAL TOPIC: MATERIALS

GRI 103: MANAGEMENT APPROACH 2016

GRI STANDARD CONTENT	DESCRIPTION	PAGE LOCATION REPORT	EXTERNAL ASSURANCE
103-1	Material Topic and Boundary	Page 125: For More Information	●
103-2	Management approach and its components	Page 125: For More Information	●
103-3	Evaluation of the management approach	Page 125: For More Information	●

GRI 301: MATERIALS 2016

GRI STANDARD CONTENT	DESCRIPTION	PAGE LOCATION REPORT	EXTERNAL ASSURANCE
301-1	Materials used by weight or volume	Current Page: For More Information	●



301-1

Sorting Plant			
Materials	2018	2019	2020
Wire (t)	39	40	46
Raw materials for production			
Sorted recyclable materials (t)	11 450,80	12 949,60	12 517,1
Composting Plant			
Materials	2018	2019	2020
Wood (t)	80,10	74,19	62,80
Plastics (t)	27,67	23,30	28,60
Paper and Cardboard (t)	0	0,007	0,008
Raw materials for production			
Sorted organic waste (t)	52 178,50	52 178,54	46 624,16
Energy Recovery Plant			
Use of Reagents	2018	2019	2020
Hydrated Lime (t)	4 008,60	3 905,50	4 428,60
Urea (t)	1 491,00	1 441,70	1 557,20
Activated Charcoal (t)	192,00	160,00	178,20
Caustic Soda (t)	26,40	23,30	22,90
HCl (t)	30,30	24,30	29,70
Raw materials for production			
Unsorted waste (t)	406 768,50	408 731,20	424 686,3

301-1

Sorting Plant			
CVE's Auxiliary Landfill			
Reagents for the WWTP	2018	2019	2020
Sulphuric Acid (t)	4,30	4,10	2,20
Acetic Acid (t)	0,80	0,70	0,0
Soda (t)	17,90	29,80	11,80
Anti-foam (l)	37,00	24,00	16,0
Lipor - in general			
Stationery	2018	2019	2020
White Paper (Kg)	258,90	2 995,50	210,19
White Stationary (kg)	1 335,90	1 540,70	132,11
Total White (kg)	1 594,80	4 536,16	342,30
Recycled Paper (kg)	149,40	0,0	2 437,81
Recycled Stationary (kg)	269,80	144,20	0,0
Total Recycled (kg)	419,20	144,20	2 437,81
TOTAL	2 014,00	4 680,38	2 780,11



MATERIAL TOPIC: ENERGY

GRI 103: MANAGEMENT APPROACH 2016			
GRI STANDARD CONTENT	DESCRIPTION	PAGE LOCATION REPORT	EXTERNAL ASSURANCE
103-1	Material Topic and Boundary	Page 126: For More Information	●
103-2	Management approach and its components	Page 126: For More Information	●
103-3	Evaluation of the management approach	Page 126: For More Information	●
GRI 302: ENERGY 2016			
GRI STANDARD CONTENT	DESCRIPTION	PAGE LOCATION REPORT	EXTERNAL ASSURANCE
302-1	Direct energy consumption by primary energy source.	Page 52: LIPOR Doesn't Stop - Natural Capital	●
302-2	Energy Consumption outside of the Organisation.	Current page: For More Information	●
302-3	Energy Intensity.	Page 53: LIPOR Doesn't Stop - Natural Capital	●
302-4	Reduction of Energy consumption.	Page 52: LIPOR Doesn't Stop - Natural Capital	●

302-2	Gj	2018	2019	2020
	Scope 3 - Energy	177 313	196 652	182 522
	C.03 - Energy and fuels	64 771	64 035	46 131
	C.04 - Transportation (upstream)	101 185	115 623	123 002
	C.06 - Business travels	508	1 309	236
	C.07 - Employee commuting	4 237	6 309	5 137
	C.09 - Transportation (downstream)	6 612	9 376	8 016
	C.10 - Processing of intermediate products	N.D.	N.D.	N.D.
	C.11 - Use of goods and services	N.D.	N.D.	N.D.

MATERIAL TOPIC: BIODIVERSITY

GRI 103: MANAGEMENT APPROACH 2016			
GRI STANDARD CONTENT	DESCRIPTION	PAGE LOCATION REPORT	EXTERNAL ASSURANCE
103-1	Material Topic and Boundary	Page 127: For More Information	●
103-2	Management approach and its components	Page 127: For More Information	●
103-3	Evaluation of the management approach	Page 127: For More Information	●
GRI 304: BIODIVERSITY 2016			
GRI STANDARD CONTENT	DESCRIPTION	PAGE LOCATION REPORT	EXTERNAL ASSURANCE
304-3	Habitats protected or restored	Page 55: LIPOR Doesn't Stop - Natural Capital	●

MATERIAL TOPIC: EMISSIONS

GRI 103: MANAGEMENT APPROACH 2016			
GRI STANDARD CONTENT	DESCRIPTION	PAGE LOCATION REPORT	EXTERNAL ASSURANCE
103-1	Material Topic and Boundary	Page 126: For More Information	●
103-2	Management approach and its components	Page 126: For More Information	●
103-3	Evaluation of the management approach	Page 126: For More Information	●
GRI 305: EMISSIONS 2016			
GRI STANDARD CONTENT	DESCRIPTION	PAGE LOCATION REPORT	EXTERNAL ASSURANCE
305-1	Direct Greenhouse Gas (GHG) Emissions (Scope 1)	Page 51: LIPOR Doesn't Stop - Natural Capital	●
305-2	Energy Indirect Greenhouse Gas (GHG) Emissions (Scope 2)	Page 51: LIPOR Doesn't Stop - Natural Capital	●
305-3	Other Indirect Greenhouse Gas (GHG) Emissions (Scope 3)	Page 51: LIPOR Doesn't Stop - Natural Capital	●
305-4	Greenhouse Gas (GHG) Emissions Intensity	Page 51: LIPOR Doesn't Stop - Natural Capital	●
305-5	Reduction of Greenhouse Gas (GHG) Emissions	Page 51: LIPOR Doesn't Stop - Natural Capital	●

MATERIAL TOPIC: EFFLUENTS AND WASTE

GRI 103: MANAGEMENT APPROACH 2020			
GRI STANDARD CONTENT	DESCRIPTION	PAGE LOCATION REPORT	EXTERNAL ASSURANCE
103-1	Material Topic and Boundary	Page 125: For More Information	●
103-2	Management approach and its components	Page 125: For More Information	●
103-3	Evaluation of the management approach	Page 125: For More Information	●
GRI 306: EFFLUENTS AND WASTE 2020			
GRI STANDARD CONTENT	DESCRIPTION	PAGE LOCATION REPORT	EXTERNAL ASSURANCE
306-1	Waste generation and significant impacts related to waste	Page 38: LIPOR Doesn't Stop - Industrial Capital	●
306-2	Management of significant waste-related impacts	Page 38: LIPOR Doesn't Stop - Industrial Capital	●
306-3	Waste generated	Current page: For further information	●
306-4	Waste not destined for final disposal	Page 39: LIPOR Doesn't Stop - Industrial Capital	●
306-5	Waste for final disposal	Page 39: LIPOR Doesn't Stop - Industrial Capital	●

306-2 Rejected waste from the Sorting Plant

	2018	2019	2020
Flat Products Line - Paper and Cardboard (t)	0,00	0,00	0,00
Bulk Items Line - Packaging (t)	1 092,24	1 624,70	1 654,64
Fines (t)	1 550,38	1 713,92	1 440,20
Pre-sorting (t)	498,40	524,22	523,92
TOTAL (t)	3 141,02	3 862,84	3 618,76
Destination - Energy Recovery Plant			

Rejected waste from the Energy Recovery Plant

	2018	2019	2020
Inert ashes (t)	0,00	0,00	0,00
Fly ashes (t)	13 343,08	12 940,00	14 336,66
Slag (t)	78 348,48	76 280,30	81 868,36
Destination - Landfill of Maia			

Waste produced by the system				
	2018	2019	2020	Hazardous
Mineral Oils (l)	11 258,00	11 707,00	8 938,00	yes
Oily Water (l)	28 640,00	21 360,00	22 600,00	yes
Total (l)	39 898,00	33 067,00	31 538,00	

Cooking Oil (kg)	181,64	7 720,00	10 942,00	no
Sawdust and oily rags (kg)	208,00	139,00	213,00	yes
Contaminated packaging* (kg)	814,00	1 489,00	990,00	yes
Small batteries (kg)	4 180,00	6 280,00	8 120,00	yes
Batteries (kg)	1 920,00	1 860,00	1 400,00	yes
Syringes (kg)	71,91	88,20	79,80	yes
Fluorescent Lamps (kg)	18 416,00	34 730,00	15 005,00	yes
Other municipal waste and similar waste (Kg)	138,30	159,98	127,75	no
Ink cartridges and toners (kg)	17 020,00	26 948,00	14 308,00	yes
Tyres (kg)	700,00	2 030,00	890,00	no
Inert materials	462 800,00	384 200,00	211 020,00	yes
Total (kg)	506 449,85	465 644,18	362 413,55	
Destination - Companies licensed for Recovery/Treatment				

Iron Scrap (t)	5 800,02	5 581,88	6 783,18	no
Total (t)	5 800,02	5 581,88	6 783,18	
Destination - Recycling				

MATERIAL TOPIC: ENVIRONMENTAL COMPLIANCE

GRI 103: MANAGEMENT APPROACH 2016			
GRI STANDARD CONTENT	DESCRIPTION	PAGE LOCATION REPORT	EXTERNAL ASSURANCE
103-1	Material Topic and Boundary	Page 128: For More Information	●
103-2	Management approach and its components	Page 128: For More Information	●
103-3	Evaluation of the management approach	Page 128: For More Information	●
GRI 307: CONFORMIDADE AMBIENTAL 2016			
GRI STANDARD CONTENT	DESCRIPTION	PAGE LOCATION REPORT	EXTERNAL ASSURANCE
307-1	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and/or regulations.	Current Page: For More Information	●

307-1 In 2020, no fine was imposed on LIPOR due to violation of environmental laws and norms.

MATERIAL TOPIC: EMPLOYMENT

GRI 103: ABORDAGEM DE GESTÃO 2016			
GRI STANDARD CONTENT	DESCRIPTION	PAGE LOCATION REPORT	EXTERNAL ASSURANCE
103-1	Material Topic and Boundary	Page 128: For More Information	●
103-2	Management approach and its components	Page 128: For More Information	●
103-3	Evaluation of the management approach	Page 128: For More Information	●
GRI 401: EMPREGO 2016			
GRI STANDARD CONTENT	DESCRIPTION	PAGE LOCATION REPORT	EXTERNAL ASSURANCE
401-1	Total number and rates of new employee hires and employee turnover by age group, gender and region.	Page 58: LIPOR Doesn't Stop - Human Capital	●
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation.	Page 67: LIPOR Doesn't Stop - Human Capital	●

MATERIAL TOPIC: HEALTH AND SAFETY AT WORK

GRI 103: ABORDAGEM DE GESTÃO 2018			
GRI STANDARD CONTENT	DESCRIPTION	PAGE LOCATION REPORT	EXTERNAL ASSURANCE
103-1	Material Topic and Boundary	Page 128: For More Information	●
103-2	Management approach and its components	Page 128: For More Information	●
103-3	Evaluation of the management approach	Page 128: For More Information	●
GRI 403: HEALTH AND SAFETY AT WORK 2018			
GRI STANDARD CONTENT	DESCRIPTION	PAGE LOCATION REPORT	EXTERNAL ASSURANCE
403-1	Occupational health and safety management system	Page 64: LIPOR Doesn't Stop - Human Capital	●
403-2	Hazard identification, risk assessment and incident investigation	Page 64: LIPOR Doesn't Stop - Human Capital	●
403-3	Occupational health services	Page 66: LIPOR Doesn't Stop - Human Capital	●
403-4	Workers participation, consultation and communication with employees regarding occupational health and safety	Page 67: LIPOR Doesn't Stop - Human Capital	●
403-5	Training of workers in occupational health and safety	Page 67: LIPOR Doesn't Stop - Human Capital	●
403-6	Promotion of workers' health	Page 66: LIPOR Doesn't Stop - Human Capital	●
403-7	Prevention and mitigation of occupational health and safety impacts directly linked to business relationships	Page 66: LIPOR Doesn't Stop - Human Capital	●
403-9	Accidents at work	Page 65: LIPOR Doesn't Stop - Human Capital	●
403-10	Occupational diseases	Page 65: LIPOR Doesn't Stop - Human Capital	●

MATERIAL TOPIC: TRAINING AND EDUCATION

GRI 103: MANAGEMENT APPROACH 2016			
GRI STANDARD CONTENT	DESCRIPTION	PAGE LOCATION REPORT	EXTERNAL ASSURANCE
103-1	Material Topic and Boundary	Page 128: For More Information	●
103-2	Management approach and its components	Page 128: For More Information	●
103-3	Evaluation of the management approach	Page 128: For More Information	●
GRI 404: TRAINING AND EDUCATION 2016			
GRI STANDARD CONTENT	DESCRIPTION	PAGE LOCATION REPORT	EXTERNAL ASSURANCE
404-1	Average training hours per year per Employee, by gender, and employee category.	Page 62: LIPOR Doesn't Stop - Human Capital	●
404-2	Programmes for skills management and lifelong training that support the continued employability of Employees and assist them in managing career endings.	Pág. 60: LIPOR Doesn't Stop - Human Capital	●
404-3	Percentage of Employees receiving regular performance and career development reviews, by gender.	Pág. 60: LIPOR Doesn't Stop - Human Capital	

MATERIAL TOPIC: DIVERSITY AND EQUAL OPPORTUNITY

GRI 103: MANAGEMENT APPROACH 2016			
GRI STANDARD CONTENT	DESCRIPTION	PAGE LOCATION REPORT	EXTERNAL ASSURANCE
103-1	Material Topic and Boundary	Page 128: For More Information	●
103-2	Management approach and its components	Page 128: For More Information	●
103-3	Evaluation of the management approach	Page 128: For More Information	●
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016			
GRI STANDARD CONTENT	DESCRIPTION	PAGE LOCATION REPORT	EXTERNAL ASSURANCE
405-1	Composition of governance bodies and breakdown of Employees per employee category according to gender, age group, minority group and other indicators of diversity.	Page 22: Corporate Strategy - Governance Page 59, 60: LIPOR Doesn't Stop - Human Capital	●
405-2	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.	Page 60: LIPOR Doesn't Stop - Human Capital	●

MATERIAL TOPIC: SUPPLIER SOCIAL ASSESSMENT

GRI 103: MANAGEMENT APPROACH 2016			
GRI STANDARD CONTENT	DESCRIPTION	PAGE LOCATION REPORT	EXTERNAL ASSURANCE
103-1	Material Topic and Boundary	Page 124: For More Information	●
103-2	Management approach and its components	Page 124: For More Information	●
103-3	Evaluation of the management approach	Page 124: For More Information	●
GRI 414: SUPPLIER SOCIAL ASSESSMENT 2016			
GRI STANDARD CONTENT	DESCRIPTION	PAGE LOCATION REPORT	EXTERNAL ASSURANCE
414-1	Percentage of new Suppliers that were screened using labour practices criteria.	Page 47: LIPOR Doesn't Stop - Financial Capital	●
414-2	Significant actual and potential negative impacts for labour practices in the Supply chain and actions taken.	Page 47: LIPOR Doesn't Stop - Financial Capital	●

MATERIAL TOPIC: CUSTOMER HEALTH AND SAFETY

GRI 103: MANAGEMENT APPROACH 2016			
GRI STANDARD CONTENT	DESCRIPTION	PAGE LOCATION REPORT	EXTERNAL ASSURANCE
103-1	Material Topic and Boundary	Page 128: For More Information	●
103-2	Management approach and its components	Page 128: For More Information	●
103-3	Evaluation of the management approach	Page 128: For More Information	●
GRI 416: CUSTOMER HEALTH AND SAFETY 2016			
GRI STANDARD CONTENT	DESCRIPTION	PAGE LOCATION REPORT	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 42: LIPOR Doesn't Stop - Financial Capital	●
416-2	Total number of incidents of non-compliance 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: For More Information	●

416-2 During 2020, there was no non-compliance of this kind.

MATERIAL TOPIC: MARKETING AND LABELLING

GRI 103: MANAGEMENT APPROACH 2016			
GRI STANDARD CONTENT	DESCRIPTION	PAGE LOCATION REPORT	EXTERNAL ASSURANCE
103-1	Material Topic and Boundary	Page 128: For More Information	●
103-2	Management approach and its components	Page 128: For More Information	●
103-3	Evaluation of the management approach	Page 128: For More Information	●
GRI 417: MARKETING AND LABELLING 2016			
GRI STANDARD CONTENT	DESCRIPTION	PAGE LOCATION REPORT	EXTERNAL ASSURANCE
417-1	Type of product and service information required by labelling procedures, and percentage of products and services subject to such requirements.	Page 42: LIPOR Doesn't Stop - Financial Capital	●
417-2	Incidents concerning product labelling.	Current Page: For More Information	●
417-3	Total number of incidents of non-compliance with regulations and voluntary codes concerning communication and marketing, including advertising, promotion and sponsorship, by type.	Current Page: For More Information	●

417-2 During 2020, there was no non-compliance of this kind.

417-3 During 2020, there was no non-compliance of this kind.

MATERIAL TOPIC: SOCIOECONOMIC COMPLIANCE

GRI 103: MANAGEMENT APPROACH 2016			
GRI STANDARD CONTENT	DESCRIPTION	PAGE LOCATION REPORT	EXTERNAL ASSURANCE
103-1	Material Topic and Boundary	Page 128: For More Information	●
103-2	Management approach and its components	Page 128: For More Information	●
103-3	Evaluation of the management approach	Page 128: For More Information	●
GRI 419: CONFORMIDADE SOCIOECONÓMICA 2016			
GRI STANDARD CONTENT	DESCRIPTION	PAGE LOCATION REPORT	EXTERNAL ASSURANCE
419-1	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	Current Page: For More Information	●

419-1 In 2020, 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	EXTERNAL ASSURANCE
103-1	Material Topic and Boundary	Page 125: For More Information	●
103-2	Management approach and its components	Page 125: For More Information	●
103-3	Evaluation of the management approach	Page 125: For More Information	●
LIPOR CATEGORY	DESCRIPTION	PAGE LOCATION REPORT	EXTERNAL ASSURANCE
L1	Total Population Affected with Environmental Education and Awareness actions	Page 75: LIPOR Doesn't Stop - Social and Relationship Capital	●
GRI 103: MANAGEMENT APPROACH 2016			
GRI STANDARD CONTENT	DESCRIPTION	PAGE LOCATION REPORT	EXTERNAL ASSURANCE
103-1	Material Topic and Boundary	Page 127: For More Information	●
103-2	Management approach and its components	Page 127: For More Information	●
103-3	Evaluation of the management approach	Page 127: For More Information	●
LIPOR CATEGORY	DESCRIPTION	PAGE LOCATION REPORT	EXTERNAL ASSURANCE
L2	Innovation scoring result	Page 71: LIPOR Doesn't Stop - Intellectual Capital	●
GRI 103: MANAGEMENT APPROACH 2016			
GRI STANDARD CONTENT	DESCRIPTION	PAGE LOCATION REPORT	EXTERNAL ASSURANCE
103-1	Material Topic and Boundary	Page 125: For More Information	●
103-2	Management approach and its components	Page 125: For More Information	●
103-3	Evaluation of the management approach	Page 125: For More Information	●
LIPOR CATEGORY	DESCRIPTION	PAGE LOCATION REPORT	EXTERNAL ASSURANCE
L3	Level of Connection to the LIPOR Brand - Opinion Barometer	Page 14: LIPOR - An Organisation with History	●
GRI 103: MANAGEMENT APPROACH 2016			
GRI STANDARD CONTENT	DESCRIPTION	PAGE LOCATION REPORT	EXTERNAL ASSURANCE
103-1	Material Topic and Boundary	Page 125: For More Information	●
103-2	Management approach and its components	Page 125: For More Information	●
103-3	Evaluation of the management approach	Page 125: For More Information	●
LIPOR CATEGORY	DESCRIPTION	PAGE LOCATION REPORT	EXTERNAL ASSURANCE
L4	Social Accountability Perceived	Page 14: LIPOR - An Organisation with History	●
GRI 103: MANAGEMENT APPROACH 2016			
GRI STANDARD CONTENT	DESCRIPTION	PAGE LOCATION REPORT	EXTERNAL ASSURANCE
103-1	Material Topic and Boundary	Page 127: For More Information	●
103-2	Management approach and its components	Page 127: For More Information	●
103-3	Evaluation of the management approach	Page 127: For More Information	●
LIPOR CATEGORY	DESCRIPTION	PAGE LOCATION REPORT	EXTERNAL ASSURANCE
L5	N°. of approved proposals and preliminary studies/projects	Page 72: LIPOR Doesn't Stop - Intellectual Capital	●

>5.7 METHODOLOGICAL NOTES



METHODOLOGICAL NOTES (102-49)

102-8

In 2020 there were no CEI (Employment-Inclusion Contract) Employees

301-1

In this indicator we've used, wherever possible, actual consumption data. 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, archive files, envelopes, cardboard folders, legal paper and diverse awareness leaflets. White and recycled paper include A3 and A5 paper and A4 recycled paper. Regarding material data pertaining to the Composting Plant, these were restructured, as we started to use data declared to SPV. Reporting methodology (invoices; internal records;

others - mention which): Data from the SAP ERP software in Report pdf format

302-1

To calculate this disclosure, natural gas, gasoline and diesel consumptions of the entire facility were taken into consideration (including consumption of LIPOR's fleet vehicles). Gasoline is currently accounted for through the information provided on the supplier's website and the record made internally through the permanent fund. To convert litres to gallons, due to the lack of information from the GRI, we've chosen to use the US conversion factor, namely: 1 US gallon » 3.78541178 litres.

302-2

Consumptions were collected from the municipalities/ service providers within the scope of LIPOR's GHG

emissions inventory. The calculation was Based on fuel consumptions (provided in volume and/or energy) and the emission factor defined in the 2019 NIR.

305-1, 305-2, 305-3

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

<https://www.lipor.pt/pt/sustentabilidade-e-responsabilidade-social/projetosdesustentabilidade/3m-menos-residuos-menos-carbonomais-clima/onosso-desempenho/notas-metodologicas/>

306-2

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

401-1

401-1 (%) = [(Entries+Exits)/2]/Total employees at the end of the period.

403-2

To calculate Severity and Frequency rates, lost days due to sick leave were considered from the day of the accident on. Furthermore, lost days correspond to actual working days. Regarding the calculation of the Absenteeism Rate, it doesn't include Maternity and Paternity Leaves, bereavement leaves, working Student status, blood donation, trade unions 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

404-1

OThe total number of employees appears as 205, since it includes all Lipor's employees in 2020, some of which did not remain in the Organisation until the end of the year, but received training, which justifies the difference relatively to the number of employees (203)

L1

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



>5.8

EXTERNAL ASSURANCE REPORT



(Free translation from the Original Independent Limited Assurance Report in Portuguese dated June 2, 2021. In case of any discrepancy, the Portuguese version always prevails)

Independent Limited Assurance Report of the sustainability information disclosed in the Integrated Report

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

Introduction

1. We were contracted by the Board of Directors of LIPOR - Serviço Intermunicipalizado de Gestão de Resíduos do Grande Porto (LIPOR), to proceed with the independent review of the sustainability information disclosed in the 2020 Integrated Report, hereinafter the "Integrated Report", relating to the sustainability performance from 1 January to 31 December 2020.

Responsibilities

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

Scope

4. Our review procedures have been planned and executed in accordance with the International Standard on Assurance Engagements (ISAE 3000, Revised) - "Assurance engagements other than Audits and Reviews of Historical Financial Information", for a limited level of assurance. It was also considered the AA1000 Assurance Standard (AA1000AS 2008 with 2018 Addendum), type 2 engagement, for a moderate level of assurance.
5. The procedures performed in a limited assurance engagement, in accordance with ISAE 3000 (revised), vary in timing and nature from, and are less in extent than for, a reasonable assurance engagement. Therefore, the assurance provided by these procedures is lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our independent review procedures comprised the following:
 - ▶ Conducting interviews with Management, in order to understand how the information system is structured and assess their level of knowledge of the topics addressed in the report;
 - ▶ Review of the processes, criteria and systems adopted to collect, consolidate, report and validate the data for the year 2020;
 - ▶ Analytical review, on a sample basis, of the data calculated by Management, and verification of quantitative and qualitative information disclosed in the report;
 - ▶ Confirmation on how collection, consolidation, validation and report procedures are being implemented in selected operating units;

- ▶ Assessment of the level of adherence to the principles of inclusivity, materiality, responsiveness and impact set by AA1000AP (2018) Standard, in the sustainability information disclosure, through the analysis of the contents of the “Integrated Report” and the internal documents of the Entity; and
 - ▶ Verification of the conformity of the sustainability information included in the “Integrated Report” with the results of our work.
6. Regarding sustainability reporting standards of the Global Reporting Initiative - GRI Standards, we performed a review of the self-evaluation made by Management of the adopted option to apply the GRI Standards.

Quality and independence

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

Conclusion

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

Additionally, nothing has come to our attention that causes us to believe that the sustainability information disclosed in the “Integrated Report” do not include all the required data and information for the option “In accordance - Core”, as defined by the GRI Standards.

Furthermore, nothing has come to our attention that causes us to believe that the sustainability information disclosed in the “Integrated Report” was not prepared in compliance with the principles defined in the AA1000AP (2018) Standard, namely:

- ▶ Principle of inclusivity: LIPOR is accountable to those who are impacted by or impact the Entity, thus promoting the engagement of its stakeholders in the definition and implementation of its strategic response to sustainability. LIPOR also has several mechanisms for mapping stakeholder groups and obtaining information concerning their expectations.
- ▶ Principle of materiality: LIPOR periodically reviews (biennial cycle) the materiality of the sustainability topics, as to support its management strategy and communication. For this purpose, the Entity uses objective criteria and established processes. In 2020, LIPOR performed a stakeholder engagement process, in order to assess relevant sustainability topics for its stakeholders. LIPOR updated its materiality matrix in 2020, by matching the outcome of the stakeholder engagement process with its strategic guidelines.
- ▶ Principle of responsiveness: LIPOR seeks to address the expectations and concerns of its stakeholders and has adequate mechanisms to fulfill this purpose. LIPOR updated in 2020 the mechanisms and processes for stakeholder engagement and communication.
- ▶ Principle of impact: LIPOR monitors and reports, for each material topic, the main direct and indirect impacts of its activity in the short, medium and long term. LIPOR has defined a set of quantitative and qualitative indicators to monitor the operational, economic, environmental and social impacts over time. LIPOR developed its Shared Value Sustainability Agenda, which was updated in 2020, to ensure a greater alignment between its strategic objectives and commitments and the most relevant material topics for its stakeholders.

Recommendations

9. Concerning the implementation of the principles set by AA1000AP (2018), we presented our recommendations to the Board of Directors of LIPOR. The most significant recommendations are summarized below:
- ▶ Principle of inclusivity: LIPOR has established mechanisms for stakeholder identification and the management of their needs and expectations. We recommend strengthening the stakeholder engagement approach focusing on those who can be directly impacted by LIPOR activity.
 - ▶ Principle of materiality: LIPOR has established processes to identify and assess the material topics included in the “Integrated Report”. We recommend continuing to update the materiality analysis by periodically listening key stakeholders and encouraging their involvement in LIPOR's strategic decision and risk management.
 - ▶ Principle of Responsiveness: LIPOR has efficient mechanisms to communicate with its stakeholders. We recommend that any communication mechanisms development between LIPOR and its stakeholders keep on being reported and reviewed in accordance with its stakeholder engagement strategy.
 - ▶ Principle of impact: LIPOR started the monitoring of its Shared Value Sustainability Agenda in 2019. This agenda will be annually updated, and was updated in 2020, and reviewed every two years, in accordance with its stakeholder engagement processes and materiality reassessments. We recommend that, in the following reporting cycles, LIPOR discloses its performance towards the defined targets and commitments.

Lisbon, June 2, 2021

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

(signed)

Manuel Ladeiro de Carvalho Coelho da Mota - ROC nº 1410
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>5.9 GLOSSARY

For the purpose of this Framework, unless stated otherwise, the following terms have the meanings attributed below:

1. Business Model: The Organisation's system of transforming inputs, through its business activities, into outputs and outcomes, that aims to fulfil the Organisation's strategic purposes and create value over the short, medium and long term.

2. Capitals: Stocks of value on which all organisations depend for their success as inputs to their business model, and which are increased, decreased or transformed through the Organisation's business activities and outputs. They are categorised in this Framework as financial, manufactured, human, social and relationship, and natural capital.

3. Content Elements: The categories of information required to be included in an integrated report. The Content Elements, which are fundamentally linked to each other and are not mutually exclusive, are stated in the form of questions to be answered in a way that makes the relationships between them apparent.

4. Guiding Principles: The principles that underpin the preparation and presentation of an integrated report, informing the content of the report and how information is presented.

5. Inputs: The capitals (resources and relationships) that the Organisation draws upon for its business activities.

6. Integrated reporting: A process founded on integrated thinking that results in a periodic integrated report by an Organisation about value creation over time and related communications regarding aspects of value creation.

7. Integrated report: A concise communication about how an Organisation's strategy, governance, performance and prospects, in the context of its external environment, lead to the creation of value in the short, medium and long term.

8. Integrated thinking: The active consideration by an Organisation of the relationships between its various operating and functional units and the capitals that the Organisation uses or affects. Integrated thinking

leads to integrated decision-making and actions that consider the creation of value over the short, medium and long term.

9. Material/materiality: A matter is material if it could substantively affect the Organisation's ability to create value in the short, medium or long term.

10. Outcomes: The internal and external consequences (positive and negative) for the capitals as a result of an Organisation's business activities and outputs.

11. Outputs: An Organisation's products and services, and any by-products and waste.

12. Performance: An Organisation's achievements relative to its strategic objectives, and its outcomes in terms of its effects on the capitals.

13. Providers of financial capital: Equity and debt holders and others who provide financial capital, both existing and potential, including lenders and other creditors. This includes the ultimate beneficiaries of investments, collective asset owners, and asset or fund managers.

14. Reporting Boundary: The boundary within which matters are considered relevant for inclusion in an Organisation's integrated report.

15. Stakeholders: Those groups or individuals that can reasonably be expected to be significantly affected by an Organisation's business activities, outputs or outcomes, or whose actions can reasonably be expected to significantly affect the ability of the Organisation to create value over time. Stakeholders may include Employees, Customers, Suppliers, Business Partners, Local Communities, NGOs, Environmental Groups, Legislators, Regulators, and Policymakers.

16. Strategy: Strategic objectives together with the strategies to achieve them.

17. Those charged with governance: The Person(s) or Organisation(s) with responsibility for overseeing the strategic direction of an Organisation and its obligations with respect to accountability and stewardship.

18. Value creation: The process that results in increases, decreases or transformations of the capitals caused by the Organisation's business activities and outputs.

19. Municipal waste: According to the Portuguese General Waste Scheme, Municipal Waste (MW) is "household waste and waste similar in nature and composition to household waste".

20. Biowaste: Biodegradable waste from green spaces, namely gardens, parks, sports fields, as well as biodegradable food and kitchen waste from households, caterers and retail premises, and comparable waste from food processing plants.

21. Biodegradable waste: Any waste that is capable of undergoing anaerobic or aerobic decomposition, such as food and garden waste, and paper and cardboard.

22. Food waste: Any foodstuff or food (substance or product, whether processed, partially processed or unprocessed), intended to be, or reasonably expected to be ingested by humans and which has become waste.

23. Collection: The gathering of waste, including preliminary sorting and storage, for the purposes of transport to a waste treatment facility.

24. Selective collection: Collection where a waste stream is kept selectively by type and nature so as to facilitate a specific treatment.

25. Value chain: Aggregates the set of activities necessary for the production of a good or service from the extraction phase of raw materials to the end of life of the product/service.

26. Supplier: A person or entity that supplies services or goods.

27. Carbon footprint: The expression used when we are referring to total GHG (Greenhouse Gas) emissions as a result of an organisation's activity, or event or product. It is generally expressed as a quantity of carbon dioxide or its equivalent.

