

**INTEGRATED
REPORT
2021**

40 YEARS REINVENTING TOMORROW.



40 YEARS lipor 

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MATURATION AND CONSOLIDATION

a commitment that grows every day

At LIPOR, we have a strong culture of interaction with our Stakeholders.



**LIPOR, 40 YEARS
OF HISTORY**



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1.1 MESSAGE FROM THE CHAIRMAN

At LIPOR, we face this reporting function very rigorously, it is a duty that is embedded in our DNA. The publication for the 3rd consecutive year of an Integrated Report, which presents, displays, shows and “opens” an Organisation to its stakeholders and even Citizens in general is an act of pure transparency, that engages and commits all levels of the hierarchy, from the Board of Directors, to Managers, Technicians, Intermediate Managers, Administrative and Operational Assistants.

This Integrated Report portrays our 2021 “film”, and all of us remember what we were able to accomplish, what was not possible – for valid reasons – and our collective effort to achieve management and performance EXCELLENCE, as 2021 was still a year marked by deep uncertainty, due to the pandemic that continues to devastate us.

Keeping in mind how we faced our Mission in 2020, in 2021, the entire Organisation continued to stand by the motto “LIPOR doesn’t STOP”.

When analysing this important Management Document, it is clear that, in 2021, we remained active – but vigilant – while recovering and treating all municipal waste generated in the region.

There were no gaps; on the contrary, in addition to our efforts to maintain our infrastructures fully operational, we continued to strenuously launch new Projects, new Initiatives, to keep our Group training activities using digital platforms, we used all means to maintain the sustainable development profile that we outlined for these challenging years we’re living.

Having said this, it’s important to highlight the different actions within the various areas we cover that should be shared with our Stakeholders.



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I shall start with Governance, as legal and statutory regulations that bind us must be and have been observed. As a result of Local elections, which took place in September 2021, LIPOR fulfilled its obligation to promote the designation by the different City Councils of their representatives for LIPOR and the election of the members of its Bodies for 2021-2025.

After the formation of the Intermunicipal Assembly and the Board of Directors, I was, with great honour, elected Chairman of the Board of Directors.

I would like to express my appreciation for the local Elected representatives who completed their duties in the Municipalities Association, as they have honoured their commitment to strengthen, defend and promote LIPOR in the National and International scene. Credit is due for their Service to the Community.

Regarding LIPOR's Mission and Strategy, in order to properly fulfil our Mission and binding commitments, we can say that we were where we were supposed to, we listened to the Government's appeal to promote Good Practices for the achievement of the Goals and Targets that have been set out.

We also didn't waste the opportunities offered by the Recovery and Resilience Plan (PRR). Within the scope of the PRR, we are integrated in 5 consortia, which will make a very positive contribution to the development of different Sectors, such as the textile, footwear,

information technologies, viticulture and biorefinery sectors.

Still within the scope of the vision we set out to guide us in the future, we're committed to and working actively in Projects, such as:

- Construction of an Anaerobic Digestion unit to recover 60,000 tonnes of biowaste;
- Construction of a new automatic Sorting Plant for the packaging flow;
- Implementation of a Circular Economy Hub, which integrates an Industrial Park and a State-of-the-art Incubator, in our land plots in Póvoa de Varzim;

Keeping in mind how we faced our Mission in 2020, in 2021, the entire Organisation continued to stand by the motto "LIPOR doesn't STOP".



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- Establishment of an Excellence Centre for the Waste sector, which promotes knowledge, culture, opportunities within the sector and the creation of value for LIPOR and the associated Municipalities;
- Increase of the energy recovery capacity of the Maia Plant, with the construction of a 3rd production line, aiming to help the Waste Management Systems of the Northern Region lower the percentage of waste disposal in Landfill.

There is also a culture of close interaction with our Stakeholders, from City Councils, to Product customers, Suppliers, Supervisory authorities, and citizens in general, which are always – and will continue to be – invited by us to take part in our Project, to help create shared value and enrich it with their expectations.

The future is uncertain, but promising. LIPOR seeks to interpret these signs, assessments and tendencies, in order to build an Organisation ever more solid, prestigious, compliant, and transformational, in short, soundly prepared for this unknown Future.

On 12th November 2022, LIPOR will celebrate 40 years of fruitful activity on behalf of all its Stakeholders. This is inherent to the public nature

of our Organisation, whose corporate Strategy sets out that LIPOR shall create VALUE with its activities and, by determination of its Associates – the City Councils – and Bodies, particularly the Board of Directors, the created Value shall be properly distributed among the Stakeholders which are part of our ECOSYSTEM, based on clear and solid criteria.



The celebration of 40 years of activity means that we have managed, as an Organisation, to overcome adversities and crises, to value our Human Capital, to capitalise our ASSETS, to look into the FUTURE and realise, at the right time, the relevance of climate change and a low carbon policy for LIPOR, of the Circular economy and the potential of regarding waste as a resource, and of promoting Biodiversity as the foundation of life and the Planet’s sustainability.

In addition to this, within the scope of the annual strategic reflection performed by the LIPOR Team, it was deemed advisable to redefine the Organisation’s Business Model, in the face of the Market context, the foreseen opportunities and the gradual disappearance of the current “waste managers” Model, in terms of its economic and financial expression, its value creation dimension, and the establishment of a strategy for the future and with a future. Therefore, this makes clear why we’ve been investing in R&D in the past years, reinforcing Specialist Staff and clearly outlining this Unit’s Mission, and why Sustainability is regarded as a fundamental component in the reflection and determination of LIPOR’s Strategy.

To sum up, I would quote Dale Carnegie: “The best possible way to prepare for tomorrow is to concentrate with all your intelligence, all your enthusiasm, on doing today’s work superbly today”. That was LIPOR’s focus in 2021. (102-14)



JOSÉ MANUEL RIBEIRO

Chairman of the Board of Directors



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1.2 REPORT NATURE

OUR COMMITMENT TO TRANSPARENCY

LIPOR's Integrated Report formalises the Commitment of its highest Governance Body with regard to Accountability and Transparency towards its Stakeholders, to whom it is particularly destined. (102-51, 102-52)

The Report comprises financial and non-financial information pertaining to 2021 (102-50), marking 18 consecutive years of LIPOR Sustainability Reports and Report and Accounts. In the past 3 years, this information was published in the form of an Integrated Report.

It provides information on our Strategy and the approach to the various Capitals, based on the pillars of our Sustainability Agenda – PEOPLE, PLANET, PROSPERITY, PARTNERSHIPS – in a sustainable value creation and sharing perspective. It analyses the

external environment, the main risks inherent to its activity, and includes information related to Financial Statements and ESG Performance, which considers the main Environmental, Social and Governance factors.

In line with the best and latest reporting practices, the Integrated Report 2021 was drawn up according to the guidelines of the International Integrated



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Reporting Council (IIRC) and, as far as Sustainability is concerned, the guidelines of the Global Reporting Initiative. This Report has been prepared in accordance with the GRI Standards: Core Option (102-54). Information on the GRI contents can be found in the Table on page 132 of this Report. The Financial Statements were drawn up according to the International Financial Reporting Standards (IFRS), as implemented in the European Union.

The full Integrated Report 2021 is only available in digital version. The document and its annexes follow the new Portuguese orthographic agreement and are available in Portuguese and English.

EXTERNAL VERIFICATION

In order to ensure data reliability and veracity, information regarding Sustainability reported in LIPOR's Integrated Report 2021 was properly subjected to independent external assurance for a limited reliability assurance by PricewaterhouseCoopers & Associados – Sociedade de Revisores Oficiais de Contas, Lda (102-56), having the Board of Directors received the External Assurance Statement and the AA1000AP (2018) Standard Licence, as stated on page 178 of this Report.

**WE INVITE YOU TO CONTACT LIPOR
(102-1, 102-3, 102-53)**

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1.3 LIPOR ECOSYSTEM

A LIVING AND EVOLVING ECOSYSTEM

In 1982, LIPOR - Serviço Intermunicipalizado de Gestão de Resíduos do Grande Porto (102-1) was founded as a Municipalities Association. It first specialised in waste treatment and recovery.

In the course of almost four decades of activity, LIPOR developed an Integrated Waste Management System, always in line with the latest policies, guidelines and global trends of the National and International Environmental and Waste Management Agendas.

At the moment, LIPOR manages and recovers municipal waste generated in its eight associated municipalities: Espinho, Gondomar, Maia, Matosinhos, Porto, Póvoa de Varzim, Valongo and Vila do Conde. Every year, we treat about 500,000 tonnes of municipal waste, generated by about 1 million inhabitants. On a national scale, the LIPOR Universe represents about 1% of the continental territory of Portugal, covers 10% of the Portuguese population and is responsible for the annual production of 12% of total municipal waste. (102-4, 102-6, 102-7)



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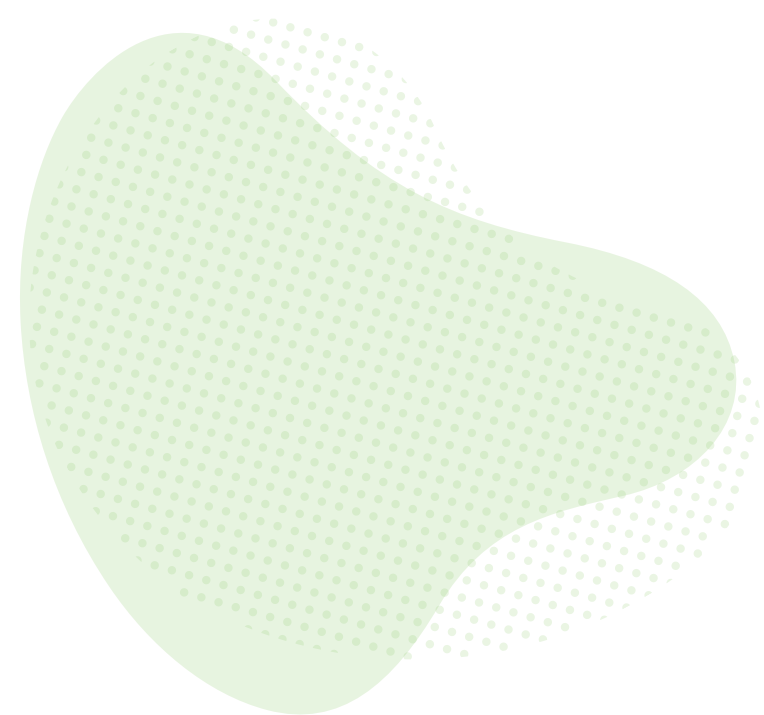
We follow the latest waste management concepts, namely adopting integrated systems and minimising waste disposal in Landfill. These have materialised in an integrated management strategy based on four main components: Multimaterial Recovery, Organic Recovery and Energy Recovery, complemented by a Landfill, which receives rejected waste from these processes and waste that has been previously prepared and treated.

Along our evolutionary path, 2005 was also an important year, as we integrated the concept of Sustainability in our business model as a pillar and compass to guide the way forward, always seeking to improve our performance, to maximise the impact of our work on the community we are part of, and to widen the scope of our activities, because we strongly believe this is the right path to create VALUE, to create wealth for the Country, to create knowledge, and to create jobs.

So, this universe grew naturally, as we embraced more and more new projects and services, thus reinforcing our strategic path.

As an expression of the importance placed on the continuous improvement of our performance, we have gradually procured the certification of our Management Systems in their different scopes: training, environmental, energy, quality, social

accountability, innovation, and health, safety and hygiene conditions for all Employees, in their different workplaces. Our Strategy and Policy clearly reflect the Board of Directors' standards and commitment regarding quality assurance, pollution prevention, environmental protection, namely through the increase of energy efficiency, occupational health and safety management, social accountability, and research, development and innovation.





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LIPOR Certifications										
Operational Unit	2002	2003	2004	2005	2006	2008	2009	2012	2014	2018
Sorting Plant	● ●				●					
Energy Recovery Plant		●	●		●					
Maia's Landfill				● ●	●					
Composing Plant							● ● ●			
Administrative area and Operational Platforms										●
Full Organization						●		●	●	

- Quality (ISO 9001)
- Environment (ISO 14001)
- Occupational Health and Safety (ISO 45001)
- Social Responsibility (SA 8000)
- Research and Innovation (NP 4457)
- Energy (ISO 50001)

All this work is, naturally, supported by dedicated people, our employees, who work every day with the purpose of transforming the world and making it a better place for all, ensuring the future of the next generations. Therefore, our response could be nothing

other than to provide the resources they need to fulfil their mission and purpose, by investing in their qualification, training and well-being.



ETHICS AT LIPOR

In our internal and external relationships, we are ethically responsible and act according to the law, guided by a sense of social accountability and public service. LIPOR's Ethics Code helps us build, maintain and strengthen our Organisation's culture, as we aim to always and increasingly earn the trust of all those who interact with us, namely the population we serve.

As a basic instrument that guides the conduct of the Organisation and its Employees, the Ethics Code 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:



Ethics Committee



Intranet



Suggestion Box



In 2021, LIPOR established an Ethics Committee, an independent and multidisciplinary advisory entity that promotes and ensures ethical standards at LIPOR. Its main aims are to ensure compliance with the procedures set in LIPOR's Ethics and Conduct Code, as well as to disseminate it among the Employees. (102-16)

All these elements are part of a singular project, with a circular model, being closely linked and affecting each other like a natural ecosystem. This is LIPOR Ecosystem.



Our PURPOSE

Every day we build a Better world.



Our VISION

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



Our MISSION

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



Our VALUES

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

We are committed to LIPOR!



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1.4 RECOGNITION & COMMITMENTS

RECOGNITION



LIPOR was the winner of the Public Sector category of the “**Excellence at Work Index 2021**”.



LIPOR was one of the three companies selected for the “Workplace” category of the 7th edition of the **#BeActive awards**, held by the European Commission - DG EAC - Sport.



LIPOR’s Adventure Park & Ecological Trail was awarded the **international Green Flag Award**, in addition to receiving the Special Award for Innovation.



LIPOR’s 4M Strategy was honoured in the “**7th Edition of the Recognition of Sustainability and Social Accountability Practices**” award by the APEE - Portuguese Association of Business Ethics.

RECOGNITION



LIPOR earned the status of **COTEC INNOVATOR 2021**, as a recognition of its high standards of financial soundness and economic performance, and particularly its INNOVATION skills.



As a member of the **Sustainable Cities Work Group of the BCSD Portugal**, LIPOR participated in the preparation of this document, alongside other important Companies.



The Portuguese version of this Guide includes six examples, developed within the scope of the **Bioeconomy Work Group of the BCSD Portugal**, being LIPOR one of them, alongside other international success business cases.



LIPOR took part in the **E+C - More Circular Economy** project promoted by CIP (Portuguese Business Confederation), which included the publication of a “Good circularity practices” Guide that presents the practical cases of 24 companies, one of which is LIPOR.



NUTRIMAIS was part of a pilot project with the purpose of testing the circularity tool **CTI TOOL - Circular Transition Indicators**, developed by the World Business Council for Sustainable Development (WBCSD).

COMMITMENTS (102-12)

Conduct Code for Suppliers and Subcontractors

We aim at promoting Social Accountability across the Value Chain, of which Suppliers are a fundamental part. So, we seek to maintain partnerships with them mainly based on the Values we share.

SDG Alliance Portugal

We subscribed the SDG ALLIANCE PORTUGAL, which aims at raising awareness, informing, implementing, monitoring and assessing the contribution of the business sector to the Sustainable Development Goals.

LIPOR Commitment & Circular Economy

LIPOR's Strategy towards the Circular Economy is transversal to the entire Organisation and deemed by the Top Management as the right path to follow. This voluntary commitment to Circular Economy principles signed by the Board of Directors expresses this goal.

New Plastics Economy Global Commitment

Reinforcing our contribution to the development of a Circular Economy for Plastics, we submitted this commitment to the Ellen MacArthur Foundation, alongside over 250 organisations around the world.

Portuguese Plastics Pact

We joined the Portuguese Plastics Pact, together with different actors of the value chain, for a circular economy for plastics in Portugal.



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COMMITMENTS (102-12)

Towards COP26

We signed the Manifest promoted by the BCSD Portugal, alongside over 80 other members, highlighting the importance of this conference and the main expected results.

Diversity Charter

We joined the Diversity Charter, thus committing to its purpose, which is to regard Diversity and Equal Opportunity in the workplace as a basic ethical and guiding principle for our internal and external actions, integrating it in our values and institutional identity.

Act4Nature Portugal

We joined Act4nature Portugal, thus consolidating our efforts to protect and promote Biodiversity and defining individual action commitments.

Charter of Principles of Businesses for Sustainability

We subscribed the Charter of Principles of Businesses for Sustainability, which sets collective sustainable development commitments for Portugal.



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ORGANISATIONS WE ARE PART OF (102-13)

LIPOR's development is based on the promotion of transparency, cooperation and shared policies, which are substantiated through a strong interaction with national and international associations that play a significant role within the sector.

National Associations



International Associations



RENOVATION

the world changes when we decided to change

A project of continuous overcoming in which stagnation does not exist.



**WE SHARE
VALUE**



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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.	<p>Always working with the purpose of maintaining the Organisation's financial balance, and never forgetting LIPOR's responsibility towards the Community and its Employees</p> <p>Protecting the environment, by investing in cleaner processes and technologies and environmental rehabilitation projects, and encouraging people to adopt an environmentally friendly behaviour</p> <p>Providing ideal conditions for Employee professional and personal development & Contributing to Community development by promoting cultural and educational activities, and supporting social initiatives.</p> <p>Promoting the Organisation's growth and development, while creating intrinsic value for Stakeholders.</p>	LIPOR Products: 9.857 tons Nutrimais 75.283 tons Recyclable Waste 182.785 MWh Energy	2 12	<ul style="list-style-type: none"> - 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.		47.139.364 € Turnover 19.748 425,52 € de EBITDA	8	<ul style="list-style-type: none"> - 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.		33,5 % GEE Reduction 0,083 GJ/ton Energy Intensity 42,5 ha of Preserved Native Forest	6 7 13 15	<ul style="list-style-type: none"> - Climate Change - Biodiversity
Human Capital	Employees reinforce business commitments and ideals. Professional and personal development and training programmes are developed to boost competences, qualifications and know-how.		46,7 % of management positions are held by women 0,0001 % occupational disease rate 43,84 training hours/employee	8	<ul style="list-style-type: none"> - Development and Well-being (of Employees) - Attraction 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.		645 innovation scoring 5 Approved International Proposals 1 Patent (commercial use approved)	9	<ul style="list-style-type: none"> - 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.		1.518.397,37 € community investment 47.551 awareness citizens 2.230.169 LIPOR's reach on Facebook	4 11 17	<ul style="list-style-type: none"> - Communication, Environmental Education and Training - Brand and Reputation Management - Impact on the Community



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2.2 STRATEGIC VISION

The year 2021 was still heavily marked by the pandemic. One may say that it was the year of resilient hope. The vaccination process allowed for a slight easing of restrictions and a shy opening of the economy. However, when we were starting to return to the supposed “normality”, the Omicron variant emerged, locking down the world again.

In spite of the initial uncertainties, the Portuguese economy recorded a quite positive recovery, with a 4.9% growth, which surpassed estimates made by the Government and the main national and international institutions. This growth was strongly supported by private consumption and investment.

Since the beginning of the pandemic, LIPOR strove to ensure its normal operation and the well-being and health of its employees and the population it serves. The waste sector played an essential role in the management of the pandemic crisis, showing its importance for society’s sustainable development.



We ended the year of 2021 with very positive results at an economic, social and environmental level, which reflect our sustained ESG performance, and reinforce our quest for sustainable value creation.

For LIPOR, Sustainability is a strategic goal, it is part of its History and DNA, and embodied in its Purpose.

This commitment goes beyond mere statements and intentions; our real commitment to Sustainability is shown through a Sustainability Agenda for the creation of Shared Value. This is a transformational Agenda, guided by the Sustainable Development Goals (SDGs), contributing to 11 of the 17 SDGs set in the 2030 Agenda of the United Nations:



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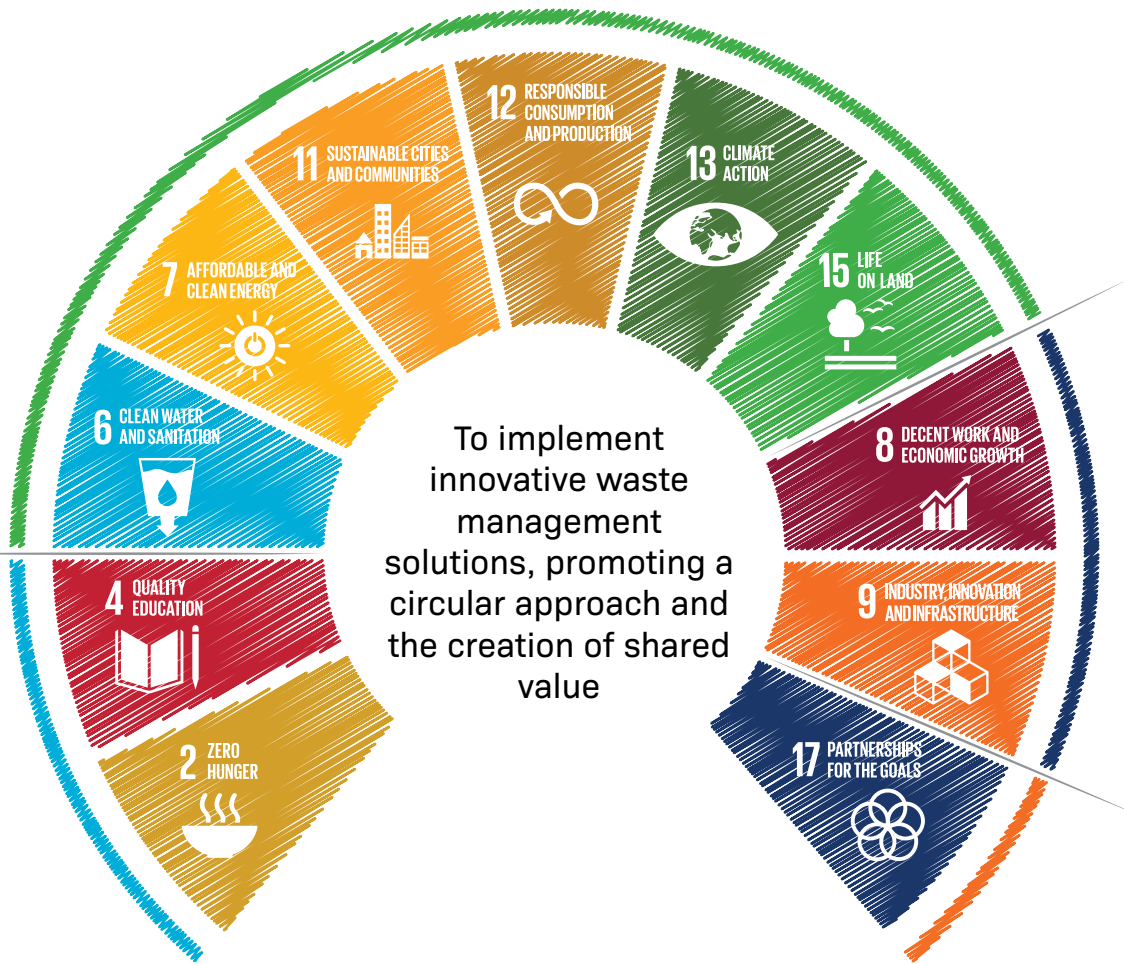


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Partnerships

People

- Attracting and Retaining Talent
- Communication, Environmental Education and Training
- Development and Well-being of Employees
- Involvement with suppliers
- Ethics and Integrity
- Impact on the Community

Planet

- Climate Change
- Biodiversity
- Transforming waste into new resources through circularity
- Product and Service Quality and Reliability

Prosperity

- Financial Balance of the Organisation
- Incentive for new Businesses and Opportunities
- Brand and Reputation Management
- Risk Management



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LIPOR's Sustainability Agenda results from a strategic perception of sustainability as a constant and integral part of our business, closely following up on the main external, global and sectoral trends. This path is trailed together with our Stakeholders, as a result of our mutual engagement. To address the topics that are materially relevant to our Organisation, we devise strategies, initiatives and projects that enrich our People, respect the Planet, project Prosperity and create value through Partnerships.

By incorporating sustainability in our corporate strategy, we contribute to meeting the major challenges posed by today's society and the World we live in. This was the foundation for our commitments, materialised through the following goals for 2025:

PEOPLE FIRST

We aim to foster the integral development of the PEOPLE we interact with, based on diversity, the creation of opportunities and value sharing.

To this end, we intend to:

- Maintain a perceived Social Responsibility score of 4.5 (scale of 1-5);
- Invest 5% of Turnover in the Community;
- Increase employee engagement in benchmarking by 5%;
- Promote Diversity by hiring employees with disabilities (5% of total employees),
- Foster Opportunities by promoting academic (15%) and international internships (4%);
- Ensure all strategic suppliers comply with the principles of equal opportunity in access to jobs and career development.



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WALKING TOWARDS ZERO IMPACT ON THE PLANET

We aim at accelerating the PLANET's regeneration, by reaching climate neutrality, promoting circularity without wastage, and investing in biodiversity and the energetic transition.

To this end, we shall ensure:

- A 30% reduction of the carbon footprint;
- An impact on ecosystem services of 5 times the amount invested;
- A 5% energy surplus;
- A 2% reduction in waste generation with prevention projects;
- The promotion of circularity with 45% preparation for reuse and recycling and a goal of 68 kg/inhab./year of recovery from selective collection;
- 8% circularity in our activities;
- The market launch of 10 new circular products.

TO BE A LEADING BRAND IN THE GLOBAL MARKET

We want to be a leading brand in the global market by promoting sustainable technological innovation and financial balance, based on a cooperative systemic model, creating and sharing value.

Therefore, we intend to:

- Reach an EBITDA margin of 35%;
- Obtain 2% turnover from new products;
- Invest a total of €3.5M in new products and services,
- Reach 56% spontaneous Brand awareness;
- Digitalise 80% of our operations;
- Reach 50% funding for joint projects.



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*We operate in a **sustainable** way, we aspire to high **ESG** performance levels, promote **prosperity** and the **well-being** of our community, set out **low-carbon** policies, protect **biodiversity**, seek new **opportunities**, practice prevention and create **circularity** dynamics, we foster education and **empowerment**.*



Every day we build a Better world



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2.3 STAKEHOLDERS

We apply the Principles of AccountAbility, through the implementation of the AA1000AP (2018) Standard, which guides the engagement with our Stakeholders (102-46). This standard supported us in the establishment of a Materiality Management Process, to prioritise and respond to sustainability challenges, improve our performance and involve all those who influence and affect the Organisation. (102-11, 102-43)

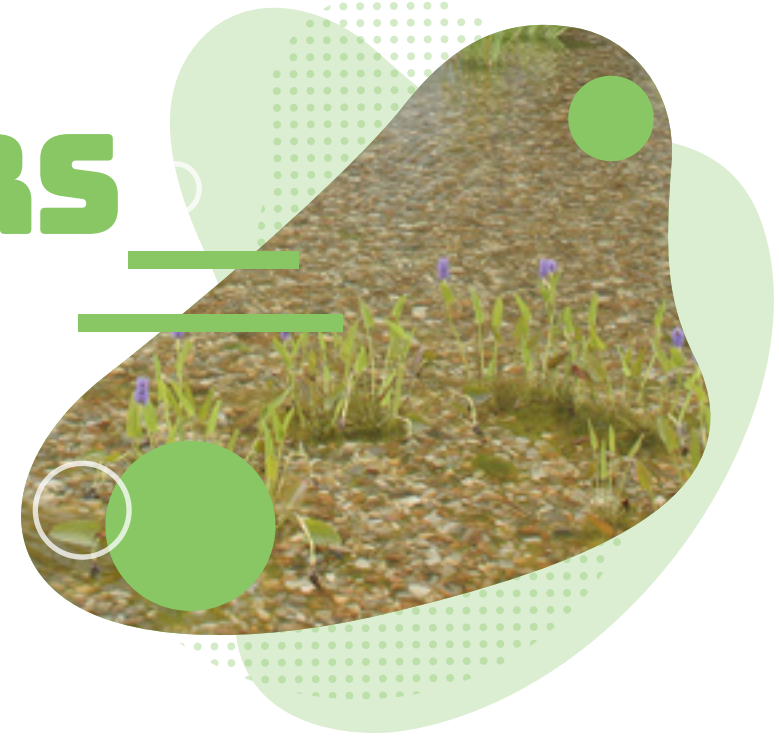
This is because:

- 1** LIPOR's Stakeholders should have a say in the decisions that affect them (principle of inclusivity)
- 2** LIPOR's Decision-makers must identify and clearly define the relevant sustainability topics (principle of materiality)

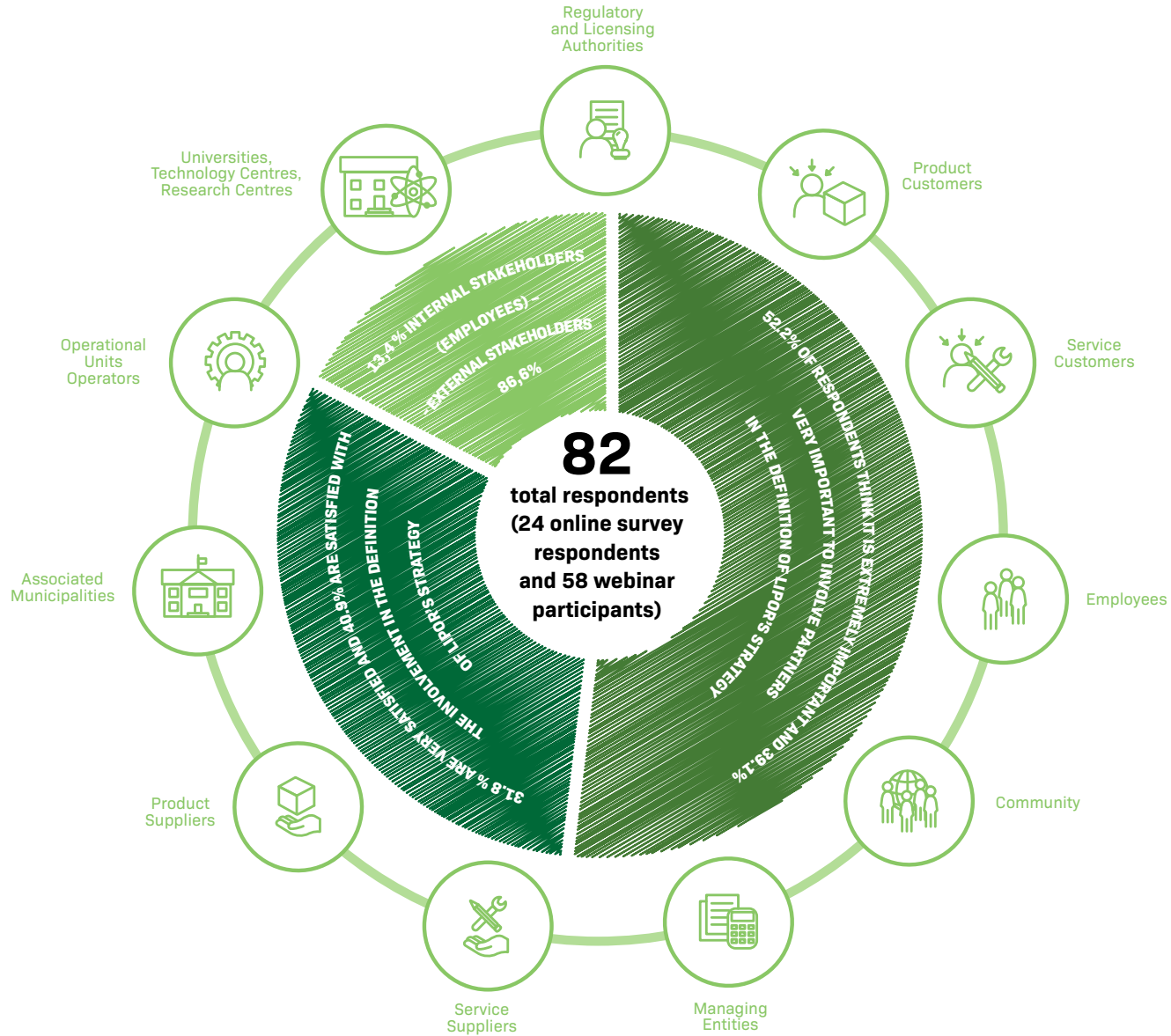
3 LIPOR must act transparently with regard to the relevant sustainability topics (principle of responsiveness)

4 LIPOR must monitor, measure and take responsibility for how its actions affect its wider ecosystems (principle of impact)

Therefore, it is very important for the Organisation to define materiality, wherefore it reviews its interest groups on a biannual basis, implementing a methodological approach for the definition of the material sustainability topics and communication mechanisms in line with its Stakeholder engagement strategy. In 2022, a new cycle will begin. (102-21)



The Stakeholder consultation process that formed the basis for the definition of materiality in 2020 resulted in the following finding (102-43, 102-40, 102-42):



Below we present the performance achieved in 2021 regarding the most relevant sustainability topics identified in our materiality matrix, as a reflection of LIPOR's impact: (102-44, 102-47)

Climate change

33,5 % GHG reduction

Communication, Environmental Education and Training

Communication and Environmental Education Plan

(Employee) Development and well-being

Achievement of the Excellence Index

Organisation's financial balance

EBITDA of €19,748,425.52

Incentive for new businesses and opportunities

Turnover of €336,800.06 from new products/services

Ethics and Integrity

LIPOR's Corruption Prevention Strategy

Impact on the Community

Perceived Social Responsibility of 4.58 (on a scale of 5)

Product and service quality and reliability

Customer satisfaction level of 4.2 (on a scale of 5)

Transformation of waste into new resources

4 circular products placed on the Market



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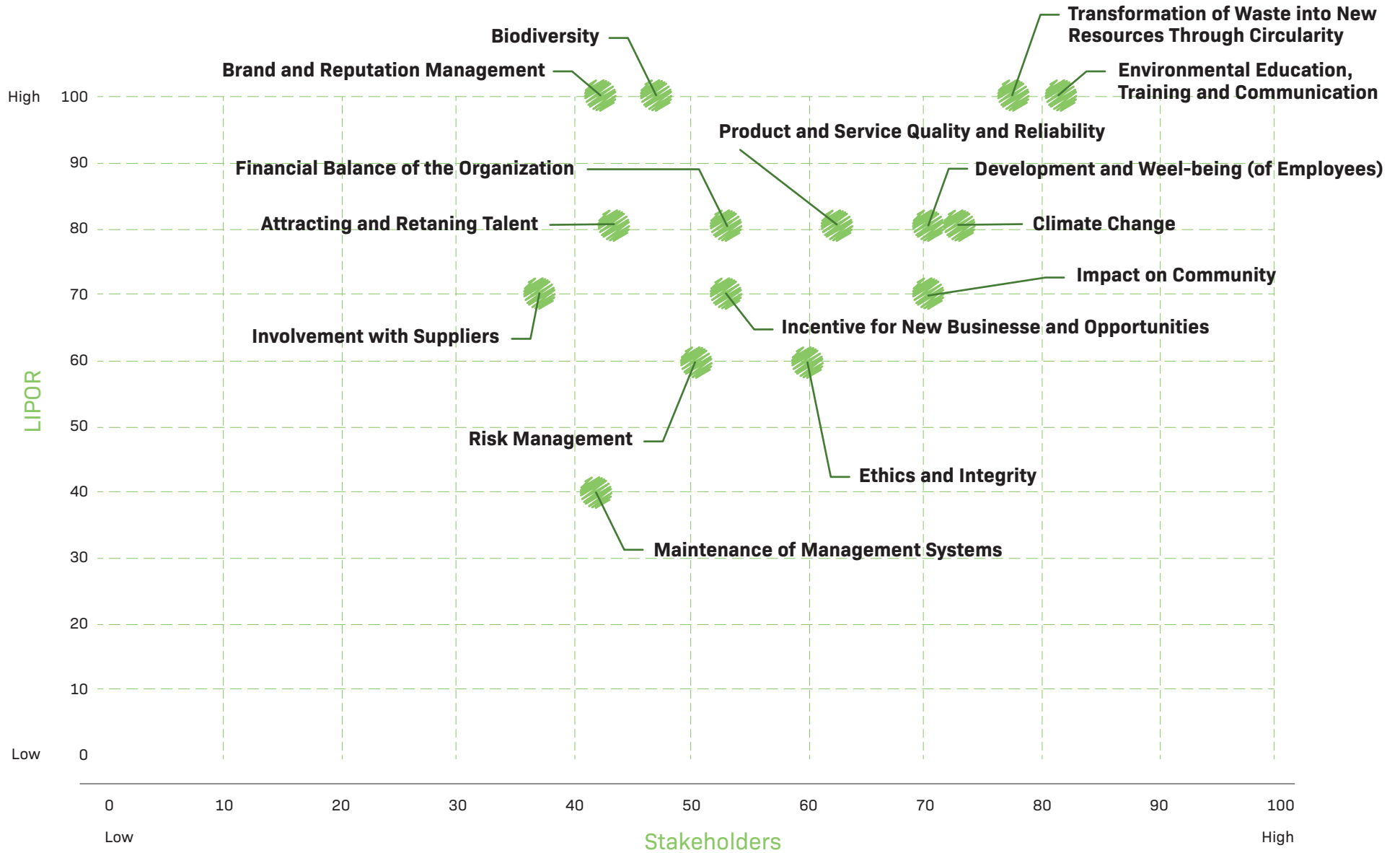
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Lipor Materiality Matrix



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Within the scope of its internal conference for Strategic Reflection, LIPOR invited its Partners to share their vision for the future of the Organisation.

These statements enriched the meeting's debates, which gathered LIPOR's Heads and Project Managers, with the purpose of setting guidelines for the Organisation's Strategy for the next years. Isabel Aragão, from the Ronald McDonald Foundation, Jorge Teixeira, from ACCELPER, Luís Rodrigues, LIPOR employee, António Alves, citizen, Jorge Portugal, from COTEC, António Castilho, from Castilho & Associados, António Tavares, from Misericórdia do Porto, Isabel Martins Silva, from UPTEC, Rute Pereira, from the City Council of Póvoa de Varzim, João Meneses, from BCSD Portugal, and Ana Trigo Morais, from Sociedade Ponto Verde, took up the challenge and revealed how they picture LIPOR in the future.



click on the image
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2.4 EXTERNAL ENVIRONMENT

It is evident that our World is changing, as we experience profound transformations and global challenges, namely, economic challenges with high social exposure, environmental challenges with a vast economic and social impact, and social challenges that affect our economy.

Sustainability has been guiding and overtaking main Public Agenda concerns, as evidenced by the numerous international commitments that are being set in this regard:

- Sustainable Development Goals
- Paris Agreement
- European Commission's Action Plan on Sustainable Finance
- European Green Deal and the new Circular Economy Action Plan
- EU 2030 Climate Target Plan
- Taxonomy for Sustainable Activities
- Sustainability Reporting Directive



In 2021, at the COP26 Conference in Glasgow, several initiatives were launched regarding these topics, aiming at an agreement on how to limit GHG emissions; however, extra efforts will be needed in the next years to reach the 1.5 °C goal.

At the national level, the 2050 Carbon Neutrality Roadmap, the 2030 National Energy and Climate Plan, the National Strategy to Combat Food Waste, the National Environmental Education Strategy and the Circular Economy Action Plan for Portugal are some examples that highlight Portugal's commitment. LIPOR stands by these, and other global priorities and policies related to its sector. Starting with PERSU 2030, the Strategic Plan for Municipal Waste, a

document that sets waste management measures for the continental territory of Portugal. National and European legislative changes highlight the challenges that will mark this decade and require changes to the previous strategy. It is paramount to reinforce prevention, preparation for reuse, recycling and recovery, the implementation of a circular economy and consequent reduction of raw material consumption, and carbon neutrality to ensure an upward trajectory in waste management.

National and European legislative changes highlight the challenges that will mark this decade and require changes to the previous strategy.



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2.5 RISK MANAGEMENT

In an increasingly unpredictable world, it is fundamental to foresee risks and maximise opportunities. The years of 2020 and 2021 were undoubtedly marked by the pandemic crisis, which exposed the duality of our world, increasing social disparities, intensifying existing tensions and enhancing concerns about the future.

The identification and management of strategic risks are fundamental for LIPOR to be able to reflect, plan, foresee, assess and prioritise its action. In addition, we've set out response plans for specific risk situations, in order to make our business more resilient. (102-15)

COVID-19 CONTINGENCY PLAN

This contingency plan was devised in March 2020, and was subjected to continuous monitoring and updating throughout 2021, in line with the assessment of the evolution of the COVID-19 pandemic situation.

The importance of following basic rules of social distancing, mandatory use of mask and hand hygiene was reinforced all year long. Communication was paramount in appealing to employees to remain calm and highlighting the importance of personal responsibility and civic duty of each person for the management of the pandemic.

Changes related to the pandemic outbreak and respective work organisation measures were permanently followed up, and the adoption and updating of measures were based on the consultation of Occupational Medicine and Occupational Hygiene and Safety Services. (403-4, 403-5)



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CORRUPTION RISK AND RELATED OFFENCES PREVENTION PLAN

LIPOR is aware of its responsibility for the prevention of corruption. The consolidation of the values and principles of loyalty, transparency and integrity is one of the priorities of its Board of Directors and all employees.

In fact, LIPOR strives to act according to external controls (including hard and soft law) and internal controls (Corruption Risk and Related Offences Prevention Plan - PPR, Ethics and Conduct Code - CEC, and Internal Control Standard - NCI), to ensure transparency and integrity in its actions and procedures.

LIPOR's new Corruption Risk Prevention Plan (PPR) was reviewed during 2020 and firstly applied in 2021. This year, there were also several novelties with regard to Corruption Prevention, namely the publication of the National Anti-Corruption Strategy and the Decree-Law no. 109-E/2021, which establishes the National Anti-Corruption Mechanism (MENAC) and the General Corruption Prevention Scheme (RGPC).

CYBERSECURITY PLAN

The pandemic contributed to a more intense digitalisation of the economy, deeply transforming the way companies operate and interact with their stakeholders, creating new work models, and transforming business models. This scenario increased company exposure, with an exponential increase in cyberattacks, which explore the flaws and vulnerabilities of networks and environments. To ensure data integrity, confidentiality and availability, as well as the very continuity of its operations, LIPOR continued to implement improvement actions identified in its information security roadmap, namely in terms of the development of a server infrastructure and the implementation of high availability cloud solutions, networks, perimeter security systems, antivirus/anti-malware systems based on artificial

The pandemic contributed to a more intense digitalisation of the economy, deeply transforming the way companies operate and interact with their stakeholders, creating new work models, and transforming business models.



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intelligence solutions, access management and application settings, as well as employee training and awareness. In this way, we sought to ensure high levels of protection, swiftness and efficiency when responding to incidents, in order to safeguard the Organisation's security.

It should also be mentioned that, in 2021, the Decree-Law no. 65/2021 entered into force, which regulates the Legal System for Cyberspace Security (Law no. 46/2018) and defines security requirements and rules for the notification of incidents. Being one of the entities concerned, LIPOR ensured compliance with the requirements, namely in terms of the definition of a security officer and permanent contact, the communication of the technological assets inventory, the notification of incidents and the production of an Annual Cybersecurity Report.

PROTECTION OF INTELLECTUAL PROPERTY

As we progress in research and the development of new products, it's increasingly necessary to effectively protect intellectual property.

To ensure confidentiality, we sign confidentiality and non-disclosure agreements with potential Partners.



CLIMATE CHANGE ADAPTATION PLAN

LIPOR's Climate Change Adaptation Plan covers 5 operational sectors and identifies high-risk extreme events, such as extreme precipitation, strong winds, heat waves and droughts. 25 measures were defined to increase resilience and ensure adaptive capacity. These measures respond to 3 main objectives: the development of adaptive capacity, the reinforcement of the organisation's resilience, and the promotion of engagement and awareness. They were categorised as: general nature (comprising all dimensions of the organisation), treatment infrastructures and human resources. (201-2)

REGULATORY SYSTEMS RISK MANAGEMENT

Within the scope of the Quality Management System (NP EN ISO 9001:2015), an internal procedure was established to define how LIPOR should identify, analyse and assess potential risk factors, including the events that cause those risks, potential arising consequences and possible sources or causes, as well as identify and integrate new opportunities and process improvements. Over the past years, the level of risk has been decreasing, showing that the actions defined are effective.

As we progress in research and the development of new products, it's increasingly necessary to effectively protect intellectual property.

CRISIS MANAGEMENT IN COMMUNICATION

At some point, any organisation has to deal with a crisis situation. LIPOR has established guidelines that provide orientation to cope with a crisis situation and limit its impact.

If we act based on a predefined procedure whenever there's a crisis, we will be able to limit damages caused by it, control the circumstances, protect the interests of our stakeholders and, evidently, protect the LIPOR Brand.



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ESG risks	Impact	Probability
Environmental		
LIPOR's coverage by the European Union Emissions Trading System (EU ETS)	4	3
Environmental disinformation	3	4
Loss of good practices	3	3
Increase of materials such as single-use plastics	4	4
Ambitious national targets imposed on the System	4	4
Extreme weather events	3	3
Social		
Psychosomatic factors associated with the pandemic	4	3
Difficulty in attracting and retaining talent	4	4
Governance		
Volatility of energy prices	4	3
Cyberattacks	3	3
Difficulty in obtaining funding to invest in new recovery and treatment infrastructures	4	2
Slow procurement procedures stemming from the Public Procurement code	2	4
Limitations imposed by the Regulatory Authority	2	3
Obsolescence of the Operational Units	3	4
Little market willingness to experiment and develop products	2	2
Decreasing quality of recoverable materials	4	3
Misalignment of the main Legal instruments that govern the sector	4	4



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FUTURE VISION

the future is drawn today

Today we implement the projects that in the future will allow us to achieve challenging goals.



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3.1 PEOPLE FIRST

THE ENERGY THAT DRIVES US IS THE L ENERGY



[click on the image to view the video](#)



Value creation at LIPOR is linked to the appreciation of the Human Capital and its involvement in the Organisation's Strategy. Our People are key in maintaining performance Excellence. In 2021, we had 205 Employees working full time (7 daily hours).

Equally essential to our performance is employment generated by our Business Partners (Prezero Portugal, Prezero Ambiente, Veolia and Luságua), which operate and explore the Composting Plant, Sorting Plant, Energy Recovery Plant and Landfill.





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New hires and employee Turnover (401-1)

	2021			Total	By Gender	
	< 30 years	30-50 years	> 50 years		Male	Female
Entries	4	12	3	19	9	10
Exits	4	5	8	17	14	3
No. of Employees	9	133	63	205	131	74
Employee Turnover	1.97%	4.19%	2.71%	8.87%	5.67%	3.20%
New hire rate	1.97%	5.91%	1.48%	9.36%	4.43%	4.93%

From the very beginning, we've nurtured a culture of diversity, inclusiveness and equality. We value individual identity and equal opportunity, having integrated 6 Employees of foreign nationality and 8 Employees with disabilities. (405-1)

Employees by Gender and Category (405-1)

	2021								
				< 30 years		30-50 years		> 50 years	
	M	F	Total	M	F	M	F	M	F
Managers	8	7	15	0	0	5	7	3	0
Computer Specialists	2	1	3	0	0	2	1	0	0
Senior Technicians	23	56	79	3	6	18	47	2	3
Computer Technicians	0	0	0	0	0	0	0	0	0
Technical Assistants	30	8	38	0	0	23	7	7	1
Operational Assistants	68	2	70	0	0	22	1	46	1
Total	131	74	205	3	6	70	63	58	5

WE GENERATE CIRCULAR EMPLOYMENT

Taking our responsibility in the creation of jobs that promote the circular economy, we participated in the drafting of the document “Circular Employment – Qualifications Profile” for the establishment of the “2030 Circular Skills Agenda – A contribution to the Green Book for the Future of Work”, an initiative promoted by the Forecasting and Planning Services of the General Secretariat for the Environment, of the Ministry of Environment and Climate Action.

PROFESSIONAL DEVELOPMENT OF EMPLOYEES

We strongly invest in Employee training and competences improvement; however, there’s no other Career Management procedure besides the corresponding legal scheme, given that LIPOR, as a public law legal person, is subject to the General Labour Law for Public Service (Law no. 35/2014 of 20 June). In a permanent effort to promote the professional development of Employees, we give them the opportunity to assume new job positions or duties, through the mobility scheme. According to Law no. 35/2014 of 20 June, mobility is a tool that can be used for public interest purposes, namely when it serves

the economy, effectiveness and efficiency of bodies or services. In this context, during 2021, LIPOR used this tool to move six workers to upper grades and two within the same grade. (404-2)



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Information on Employees and other Workers (102-8)

Type of link with LIPOR		2019			2020			2021		
Direct Employees	Permanent Staff	Male 134	Female 68	Total 202	Male 134	Female 66	Total 200	Male 131	Female 74	Total 205
Supervised Workers	Self-employed Workers	0	0	0	0	0	0	0	0	0
	Trainees	0	1	1	3	0	3	0	0	0
	“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	1	1	3	0	3	0	0	0
Casual Workers (independent)	Temporary Workers	0	0	0	0	0	0	0	0	0
	Consultants	0	0	0	0	0	0	0	0	0
	Total	134	69	203	137	66	203	131	74	205

All Employees enjoy the same rights and benefits, without distinction. Regarding contractual ties to LIPOR, direct Employees work under an indefinite-term employment contract.

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

Workers, as well as daily subsistence, meal and travel allowances scales are defined by Order no. 1553-C/2008 of 31 December. At LIPOR, the current salary scale is equally applied to the definition of basic salary by gender, evidencing that there's no discrimination regarding remuneration. The guaranteed minimum monthly pay in 2021 was upgraded to 665.00 euros by the Decree-Law no. 10/2021 of 1 February. (405-2)

In line with our legal status, we follow up on Employees and their duties, and assess their performance by use of the Integrated System for Management and **Performance Assessment** of the Public Administration

EMPLOYEE DEVELOPMENT, MOTIVATION AND BENEFITS

LIPOR's Human Resource Management strives particularly to encourage and motivate Employees, contributing to their personal and professional fulfilment. In this regard, it is worth highlighting the continuous investment in Training, as well as the several Benefits granted to Employees.

(SIADAP), applied in accordance with Law no. 66-B/2007 of 28 December, and adapted for application to Local Administration by the Implementing Decree no. 18/2009 of 4 September. This System is based on two areas: individual or shared Objectives and Competences. With the changes made in the past years, SIADAP 3 became biannual. At the moment, LIPOR Employees are at the end of the 2021/2022 assessment cycle, which will be followed the 2023/2024 cycle. (404-3)



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Average training hours per Employee (404-1)

		2021		
		Male	Female	Total
Training Hours	Managers	909.00	733.00	1,642.00
	Senior Technicians	1,962.50	3,629.00	5,591.50
	Technical Assistants	899.00	325.00	1,224.00
	Operational Assistants	1,141.50	2.50	1,144.00
	Total Training Hours	4,912.50	4,689.50	9,601.50
Employees	Managers	8	7	15
	Senior Technicians	29	60	89
	Technical Assistants	29	8	37
	Operational Assistants	76	2	78
	Total Employees	142	77	219
Training Hours per Employee	Managers	113.63	104.71	109.07
	Senior Technicians	67.67	60.48	62.83
	Technical Assistants	31.00	40.63	33.08
	Operational Assistants	15.02	1.25	14.67
	Total	34.59	60.90	43.84

In addition, to foster Employee engagement and empowerment, we continued to boost the YAMMER page and the ATAWAD concept, also having held 85 free online training actions and 20 flash trainings in 2021.

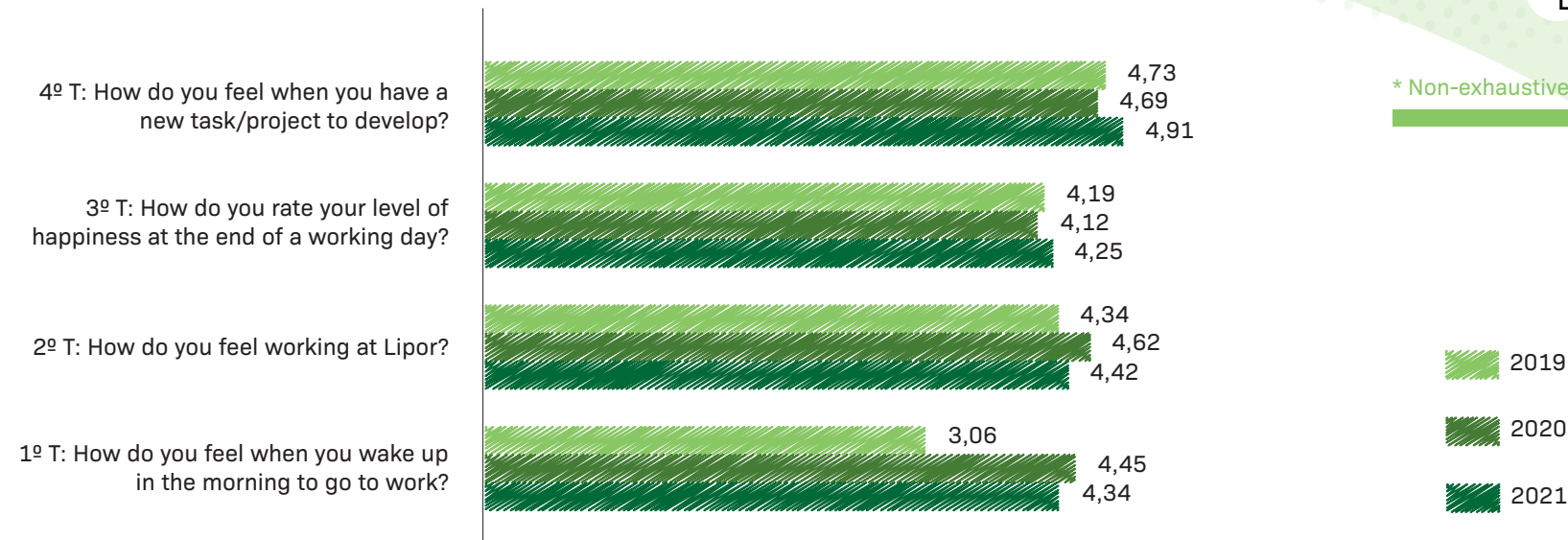


LIPOR CCD

The CCD - Sports and Cultural Centre for LIPOR Employees celebrated a year of existence, in continuation of LIPOR's transparent, fair and impartial efforts to satisfy the Employees' needs and expectations, including the granting of certain Benefits*, which were hitherto offered by LIPOR. (401-2)

HAPPY LIPOR

With the purpose of assessing Employee satisfaction and happiness, quarterly surveys were carried out during 2021, with the following results:



* Non-exhaustive list

- Daily benefits: Fruit, yoghurt and jelly; Coffee & Hot drinks
- Competitions: Photo Competition, Highest School Grades Competition
- Benefit protocols for the purchase of different products and services
- Health and well-being: Yoga classes, Nutrition Counselling, Life Insurance, Influenza Vaccine, Baby Package
- Physical and leisure activities and events
- Christmas Package
- Legal Office

2021 | HIGHLIGHTS

205 Employees

36% of Employees are Women

43.84 training hours/Employee

46.7% of management positions are held by Women

3.9 % of Employees have disabilities

9,601.5 training hours

ORGANISATIONAL CULTURE AND CLIMATE

We promote conditions that satisfy Employees at the personal and professional levels, through a healthy organisational Culture and Climate, which prioritise occupational health and safety, physical and emotional well-being and the preservation of trade union relations, in accordance with the Quality, Environmental, Health, Safety and Social Accountability Management Systems.

- **Social Accountability**

As part of the Social Accountability Certification according to the SA8000 Standard, LIPOR has been implementing several control mechanisms to 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 subjected to internal and external third-party Audits twice a year, which 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)

In this context, and according to the principle of equality, LIPOR takes Supervised Employees into account in the Social Accountability visits, giving them the opportunity to express their views on several issues regarding their employment relation, among others. (401-2)

- **Collective bargaining 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. This Agreement, which had an initial duration of one year, entered into force the day after its publication in the 2nd series of the



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"Diário da República" and has been successively renewed for one-year periods. The Agreement is estimated to cover about 200 (two hundred) workers. At the moment, LIPOR is negotiating with the competent trade union the revision of the Collective Agreement. (102-41)

CONTINUOUS IMPROVEMENT OF OCCUPATIONAL HEALTH AND SAFETY

As legally required, LIPOR has an Occupational Health and Safety service, which is implemented and certified according to the ISO 45001:2018 standard. (403-1)

This System is implemented in the following areas of the Organisation:

- Acceptance of waste from selective collection;
- Collection and acceptance of waste from door-to-door selective collection (Ecofone);
- Management of the Sorting Plant for waste from selective collection;
- Management of the Energy Recovery Plant and Technical Confinement;
- Collection of organic waste;
- Management of the Composting Plant;
- Management of the "Ecocentro da Formiga" drop-off site;
- Sale of NUTRIMAIS (registered trademark) organic compost.

2021 | HIGHLIGHTS

Perceived Social Responsibility:
4.58

(on a scale of 5, from the customer satisfaction survey)

Social Fingerprint: **4.5**

(on a scale of 5, SA8000)



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LIPOR has a Hazard Identification and Professional Risk Assessment Procedure in place, whose methodology allows to identify opportunities, to quantify the magnitude of existing risks in workplaces and, consequently, to rationally set correction priorities and plan actions to cope with the identified risks and opportunities. To this end, it is necessary to take into account all workers, work organisation, the several activities performed, relevant previous accidents, including emergencies, planned or foreseen changes, workplaces and other factors, including social factors, that might influence the identified risks and opportunities, as well as the Management System.

As a result of the implemented Management System and certifications, this Risk Assessment Procedure has been properly followed up, rigorously checked and audited.

In addition, LIPOR's Policy aims:

- To promote environmental protection by preventing all forms of pollution, promoting the fight against climate change and the protection of biodiversity and ecosystems, eliminating or minimising health and safety risks for employees and the surrounding community, and promoting quality, bearing in mind the nature, scope, deriving accidents and potential environmental impacts of its activities;
- To prevent occupational diseases and injuries, promoting hygiene, health and safety, and ensuring the elimination of hazards and reduction of risks. (403-2)





Work-related accidents (403-9, 403-10)

2021	LIPOR Employees		Supervised Workers	
	Male	Female	Male	Female
No. of fatal accidents	0	0	0	0
No. of severe accidents	0	0	0	0
No. of non-severe accidents	12	0	0	0
Total no. of accidents (except fatal accidents)	12	0	0	0
No. of hours worked	310,447			
Fatal Accidents Rate (%)	0	0	0	0
Severe Accidents Rate (except fatal accidents)	0	0	0	0
Frequency (Tf)	28.99	0	0	0
Severity (Tg)	515	0	0	0
Sick Leave Days	160	0	0	0
Occupational Diseases	0	0	0	0
Occupational diseases rate	0	0	0	0



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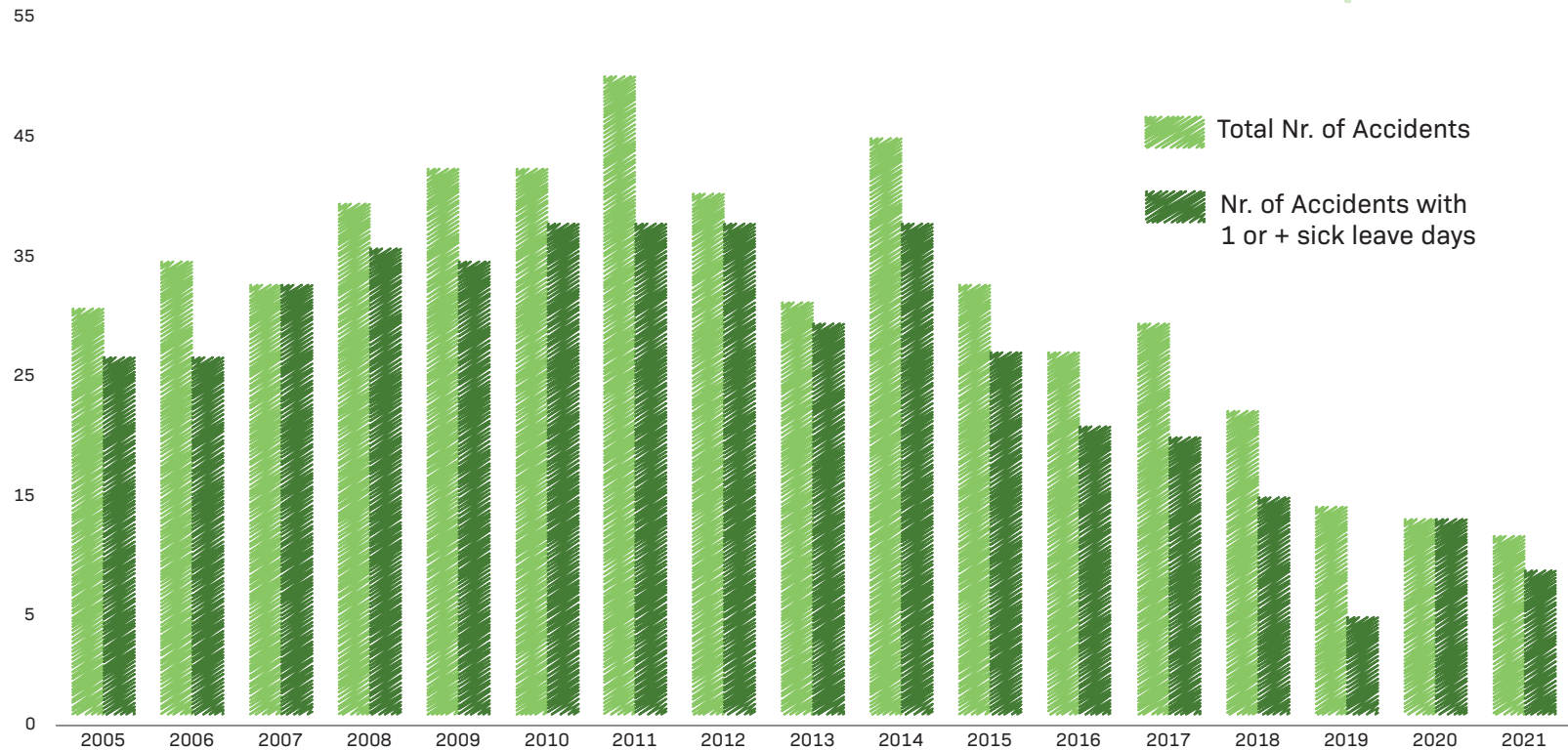


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SAFE BEHAVIOUR

Since the implementation of the “Comportamentos Seguros” (Safe Behaviour) Project, in 2015/2016, we’ve been promoting the continuous improvement of the Organisation’s safety culture, so as to avoid accidents. Nowadays, good practices persist, as a result of the awareness that Safety is every Employee’s responsibility. (403-7)



Sick leave days



When analysing progress, it stands out that in 2021 we had the lowest ever total number of accidents (12). The number of accidents with sick leave (9) was the second lowest since 2005, and 76% lower than the maximum number of 37 accidents. The number of sick leave days (160) was the second lowest since 2005, and 83% lower than the maximum number of 945 sick leave days.

Overall, in 2021, 34% of accidents were caused by musculoskeletal injuries, 25% were due to fall at ground level and 17% to cuts. The remaining 24% were due to entrapment, prick and torsion. (403-9)

In order to prevent occupational diseases and injuries, we've been implementing several Prevention and Control measures that promote hygiene, health and safety and allow for the elimination of hazards and reduction of risks.

Within the scope of our Quality, Environmental, Energy, Health and Safety, Social Accountability and Innovation Policy, we commit ourselves to ensure the consultation and participation of employees and their representatives. This is accomplished through periodic meetings of the employee representatives for Safety, as well as the Safety Committee, which includes the Occupational Physician.



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The Safety Technicians visit workplaces on a monthly basis, together with an Employee Representative for Safety.

Within the scope of the Social Accountability Management System, LIPOR relies on a Social Performance Team, which comprises Board, Safety, Human Resources and Trade Unions representatives, and an operational Employee. The Team meets on a quarterly basis to analyse standard requirements, as well as the results of the Social Accountability Visits, whether internal or to suppliers.

In face of COVID-19, the Occupational Medicine service continuously monitored Employees with risk conditions, to ensure the minimisation of risks in the context of the pandemic. As required by the Occupational Medicine service, when they returned to onsite work, some Employees were subjected to three types of complementary tests (52 Audiometric tests, 58 Hepatitis Markers tests and 133 Eyesight tests). It should be noted that this was the first time that eyesight tests were made available to all administrative Employees. (403-4)

LIPOR has a biannual Training Plan, which sets necessary Trainings, the respective topics and target organisational areas. The Safety service welcomes new Employees with an integration Training, which approaches workplace risk assessment, emergency

and fire safety, specific safety procedures and good practices.

A Nurse cooperated with our Health Promotion Project, through the development of awareness actions to promote mental health, as well as individual Employee counselling. In partnership with the Portuguese League Against Cancer, we held two awareness actions for the prevention of prostate and breast cancer. (403-5)

Regarding severe occupational diseases, LIPOR has implemented some initiatives that may contribute to their minimisation, such as a 15-minute practice of workplace gymnastics, in operational areas, before each shift. For administrative workers, as they may work from home, workplace gymnastics is held online, 2 days a week. (403-6)

In addition to Occupational Medicine, a General Practitioner is also available for Employees once a week, and occasionally a Nurse, thus giving access to curative medicine.

In the context of workplace and occupational diseases monitoring, the Occupational Medicine team carried out 7 visits to workplaces, in the company of the Head of the Human Resources Division, a Safety Senior Technician and a Member of the Hygiene and Safety Committee. (403-3)



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2021 | HIGHLIGHTS

No fatal or severe accidents

No occupational diseases recorded

WE INVOLVE THE SUPPLIER CHAIN

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 or higher, or a billing volume of 5 (five) invoices or more.

After reading the Conduct Code, the supplier must send to the Supply and Accounting Division a duly signed and stamped Statement of Commitment to the Code. The Conduct Code can be disseminated or sent by means of:

- E-mail;
- Specifications (in case of Public Tenders, Direct Procurement and Prior Consultations);
- 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 Conduct Code in 2021, there was a decrease in conduct codes and statements of commitment sent, in relation to the usual flow in the beginning of a certification period. In conclusion, 611 suppliers did business with LIPOR, of which 228 fulfilled the standard requirements. Of a total of 212 suppliers, 81 reached sales volumes of €10,000.00 or higher and 131 a billing volume of 5 (five) invoices or more. (102-9)

Regarding the Organisation’s supply chain, there were no significant changes. (102-10)



Supplier costs (EUR)	2019	2020	2021
Internacional	647,756.39	11,272,476.66	9,343,790.20
National	12,281,594.19	41,975,804.92	42,884,631.28
Total	12,929,350.58	53,248,281.58	52,228,421.48

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

- In 2021, 10 Conduct Codes and respective Statements of Commitment were sent.
- A total of 34 duly signed and stamped Statements of Commitment were received.

This total includes the 10 requested statements (100%), while the remaining pertain to Public Procurement Procedures over €5,000.

Second party audits (414-2)			
	2019	2020	2021
Second party audits	3	3	3
Visits (LIPOR facilities)	4	3	4
Total	7	6	7



WE MAKE AN IMPACT ON THE COMMUNITY

LIPOR has a long history of developing and implementing environmental awareness and education actions, following the establishment of an Information Office in 1996. Over the years, we went from informing to training, from raising awareness to educating, devising strategies that promote greater citizen awareness and good environmental practices.

We foster learning through education and training, we generate information through communication and establish bonds through our impacts.

To foster learning through Education and Training, LIPOR invests in proximity educational and training

projects and services, based on 3 fundamental lines of action: Adopting Circular Economy, Enhancing the Territory and Training the Community.

With these areas, we aim at divulging environmental sustainability practices among citizens and other Entities, be they Private and Public Education Institutions or Social Institutions, or even other Associations and Entities located in our Associated Municipalities, that wish to change their environmental management practices, basing our activities on the goals of the waste management hierarchy.

Though limited by the instability caused by COVID-19, 63 new “Coração Verde” (Green Heart) Certifications were granted to Entities that decided to integrate these good practices in their activities as a distinctive factor.

The environmental awareness and education actions reached 47,551 participants, within a total of 2,172 actions. (L1)

The "Há Rio e Mar, Há Lixo para Transformar" (There are Rivers and Seas, there's Waste to Transform) project, developed in partnership with IPDJ, under the "Environment, Climate Change and Low Carbon Economy" Programme, funded by the European Economic Area Financial Mechanism 2014-2021 - Small Grant Scheme #1, aims to respond to the growing and fundamental need to promote Ocean Literacy, and citizen knowledge and active involvement in the conservation of Oceans and their services.



LIPOR, 40 YEARS OF HISTORY



WE SHARE VALUE



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LIPOR continues to consolidate its position as a reference training entity in the environmental area, as evidenced by the growing number of training requests and partnership proposals. In 2021, LIPOR Academy held 53 courses, with a total of 313 training hours and the participation of about 1,113 trainees.

In order to generate information through communication, it is essential to permanently provide transparent and easily understandable information, as well as to implement integrated communication strategies.

We establish bonds through the impact of our numerous social responsibility projects on the community. Through the “Operação Tampinhas” (Bottle Caps Operation) project, waste helps social causes. Since 2006, 599 Institutions have benefited from 1,650 medical, orthopaedic and similar Equipment, with a total of 847 tonnes of treated bottle caps and an investment by LIPOR of 576,254 euros.

The Social Responsibility Perceived by our customers is very positive, with a score of 4.58 (on a scale of 5, from the customer satisfaction survey). [L4](#)



3.2 WALKING TOWARDS ZERO IMPACT ON THE PLANET

OUR CIRCULAR MODEL PROMOTES CONTINUOUS MATERIAL FLOWS

The Waste sector is particularly relevant for the implementation of the Circular Economy, due to its transversal nature, as it intervenes in relevant areas in the matters of climate transition, environment and resource efficiency, territorial cohesion and development, social mobilisation, promotion of behavioural change, among others. Therefore, the Waste sector is inseparable from the Circular Economy. In this context, with its Circular Business Model, LIPOR clearly upholds the continuous use of materials.

In fact, our mission is precisely: To transform waste into new resources through the implementation of innovative circular practices, generating and sharing value.

Nonetheless, we defend that “the best waste is that which is not produced”, wherefore we believe that the Prevention of Waste Production is the main approach to waste management. In this context, we’ve been promoting food waste reduction, local treatment of biowaste, through home and community composting and good practices of organic farming, as well as sustainable green space management and/or maintenance practices.



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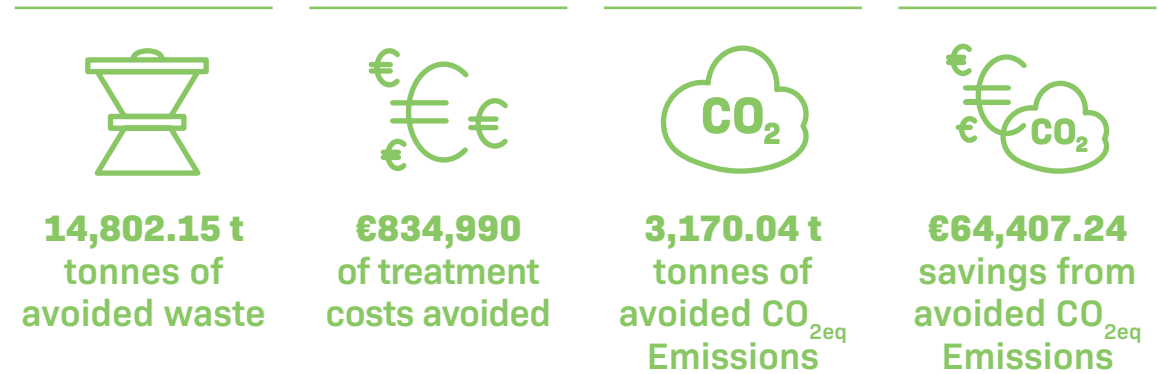


In 2021, we've surpassed the number of 16,000 installed composters. This is a clear sign of citizens' response to the advantages of home composting.

The promotion of material reduction and reuse, particularly focusing on waste electrical and electronic equipment and textiles, through repair, upcycling, reuse, exchange and sharing, has also been well received. It is also worth highlighting our Sustainable Public Procurement policy, with the integration of Sustainable Criteria in procurement procedures, whenever appropriate.

Prevention work is based on a close synergy with the Associated Municipalities and the establishment of Partnerships, the promotion of Awareness, Education and Training actions amongst the Community,

Communication on Prevention, and the Generation of Knowledge. In 2021, joint efforts by LIPOR and 15 Partners produced the following results:



The European project ESTRAEE, launched in 2017, focuses on a transition towards a more circular economy in terms of Waste Electrical and Electronic Equipment (WEEE) management, in a cooperation between Galicia and Northern Portugal. Among other things, this project supported the adaptation to the European Directive of 18 Drop-off Sites, 9 of which located in LIPOR's Associated Municipalities and 9 in Galicia.

The progress of these indicators can be observed in LIPOR's Waste Observatory. With innovation, creativity and the continuous investment in communication and awareness, we will meet the demanding challenges imposed by PERSU 2030 in the matter of prevention.



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The CityLoops project, funded by H2020, brings together 7 European cities and 28 partners, aiming to boost the circularity of two materials: construction and demolition waste, and biowaste. Porto represents Portugal, focusing on biowaste with 5 demonstration actions and 5 new tools! One of the tools devised to fulfil this goal is the “Porto Circular Procurement Guidelines” guide, which presents a set of circular criteria/recommendations to bear in mind in public procurement procedures involving food/catering and green spaces. This tool was developed in partnership with LNEG.

In addition, LIPOR clearly takes on a waste management approach based on a resource perspective, consolidating its commitment to the creation of value throughout the entire production cycle. This approach of incorporating waste as a resource, based on our Circular Business Model, allows us to re-enter materials into the production cycle, thus supplying the market with high-quality secondary materials, obtained through multimaterial and organic recycling, and boosting continuous material cycles. In this way, we close resource loops! (306-1, 306-2)

Waste Forwarding According to Final Destination (T) (301-1)

Final Disposal	2018	2019	2020	2021	Δ% 21-20	% Peso
Multimaterial Recovery	62,285	70,572	76,051	79,216	4.2%	14.7%
Organic Recovery	56,479	58,791	49,645	53,597	8.0%	10.0%
Energy Recovery	402,151	403,547	418,791	398,444	-4.9%	74.1%
Landfill	12,059	11,938	7,556	6,335	-16.2%	1.2%
Total	532,973	544,848	552,043	537,592	-2.6%	100.0%

These data refer to waste primarily received by the LIPOR System (including wood, oils and excluding textiles).



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Throughout 2021, LIPOR's several waste treatment and recovery infrastructures received a total general, when comparing with the previous year, these figures show an increasing waste forwarding to Multimaterial and Organic Recovery, and a decrease in waste sent to Energy Recovery and Technical Confinement. In 2021, we continued to resort very little to disposal in landfill in accordance with the best European references, thus fulfilling the national and community objectives for proper waste management.

The Citizens of LIPOR's eight associated Municipalities remain committed to recycling!

These results stem from our strong investment and efforts made, either through communication and awareness campaigns to promote greater and better sorting, or by reinforcing proximity and door-to-door selective collection in residential areas, in order to increase and maximise the amount of materials sent for recycling and composting, in detriment of unsorted waste collection. At the same time, we ensure selective collection of green waste, through a proximity system, specific collection rounds and drop-off sites.

PERSU 2020 has set the following national goals: Recovery from Selective Collection of 53.68 kg/inhab./year, 35% municipal waste Preparation for Reuse and Recycling, and Disposal of biodegradable municipal waste in Landfill <10%. LIPOR reached 60.82 kg/inhab./year, 34.4% and 1.2%, respectively. Thus, in 2021, LIPOR's progress in terms of the goals set remained positive.

The LIFE TACKLE project aims at improving environmental management in matches and events, increasing general awareness and drawing attention to environmental issues in the football sector. It is fundamental to establish a sustainability strategy for football and sports events, as they set standards followed by crowds, having great potential for mobilising and promoting best sustainability practices among the public.



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Mobile Drop-off Sites are already touring LIPOR's municipalities! LIPOR and its Associated Municipalities have created an innovative solution, the Mobile Drop-off Sites, where citizens can drop off particular types of waste for recycling. This project makes recycling even more accessible, ensuring the recovery of these materials, so that we continue to move forward towards a Circular Economy.



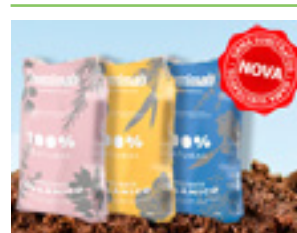
But we want to go even further:

We've developed our activities so as to transition from a waste managing entity to a resource managing entity and, more recently, to review our business model and evolve into a product producer and a provider of specialised services.

This vision is based on a structured innovation action, put to practice every day, which focuses on the production of products, always bearing in mind our responsibility in promoting the Circular Economy.

NEW PRODUCTS 2021 | NUTRIMALS® SUBSTRATES AND VERMICOMPOST

A production line was developed and implemented to produce substrates based on compost obtained from biowaste recovery, allowing for the production and launching of three new Organic Substrates for the agricultural market and a Vermicompost for domestic users.



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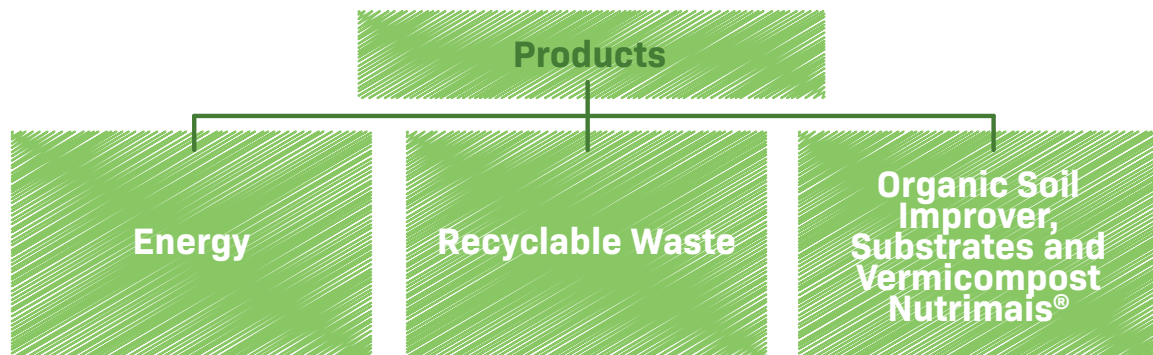
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LIPOR also produces the following products (102-2)



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 no. 103/2015. In the cases of renewal/new marketing authorisation, a label proposal must be included in the process, which will later be validated by the DGAE. In addition to the information conveyed in labels, LIPOR provides its customers an 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)



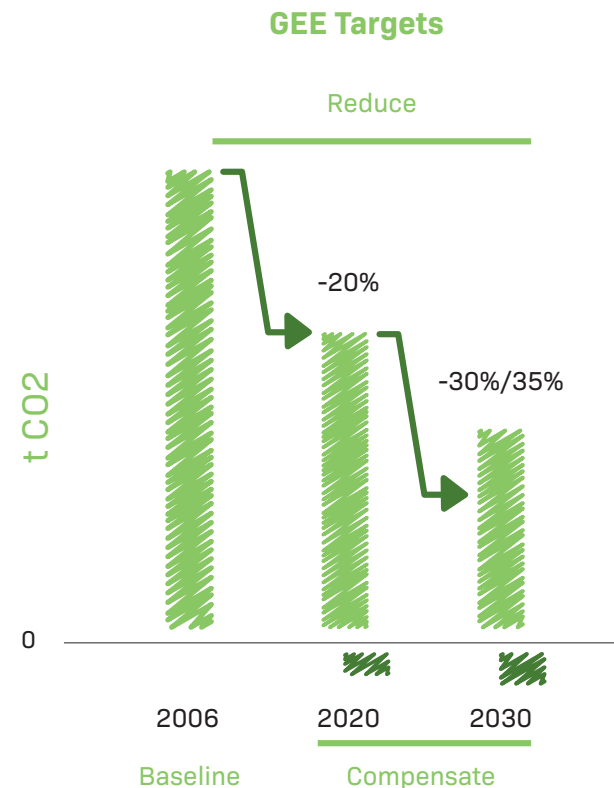
In 2021, the Customer Satisfaction Assessment instrument was updated and adjusted to the current assessment needs. This is an independent study, which follows a proper tested theoretical model and allows comparison with the results of previous years. All customer satisfaction dimensions (tangible, reliability, responsiveness, assurance and empathy) attained very positive ratings (above 4 points, of a total of 5). Most customers think that the work developed by LIPOR is slightly better than that of the previous year, with emphasis being placed on the work that “remained positive”.

WE CONTRIBUTE TO THE FIGHT AGAINST CLIMATE CHANGE

In 2016, Portugal committed to ensuring its emissions neutrality by 2050, having developed a Long-Term Strategy, the 2050 Carbon Neutrality Roadmap (RNC2050), which identifies the main decarbonisation drivers and the lines of action to pursue towards a carbon neutral society in 2050.

All sectors present a significant potential for GHG emissions reduction, and the waste sector is no exception.

The “4M Strategy - less Waste, less Carbon, more Climate, more Biodiversity” is based on the following guiding principles: Resources & Business (for a circular business model), Decarbonisation and Energy Transition (carbon-based management), Natural Capital (promotion and development of biodiversity), and Community and Shared Value (social commitment). LIPOR is committed to reducing its GHG emissions by 30% until 2030.



In the inventory of emissions of 2021, some methodological updates were made. Those involved the recalculation of the baseline year, namely:

- i) Updating – in line with the national inventory – the global warming potentials (GWP) contained in the IPCC Assessment Report 4 (AR4);
- ii) Revision of the methodology for the calculation of GHG emissions associated to organic recovery (LIPOR’s Composting Plant) and energy recovery (LIPOR’S Energy Recovery Center), in accordance with the latest methodology published in the national inventory.

The inventory of emissions of 2021 maintains Scope 1 and 2 accounting, consolidating, after a period of progressive expansion, the Scope 3 emissions calculation.

Regarding Scopes 1 and 2 (scope comparable with the LIPOR 3M Inventory elaborated by the end of 2020) were accounted 254 kt CO₂e in 2021, which represents a reduction of 10.7% compared to 2020, and a reduction of 33.5% compared to the reference year (2006) This 33.5% reduction represents a reduction of 128 kt CO₂e compared to 2006 (305-5).

Regarding the carbon intensity, it is 0.496 tCO₂/t (305-4).

Total LIPOR GHG Emissions - 3M Targets (305-1, 305-2, 305-3)						
Values in t CO ₂ e	2006	2019	2020	2021	Δ%20-21	Δ%2006-21
Scope 1 - Direct Emissions	380,467	304,166	282,988	253,167	-10.5%	-33.5%
Waste Treatment and Recovery	379,090	302,907	282,207	251,868	-10.8%	-33.6%
Technical Confinement	227,934	109,764	103,437	97,320	-5.9%	-57.3%
Organic Recovery (CVO)	4,257	7,834	6,722	7,426	10.5%	74.4%
Energy Recovery (CVE)	146,899	185,309	172,048	147,122	-14.5%	0.2%
Fuel consumption in the facilities	807	562	202	682	237.1%	-15.5%
Natural Gas	807	540	193	668	246.2%	-17.2%
Sorting Plant (RMM)	4,3	0	0	0	0	0
Composting Plant (CVO)	33	154	130	101	-22.1%	204.4%
Energy Recovery Plant (CVE)	762	373	34	551	1517.1%	-27.7%
Lipor in general	8	13	29	16	-44.5%	102.2%
Diesel (CVE)	N.D.	22.1	9.2	13.5	47.1%	0
Transportation and Mobility	570	697	579	617	6.6%	8.3%
Self-owned Fleet	314	269	189	198	4.9%	-37.0%
Mobile Machinery	256	428	390	420	7.5%	63.8%
Scope 2 - Indirect Emissions (Market-based)	1,749	2,080	1,749	1,070	-38.8%	-38.8%
Sorting Plant (RMM)	230	0	0	0	0	0
Composing Plant (CVO)	1,117	1,992	1,749	1,070	-38.8%	-4.2%
Energy Recovery Plant (CVE)	0	0	0	0	0	0
Technical Confinement (CT)	0	88	0	0	0	0
Lipor in general	401	0	0	0	0	-100.0%
Others	0	0	0	0	0	0
Scope 2 - Indirect Emissions (Location Based)	1,749	2,080	1,749	1,070		
Scope 3 - Other Indirect Emissions	47	73,768	77,305	79,968	3.4%	28.0%
C.01 – Purchased goods and services	0	37,5	30,7	32,1	4.4%	-25.3%
C.02 – Acquired assets	0	36,9	835,9	138	-83.5%	691.1%
C.03 – Energy and fuels	0	682,0	459,0	576	25.4%	-43.4%
C.04 – Transportation (upstream)	0	7,845	8,349	7,140	-14.5%	1.1%
C.05 – Waste and wastewater	0	22,7	18,4	19,7	7.1%	-18.9%
C.06 – Business travels	47	95,6	17,3	8,8	-48.9%	-83.0%
C.07 – Employee commuting	0	466	369	385	4.2%	29.7%
C.09 – Transportation (downstream)	0	639	546	496	-9.2%	-2.7%
C.10 – Processing of intermediate products	0	61,292	64,595	69,096	7.0%	34.7%
C.11 – Use of goods and services	0	2,653	2,085	2,077	-0.4%	-4.1%
Upstream Chain		9,185	10,079	8,299	-17.7%	-2.5%
Downstream Chain		64,583	67,226	71,669	6.6%	32.8%
Scope 3 - Other Indirect Emissions		73,768	77,305	79,968		

ENERGY EFFICIENCY

For the second consecutive year, the COVID-19 pandemic had a significant impact on LIPOR's energy consumption. As in 2021 we continued to apply hybrid schedules, namely in administrative areas, having often even prevailed telework, there was a reduction in global energy consumption, with the main indicators that link energy production and consumption achieving record numbers in terms of the facilities' energy performance. Therefore, the return to normality, i.e., to a situation similar to that of 2019 – pre-pandemic – may lead to a decrease in energy performance and, thus, the return to normal operation.

Energy consumption decreased

3.03%, compared to forecasts, although production increased 5.32%. This reduction in energy consumption resulted in a significant increase of our energy performance.

The goal set for 2021 of 158 t/toe was surpassed, reaching 173.42 t/toe, which corresponds to an increase of 8.61%, in relation to what was expected.

To sum up, in general, LIPOR was more efficient, producing more with the same amount of energy.

New goals were set for 2022 regarding the main indicators, namely a global goal of 160 t/toe and 80 t/toe for the Sorting Plant. These figures were estimated based on the expected production and the Energy Audit Report of 2020. (302-4)

Energy Intensity (302-3)

	2018	2019	2020	2021
Total energy consumption (GJ)	39,887.143	43,727.123	32,220.5912	45,377.09974
Treated waste (t)	522,472.000	550,079.960	55,7937.97	543,335.73
Energy intensity (GJ/t)	0.076	0.079	0.057	0.083



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Direct energy consumption by primary energy source (302-1)

Facility	Source	2019	2020	2021
Composting Plant	Natural gas	2,710.84	2,292.90	1,785.25
	Fuel (diesel)	3,322.87	3,071.54	3,048.72
	Electricity (GJ)	17,866.11	15,686.03	17,246.56
Energy Recovery Plant	Natural gas	6,582.80	601	9,713
	Fuel (diesel)	297.11	123.95	182.28
	Electricity (GJ)	1,139.27	431.10	2,136.12
Landfill	Fuel (diesel)	407.49	0.00	0.00
	Electricity (GJ)	1,055.79	870.43	688,22
Closed Landfills (Ermesinde and Matosinhos)	Matosinhos – Electricity (GJ)	9.82	0.00	0.00
	Ermesinde – Electricity (GJ)	372.10	318.27	317.81
LIPOR (in general)	Electricity (GJ)	3,881.84	3,689.50	3,933.86
	Natural gas	903.64	576.92	778.24
	Fuel (diesel)	5,071.17	4,510.99	4,573.46
	Fuel (gasoline)	106.27	48.30	68.53
Other locations	Electricity (GJ)	0	0	904.79
Total		43,727.12	32,220.59	45,377.10



Energy consumption outside of the Organisation (302-2)

GJ	2019	2020	2021
Scope 3 – Energy	196,652	182,522	173,115
C.03 – Energy and fuels	64,035	46,131	59,036
C.04 – Transportation (upstream)	115,623	123,002	101,323
C.06 – Business travels	1,309	236	118
C.07 – Employee commuting	6,309	5,137	5,363
C.09 – Transportation (downstream)	9,376	8,016	7,276
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.

Our progress in 2021:

182.4 ha
of low biodiversity value converted into areas of high biodiversity value

NO WEALTH CAN BE CREATED IN A DEVASTATED ECOSYSTEM

Biodiversity can be defined as the variety and variability of life on Earth.

LIPOR’s Biodiversity Strategy is based on the following Commitments: (304-3)

- We associate “+ Biodiversity” to the climate change strategy, boosting biodiversity within our activities.
- We’ve integrated “the protection of biodiversity and ecosystems” in our Policy: To promote environmental protection by preventing all forms of pollution, promoting the fight against climate change and the protection of biodiversity and ecosystems, eliminating or minimising health and safety risks for employees and the surrounding community, and promoting quality, bearing in mind the nature, scope, deriving accidents and potential environmental impacts of our activities.

LIPOR'S B SIDE

You can now join LIPOR's B Side in the promotion of biodiversity and the protection of nature through the BioDiversity4all platform (web: biodiversity4all.org/App:iNaturalist), where you can record observations and identify the observed species



TRAINING on Biodiversity, through courses with a total of 32 training hours and 110 trainees, including the 2021 LIPOR University entitled "Guardians of the Future", under the scientific coordination of the Biopolis Association/CIBIO



DISSEMINATING Biodiversity, with the publication of a Manual on Renaturation and Adaptation of Areas to climate change, and the dissemination of 4 scientific articles, in cooperation with the Biopolis Association/CIBIO, on the themes of "Scavenging butterflies", "Pollinators - much more than bees", "World Bee Day, for all bees" and "Super regulating small wasps"



PROMOTING Biodiversity, by developing volunteer actions for tree planting in partnerships



COMMUNICATING Biodiversity, by means of the Webinar entitled "Renaturation of Areas" and the participation in the Bioblitz Cycle of Discussions, the Cineeco Ecotalk and the Cape Verde International Conference

We are proud to promote contact with nature and improve citizens' quality of life.

The Urban Kitchen Gardens project entails the creation of dynamic and useful green spaces, promoting biodiversity and good agricultural practices. Furthermore, it aims at improving the environment in several local urban communities, through practices such as home composting and organic farming. The population has been showing increasing interest in urban kitchen gardens, namely because they are acknowledged as spaces that promote the environment, health and socialisation. In LIPOR's Associated Municipalities, this project comprises about 2,000 plots, split over 55 Kitchen Gardens, 3 Organic Kitchen Gardens more than in 2020, with a total area of 134,938 m².



The EU-funded D-NOSES Project is intended to draw attention to odour pollution, which is an indicator for major environmental issues. It can affect our health and contribute to climate change, as in the case of landfills and livestock facilities. This project aims at developing solutions to this largely neglected problem, empowering citizens, and using participatory platforms and tools to help them promote change. The D-NOSES consortium combines the experience of 15 partners from 9 countries.



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3.3 TO BE A LEADING BRAND IN THE GLOBAL MARKET

WE PROJECT PROSPERITY

To position the LIPOR Brand in the market as a differentiating and impacting brand is the path we want to follow.

LIPOR wishes to have a Brand that nurtures good environment.

Our universe grew naturally, from our first area of expertise, i.e., waste treatment and recovery, to more and more new important projects and services that we have embraced, thus reinforcing our strategic path.

We exist because we have a purpose: Every day we build a Better world.

Because brands with a purpose build a better world every day. And that's our case. After all, our identity reflects a "LIPOR lifestyle" and we want our beneficiaries to partake in this way of being, this sustainable way of life.

We work on our internal and external communication to promote public loyalty and align them with the values of the LIPOR Brand.



LIPOR, 40 YEARS
OF HISTORY



WE SHARE VALUE



EVERY DAY WE
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WORLD



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Our customers report a very favourable Level of Connection to the Brand of 4.57 (on a scale of 5 points). L3

WE ENSURE ECONOMIC AND FINANCIAL BALANCE

As an introduction to the analysis of LIPOR's economic and financial performance in 2021, it is important to highlight that, in 2020, there was a transition into a different accounting standard. Until 2019, the Organisation was governed by the Official Accounting Plan for Local Government (POCAL). In the past years, it made preparations for the adoption of the Accounting Standardisation System for Public Administrations (SNC-AP), which was ultimately implemented in 2020.

This transition changed the criteria for certain financial flows, creating disparities when directly comparing the 2019 results (under POCAL) with the 2020 results (under SNC-AP). To enable proper comparison between both periods without deviations due to different criteria, the 2019 results were converted and aligned with the Public Accounting Standards of the SNC-AP. Thus, the comparative analyses presented in this chapter are always based on the 2019 standardised results.



Direct Economic Value Generated 201-1

Revenues	2019	2020	2021
Sales and Provision of Services	40,027,327.00	47,929,882.00	47,139,363.61
Supplementary Income	336,256.00	326,924.00	466,241.75
Transfers and Subsidies Obtained	7,193,027.00	265,407.00	814,578.65
Interests from Deposits	5,918.00	11,817.00	445,866.57
Cash Discounts Obtained	0.00	0.00	0.00
TOTAL	47,562,527.00	48,534,030.00	48,866,050.58



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LIPOR, 40 YEARS OF HISTORY



WE SHARE VALUE



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Economic Value Distributed 201-1

Operating Costs	2019	2020	2021
External Services and Supplies	46,810,946	47,840,429	47,550,364.29
Salaries and Employee Benefits	4,368,906	4,730,126	4,613,741.07
Payments to Capital Providers	1,530,704	1,230,318	1,076,742.72
Payments to the Government	3,573	8,135	8,114.24
Community Investments	591,806	339,112	1,518,397.37
TOTAL	53,305,935	54,148,120	54,767,359.69
Economic value generated	47,562,527	48,534,030	48,866,050.58
Economic value distributed	53,305,935	54,148,120	54,767,359.69
Economic value retained	-5,743,408	-5,614,090	-5,901,309.11

In an economic context still affected by the COVID-19 pandemic, LIPOR persisted, in spite of a 1.6% decrease in Turnover, in comparison with the previous year, as a result of less Sales (-1.6%) and Provision of Services (-1.7%). In a detailed analysis of Turnover, the 12% increase in revenues from the sale of recyclable material stands out, due to a larger amount of recoverable materials received for recycling, particularly in the three main flows (Paper and Cardboard, Plastic and Metal Packaging, and Glass), as Fees that

compensate the recovery of these materials remain unchanged since 2017.

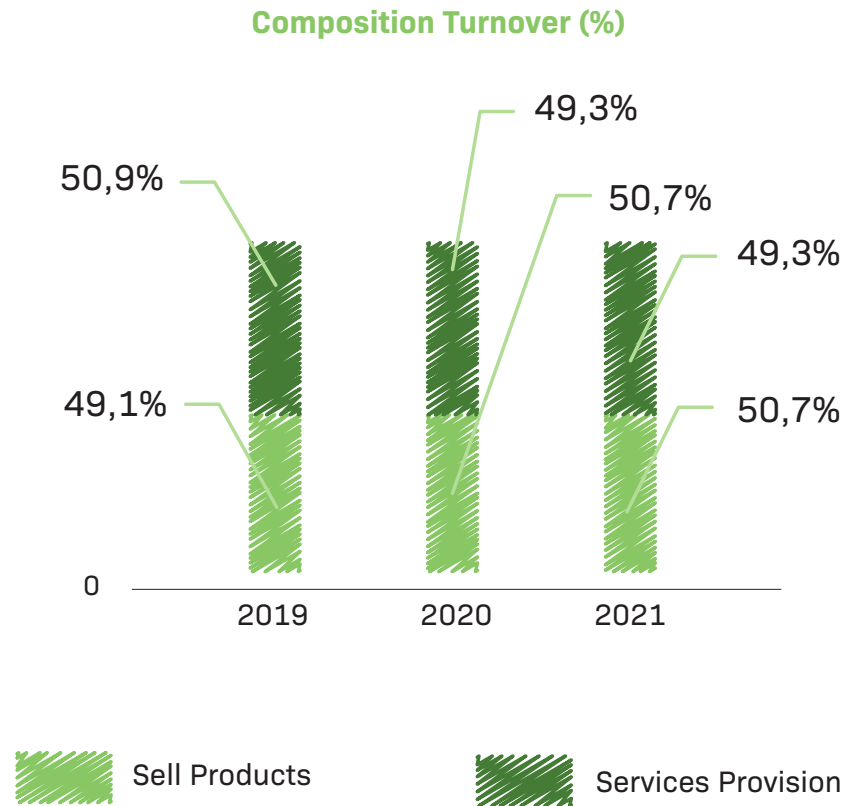


At the end of 2021, we had a positive net income of about 3.7 million euros, 8% more than that of 2020, which reflects our resilient attitude and continuous effort to use the available resources efficiently.

LIPOR's consolidated EBITDA (Earnings before Interest, Taxes, Depreciation and Amortisation) fell 5% year-over-year, reaching 19.7 million euros. Notwithstanding the results achieved, it is worth highlighting LIPOR's efforts to keep its infrastructures fully running, while launching new projects and initiatives. To be noted that the decrease in EBITDA was compensated by lower costs associated with Amortisations and a good performance in terms of the Financial Results (higher Interest and Similar Income Obtained and reduction of Interest and Similar Expenses), in comparison with 2020. Due to its relevance, it should be highlighted that Interest and Similar Expenses – interest to be paid to the EIB (European Investment Bank) have been decreasing, in comparison with previous years, as the contractual loan period is approaching its end, showing that the Organisation was able to generate results over the years. This was only possible thanks to the unconditional support of its associated Municipalities.

Our focus, commitment and determination in the search for new effective solutions, striving for process optimisation and cost containment, empowering our Employees, promoting new products, services

and business models, reaching new markets and establishing strategic partnerships, were always at the core of LIPOR's action, and are also some of the factors that contributed to these good results and the reinforcement of our economic position.



WE INNOVATE TO CREATE VALUE

How can we create value from waste to which there's still no solution? How can we improve resource preservation and the promotion of the circular economy in the waste sector? We intend to respond to questions like these with Innovation!

For LIPOR, Innovation is a Strategic topic, aiming at the creation of shared value and a positive impact. To this end, we've adopted a bold and creative excellence approach, promoting an Innovation Culture across the Organisation and investing in Research and the Development of new solutions for our sector, as well as in Innovation applied to the development of new products, always in a circular and sustainable way.

*To assess LIPOR's performance in terms of Innovation, we've resorted to COTEC's Innovation Scoring. In 2021, we achieved an **Innovation Scoring of 645 points, on a scale of 1000. (L2)** We also attained the fourth consecutive renewal of the Certification according to the **Portuguese Standard 4457:2007 - Research, Development and Innovation Management Systems.***

At the moment, we are focused on the development of new products in three priority areas:

- Recovery of slag from the Energy Recovery Plant;
- Development of new products for agriculture, focusing on quality and sustainability;

- Enhancement of the purity of materials, such as polymers and high-quality metals, which can be reintroduced in the industry, always in view of a circular economy.

In Research and the Development of new products, we follow a process that includes sustainable tools, such as Ecodesign.

In addition, we intend to digitalise our Operations, optimising processes and generating more knowledge and value.



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The HOOP project, an European initiative funded by the Horizon Programme, provides Project Development Assistance (PDA) to a group of eight Lighthouse regions, imparting administrative, technical, economic, financial and legal knowledge needed to obtain specific investments and develop local bioeconomy initiatives.



10 PRODUCTS IN 10 YEARS BY 2027 – THE MOTTO OF OUR INNOVATION STRATEGY

We approach Innovation from a long-term perspective, which allows us to consolidate our relationships with Stakeholders, with emphasis being placed on the cooperation with relevant Industrial, Scientific and Technological players, and to boost the achievement of results.

2021 | RD&I HIGHLIGHTS

4 new products placed on the market

9 prototypes produced, **4** products under development and **6** products developed

DIGITALISATION AT THE SERVICE OF THE CIRCULAR ECONOMY | LIPOR DATA CENTER

LIPOR Data Center is a Digital Platform developed by LIPOR to monitor operational selective collection projects. It demonstrates how we use digitalisation to promote the circular economy, thus ensuring a more reliable information management, and enabling the transition from a macro analysis model, based on global results, to a system that allows individual quantification of the participation of each customer and the continuous improvement of results.

42 ongoing Innovation projects and studies

Value creation from RDI Projects worth **€1,783,000** (comprising economic, environmental and social impacts)



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INNOVATION IS PART OF OUR DNA

Innovation management is an indispensable part of the Innovation process, and it includes the promotion of an internal innovation culture, as well as the use of innovation management tools, idea management, the protection of intellectual property, among several other procedural actions, always with a creative spirit, making innovation part of the Organisation’s daily work and involving all Employees.



2021 | RD&I HIGHLIGHTS

8 *Published Articles*

1 *Patent with approved commercial use*

83 *ongoing R&D Partnerships*

CORPORATE INITIATIVES

The **3rd Edition of the Internal Innovation Seminar “What’s New?”** was held to share knowledge on the Organisation’s achievements in terms of Innovation. This year, a virtual platform was used to gather about 25 speakers and 80 participants, as an innovative way to bring together the organisation and the teams.

We continued to hold our **Innovation Talks** throughout the year, with 40 informal sessions destined to exchange ideas, experiences and knowledge in different areas, bringing together Employees from different areas, while fostering creativity and co-creation.

In order to ensure proper analysis of the ideas presented by Employees, a new user-friendlier **Idea Management** IT Platform was devised, which provides more information. In addition to the numerous ideas submitted by the employees to their respective organisational units, 27 spontaneous ideas were entered in the platform, of which 86% were classified as innovation or continuous improvement ideas.

WE BOOST NEW BUSINESSES

Through our Internationalisation Strategy, we intend to increase Turnover, enhance the visibility of the Organisation and its Brand, as an Excellence Entity, and project its know-how among International Customers. To this end, we provide specialised technical consultancy, offering tailor-made solutions according to each customer's needs, and the size and culture of the target Countries.

LIPOR's portfolio of international services:

- Technical and Strategic Consultancy,
- Environmental Awareness,
- Training.

LIPOR has 44 consultants available for international activities. Categorized as senior+, senior and junior, according to their individual professional experience, these technicians drive our international dynamics.

In 2021, LIPOR maintained business and prospection relationships with 29 Countries. The year was marked by the signing of 2 contracts with Argentina and the start-up of the respective Projects, the implementation of selective collection in 400 Tunisian schools, and the consolidation of relationships with partners that welcomed us to Mozambique and São Tomé and

Principe. The Business Missions were resumed, with an onsite mission to Lesotho and South Africa, and a Virtual Roadshow to Brussels, particularly targeted to the European Commission, aiming at the institutional promotion of LIPOR and its Internationalisation and Research, Development and Innovation Strategies, in the search for new business opportunities and partnerships.

In 2021, LIPOR maintained business and prospection relationships with 29 Countries



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2021 | HIGHLIGHTS

No. of approved proposals and preliminary studies/projects:
5 (L5)

- 2 Provisions of Services in Mozambique;
- 1 Provision of Services in Brazil;
- 1 Provision of Services in Argentina;
- 1 Provision of Services in South Africa (funded by the European Commission).



No. of submitted Expressions of Interest: 22

- 12 for Africa,
- 5 for Latin America,
- 2 for Asia,
- 2 for Central America,
- 1 for Europe



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Launching of LIPOR's Business Case

LIPOR's Business Case is intended to be an example of success and Good Practices, and to be divulged in several regions, for Countries that regard Waste Management as a great challenge, but also a great opportunity, and wish to use LIPOR's model as a reference and inspiration. The Business Case is available in 3 languages – Portuguese, English and Spanish – at: www.lipor.pt/en/lipor-internacional/developed-projects/lipor-case-study. There's a full version and also a shorter video version.



LIPOR IN THE MARKETS | 2021 HIGHLIGHTS

South Africa & Lesotho

A Portuguese entity operating in Lesotho and AICEP Portugal Global - Trade & Investment Agency have invited LIPOR to analyse the waste management situation in Lesotho, where all waste is sent to an existing dumping ground. In view of the interest shown by the Government in solving this problem, a Business Mission to Lesotho was organised with the purpose of assessing the situation and establishing contacts with the stakeholders. In this context, two Project Proposals were submitted to the United Nations and one proposal to the International City Partnerships Programme ICP-AGIR, promoted by the European Commission DG REGIO.

Argentina

The National Municipal Solid Waste Monitoring and Systematisation Platform was developed and implemented, and negotiations on the continuity of the provision of services in 2022 were initiated. The Project entitled “Approach to the integral waste management in coastal areas. Education as a tool to reduce the presence of plastic waste in the ocean.” was initiated with training actions for Argentinian Coastal Municipalities and NGOs.



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Brazil

Among several actions related to the Brazilian market, we highlight the following:

- Protocol involving the São Paulo State, namely SIMA (Secretary of Infrastructure and Environment) and SABESP (São Paulo State Basic Sanitation Company). It aims at the development and joint implementation of Programmes and Projects, and knowledge sharing regarding specific municipal waste topics.
- LIPOR’s participation in the Executive MBA held by the ABREN (Brazilian Association for Energy Recovery of Waste), planned for 2022, was approved.

Mozambique

Two Training courses were developed for the customer LVIA - Associazione di Cooperazione e Solidarietà Internazionale, within the scope of the Project entitled “Our Neighbourhoods: Project for environmental protection, access to drinking water and promotion of socioeconomic development in the Municipality of Boane”. These courses were held online, due to COVID-19. In addition to these contracts, several proposals were submitted for the development of Projects in Mozambique, funded by the European Commission and Italian funds.

Tunisia

The customer received support and counselling regarding the selection of ideal equipment for the selective collection of waste flows to be considered, and proposals for the communication of waste sorting rules. LIPOR purchased the equipment and provided its transportation to the Tunisian capital. Due to the pandemic, LIPOR was represented in the Official Project Launching event by the Portuguese Ambassador in Tunis, who highlighted the importance of the Project, of the entities involved and of the Portuguese and Tunisian cooperation.



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NEW CHALLENGES AND OPPORTUNITIES

to do different, to do better

We integrate multidisciplinary teams that seek to transform challenges into opportunities to go forward for an economy increasingly circular.



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4.1 GOVERNANCE

Since 1982, when five of our Associated Municipalities joined and formed an Association, we develop our projects with the know-how derived from our experience in the waste sector.

In this way, in 1985, the Municipalities of Matosinhos and Vila do Conde and, in 1999, Póvoa de Varzim found in our mission the reason to join us and contribute to our sustained collective path.

As a Municipalities Association, LIPOR's governance is ensured by two bodies: (102-5)

- Intermunicipal Assembly (deliberative body)
- Board of Directors (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 generally unanimous. (102-23)



The Intermunicipal Assembly, under proposal from the Board of Directors, appoints the Chief Executive Officer, who is in charge of the professional executive management of the Association, with the support of the heads of the several Organic Units. (102-20)

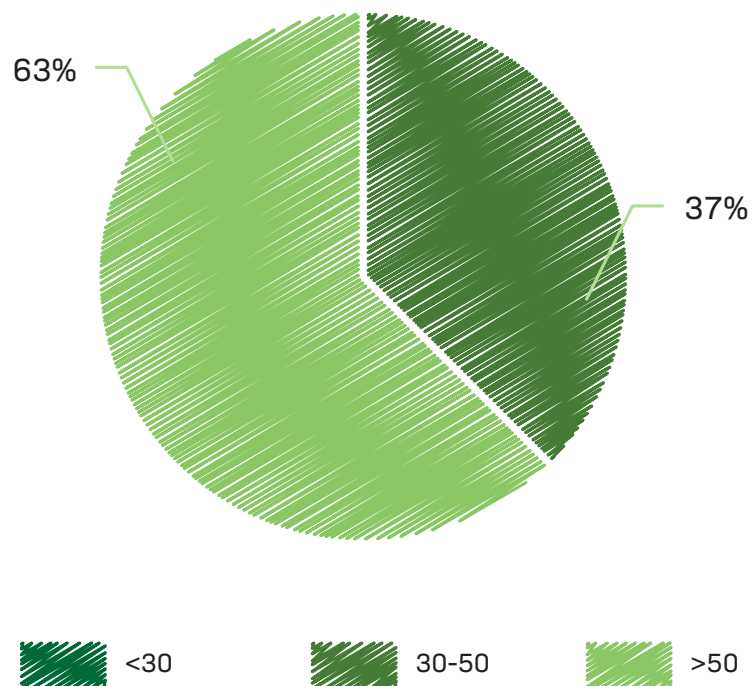
In December 2021, the members of LIPOR's Bodies were elected for the 2021-2025 mandate, and it was decided that the Presidency of the Board of Directors would be ensured by the City Council of Valongo, in the person of its President, Dr. José Manuel Ribeiro. The Chairman of the Intermunicipal Assembly will be the President of the City Council of Gondomar, Dr. Marco Martins.

LIPOR's Governance comprises the following members (102-18, 405-1):

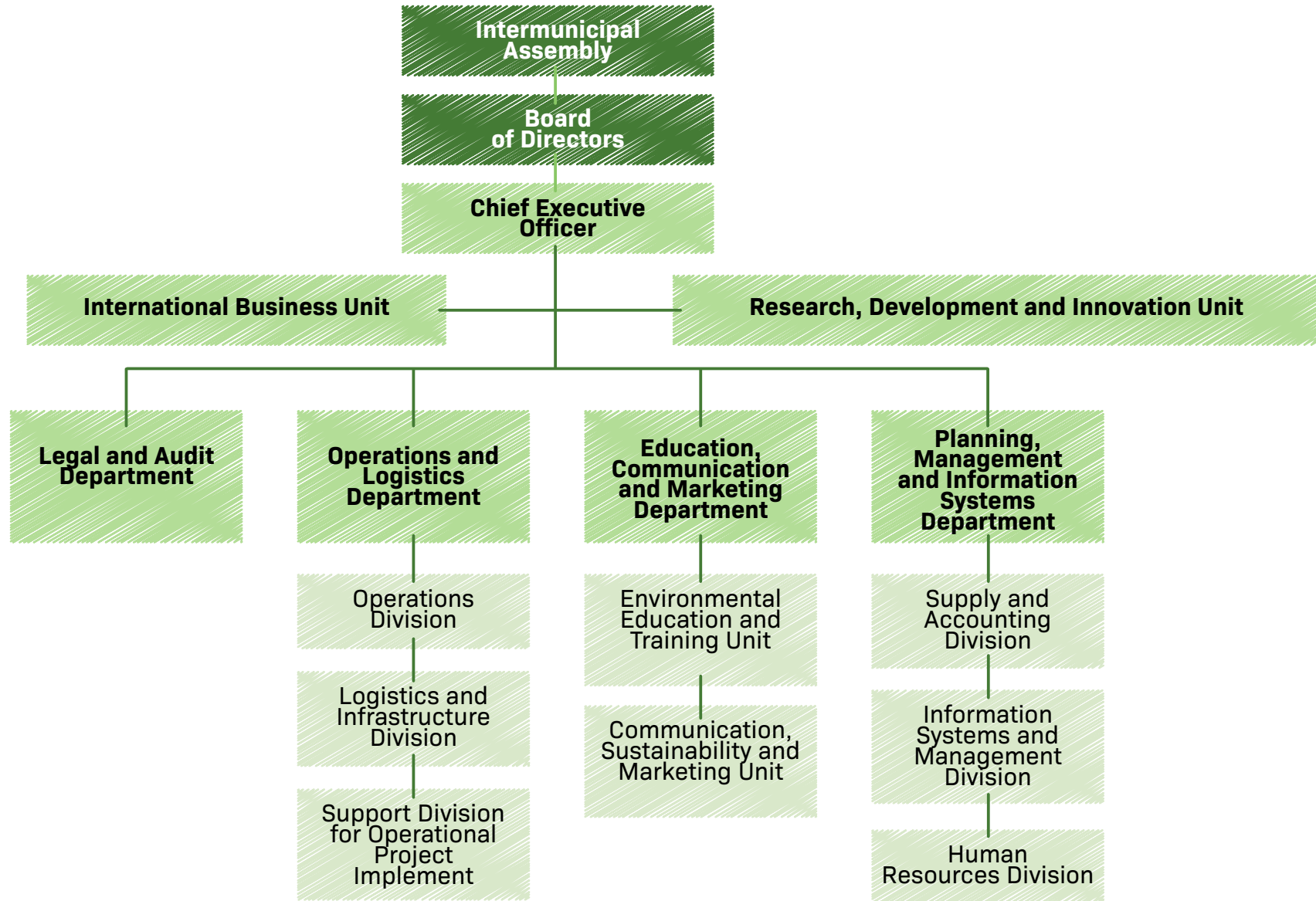
By gender

	Male	Female	Total
Intermunicipal Assembly	14	10	24
Board of Directors	5	3	8

By age group



LIPOR's internal structure is represented by the following organigram:



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4.2 RENDERING OF ACCOUNTS (102-45)

Accountability Documents

Financial Statements

Nº	Name	SNC-AP	Document TC
1	Balance	NCP1	A1
2	Profit and Loss Account by Nature	NCP1	A1
3	Statement of Changes in Net Worth	NCP1	A1
4	Cash Flow Statement	NCP1	A1
	Notes to the financial statements:	NCP1	A1
	Annex I - Characterisation of the entity	NCP1	D4
	Annex II - Organisational structure	NCP1	A1
	Annex III - Borrowings - bank loans	NCP1	A1
	Annex IV - Impairment of assets	NCP1	A1

Budget Statement

5	Budget performance statement	NCP26	A1
6	Revenue budget execution statement	NCP26	A1
7	Expenditure budget execution statement	NCP26	A1



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Accountability Documents

Budget Statement

Nº	Name	SNC-AP	Document TC
8	Statement of execution of the multi-annual investment plan	NCP26	A1
	Annex to the budget statements:		
	Annex I - Budget amendments in revenue	NCP26	A1
	Annex II - Budget amendments in expenditure	NCP26	A1
	Annex III - Amendments to the MIP	NCP26	A1
	Annex IV - Treasury operations	NCP26	D4
	Annex V - Administrative procurement: Contracts status	NCP26	A1
	Annex VI - Administrative procurement: awards by type of procedure	NCP26	A1
	Annex VII - Transfers and subsidies - revenue	NCP26	A1
	Annex VIII - Transfers and subsidies - expenditure	NCP26	A1

Other Documents

	Statement of multi-annual commitments		
	Statement of overdue payments		
	Statement of overdue receipts		
	Financial audit report		A1



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4.3 FINANCIAL STATEMENTS (102-45)

Balance

Entity: LIPOR - Serviço Intermunicipalizado de Gestão de Resíduos do Grande Porto (501394192).
Balance Sheet '(individual) as at 31 December 2021.

Currency: EUR

Items	Notes	Periods	
		31/12/2021	31/12/2020
Assets			
Non-current assets			
Tangible fixed assets	5	107,853,215.72	118,624,368.44
Investment properties		0	0
Intangible assets	3	499,268.52	472,036.21
Biological assets		0	0
Financial holdings		0	0
Debtors due to subsidised loans and reimbursable subsidies		0	0
Customers, taxpayers and users		0	0
Shareholders/partners/associates		0	0
Deferrals		0	0



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Balance			
Assets			
Items	Notes	Periods	
		31/12/2021	31/12/2020
Other financial assets		0	0
Deferred tax assets		0	0
Other accounts receivable		0	0
		108,352,484.24	119,096,404.65
Ativo corrente			
Inventories	10	157,707.31	173,668.35
Biological assets		0	0
Debtors due to transfers and non-refundable subsidies		0	0
Debtors due to subsidised loans and reimbursable subsidies		0	0
Customers, taxpayers and users	9	8,143,183.95	8,987,598.48
State and other public entities	23.1	4,133,587.08	3,002,720.58
Shareholders/partners/associates		0	0
Other accounts receivable	23.2	395,600.20	1,204,465.47
Deferrals	23.6	956,652.80	1,815,746.56
Financial assets held for trading		0	0
Other financial assets		0	0
Non-current assets held for sale		0	0
Cash and deposits	1	21,921,631.39	18,809,952.51
		35,708,362.73	33,994,151.95
Total Assets		144,060,846.97	153,090,556.60

Balance

Net Worth

Items	Notes	Periods	
		31/12/2021	31/12/2020
Assets/Capital		52,291,466.31	49,061,897.60
Own shares (quotas)		0	0
Other equity instruments		0	0
Issuance premiums		0	0
Reserves		10,088,874.23	9,918,896.93
Retained earnings		-373,163.43	-373,163.43
Adjustments in financial assets		0	0
Revaluation surplus		2,344,133.47	2,344,133.47
Other changes in Net Worth		35,161,275.23	39,420,245.19
Net profit for the period		3,676,092.13	3,399,546.01
Anticipated dividends		0	0
Interests not controlled		0	0
		103,188,677.94	103,771,555.77
Liabilities			
Non-current liabilities			
Provisions	15	11,302,349.41	11,384,609.75
Financing obtained		7,502,689.00	16,502,689.00
Investment providers		0	0

Balance

Liabilities

Items	Notes	Periods	
		31/12/2021	31/12/2020
Suppliers		0	0
Accountability for post-employment benefits		0	0
Deferrals	23.6	74,501.16	74,501.16
Deferred tax liabilities		0	0
Other accounts payable	23.2	549,596.98	557,680.80
		19,429,136.55	28,519,480.71
Current liabilities			
Creditors for transfers and non-refundable subsidies granted		0	0
Suppliers		5,583,979.18	5,704,114.85
Advances from customers, taxpayers and users		129,903.29	244,931.14
State and other public entities	23.1	98,526.51	98,065.13
Shareholders/partners/associates		0	0
Financing obtained		9,000,000.00	8,300,000.60
Investment providers		122,225.68	1,144,003.48
Other accounts payable	23.2	6,259,819.90	5,062,178.21
Deferrals	23.6	248,577.92	246,226.71
Financial liabilities held for trading		0	0
Other financial liabilities		0	0
		21,443,032.48	20,799,520.12

Balance

Liabilities

Items	Notes	Periods	
		31/12/2021	31/12/2020
Total Liabilities		40,872,169.03	49,319,000.83
Total Net Worth and Liabilities		144,060,846.97	153,090,556.60

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 2021.

Currency: EUR

Income and Expenses	Notes	Periods	
		31/12/2021	31/12/2020
Taxes, contributions and fees	13/14	1,912,487.93	1,246,346.08
Sales	13/23.3	23,910,580.57	24,296,831.82
Provision of services and concessions	13/23.3	23,228,783.04	23,633,050.08
Current transfers and subsidies obtained	14/23.3	814,578.65	265,406.74
Income/expenses allocated from subsidiaries, associates and joint ventures		0	0
Changes in production inventories	10	-21,384.93	-1,457.06
Work for the entity itself		0	0
Cost of goods sold and materials consumed		-188,674.27	-74,229.68
External services and supplies	23.4	-30,332,777.17	-30,450,976.31
Staff costs	23.5	-5,125,698.87	-4,823,005.46

Profit and Loss Account by Nature

Income and Expenses	Notes	Periods	
		31/12/2021	31/12/2020
Transfers and subsidies granted		-320,773.26	-183,633.26
Social benefits		0	0
Impairment of inventories and biological assets (losses/reversals)		0	0
Impairment of receivables (losses/reversals)	15	-1,920.71	-6,768.85
Provisions (increases/reductions)	15	82,260.34	-700,000.00
Impairment of non-depreciable/repayable investments (losses/reversals)		0	0
Fair value increases/decreases		0	0
Other income	14	8,294,868.22	9,028,035.69
Other expenses		-2,503,904.02	-1,558,007.26
Profit and loss before depreciation and financial results		19,748,425.52	20,671,592.53
Depreciation and repayment expenses/reversals	5	-15,441,457.24	-16,053,546.01
Impairment of depreciable/repayable investments (losses/reversals)		0	0
Operating income (before financial results)		4,306,968.28	4,618,046.52
Interest and similar income obtained	13	445,866.57	11,817.15
Interest and similar expenses charged	7	-1,076,742.72	-1,230,317.66
Profit before tax		3,676,092.13	3,399,546.01
Income tax		0	0
Net profit for the period		3,676,092.13	3,399,546.01



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Statement of Changes in Net Worth

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 2021

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	0	0	9,818,896.93	(373,163.43)	0	2,344,133.47	39,420,245.19	3,399,546.01	103,771,555.77	0	103,771,555.77
Changes in period														
Transition adjustments to the accounting standards		0	0	0	0	0	0	0	0	0	0	0	0	0
Changes in accounting policies		0	0	0	0	0	0	0	0	0	0	0	0	0
Correction of material errors		0	0	0	0	0	0	0	0	0	0	0	0	0
Translation differences on financial statements		0	0	0	0	0	0	0	0	0	0	0	0	0
Realisation of revaluation surplus		0	0	0	0	0	0	0	0	0	0	0	0	0
Revaluation surplus and respective variations		0	0	0	0	0	0	0	0	0	0	0	0	0
Capital transfers and subsidies		0	0	0	0	0	0	0	0	(4,258,969.96)	0	(4,258,969.96)	0	(4,258,969.96)
Other recognized changes in Net worth		3,229,568.71	0	0	0	169,977.30	0	0	0	0	(3,399,546.01)	0	0	0
(2)		3,229,568.71	0	0	0	169,977.30	0	0	0	(4,258,969.96)	(3,399,546.01)	(4,258,969.96)	0	(4,258,969.96)
Net profit for the period (3)		0	0	0	0	0	0	0	0	0	3,676,092.13	3,676,092.13	0	3,676,092.13
Integral result (4)=(2)+(3)		3,229,568.71	0	0	0	169,977.30	0	0	0	(4,258,969.96)	276,546.12	(582,877.83)	0	(582,877.83)
Transactions with equity holders for the period														
Capital/assets subscriptions		0	0	0	0	0	0	0	0	0	0	0	0	0
Issuance premium subscriptions		0	0	0	0	0	0	0	0	0	0	0	0	0
Inputs to cover losses		0	0	0	0	0	0	0	0	0	0	0	0	0
Other operations		0	0	0	0	0	0	0	0	0	0	0	0	0
(5)		0	0	0	0	0	0	0	0	0	0	0	0	0
Position at the end of the period (6)=(1)+(2)+(3)+(4)		52,291,466.31	0	0	0	10,088,874.23	(373,163.43)	0	2,344,133.47	35,161,275.23	3,676,092.13	103,188,677.94	0	103,188,677.94



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Cash Flow Statement

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

Execution: 01.01.2021 a 31.12.2021

Unidade monetária: EUR

Items	Notes	Periods	
		2021	2020
Cash flows from operating activities			
Receipts from customers		43,988,683.67	42,630,985.88
Receipts from taxpayers		0	0
Receipts from current transfers and subsidies		0	0
Receipts from users		0	0
Payments to suppliers		32,207,009.55	33,627,517.36
Payments to staff		2,858,246.51	2,646,654.21
Payments to taxpayers / users		0	0
Payments of transfers and subsidies		0	0
Payments of social benefits		0	0
Cash generated from operations		8,923,427.61	6,356,814.31
Payment / receipt of income tax		562,109.69	480,183.75
Other receipts/payments		1,968,272.17	422,401.08
Cash flows from operating activities (a)		6,393,045.75	5,454,229.48
Cash flows from investment activities			
Payments regarding:			
Payments - Tangible fixed assets		6,056,191.14	6,214,781.41



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Items	Notes	Periods	
		2021	2020
Payments - Intangible Assets		0	0
Payments - Investment properties		0	0
Payments - Financial Investments		0	0
Payments - Other assets		0	0
Receipts from:			
Receipts#- Tangible fixed assets		4,811.25	0
Receipts - Intangible assets		0	0
Receipts - Investment properties		0	0
Receipts - Financial investments		0	0
Receipts - Other assets		0	0
Receipts - Investment subsidies		0	0
Receipts - Capital transfers		0	0
Receipts - Interest and similar income		445,866.57	1,665.97
Receipts - Dividends		0	0
Cash flows from investment activities (b)		5,605,513.32	6,213,115.44
Cash flows from financing activities			
Receipts from:			
Receipts - Financing obtained		0	0
Receipts - Proceeds from equity and other equity instruments		0	0
Receipts - Coverage of losses		0	0



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Items	Notes	Periods	
		2021	2020
Receipts - Donations		0	0
Receipts - Other financing operations		0	0
Payments regarding:			
Payments - Financing obtained		8,300,000.60	9,850,000.00
Payments - Interest and similar expenses		917,787.99	1,348,960.13
Payments - Dividends		0	0
Payments - Reductions in equity and other equity instruments		0	0
Payments - Other financing operations		0	0
Cash flows from financing activities (c)		9,217,788.59	11,198,960.13
Variation in cash and cash equivalents (a+b+c)		8,430,256.16	11,957,846.09
Effect of exchange rate differences		0	0
Cash and cash equivalents at the beginning of the period		18,809,952.51	24,575,546.42
Cash and cash equivalents at the end of the period		21,921,631.39	18,809,952.51
Cash and cash equivalents at the beginning of the period		18,809,952.51	24,575,546.42
Cash equivalents at the beginning of the period		0	0
Non-cash equivalent portion of cash balance		0	0
Exchange rate variations on cash at the beginning of the period		0	0
Balance from previous year (SGA)		18,809,952.51	24,575,546.42
SGA Budget execution		18,252,272.02	24,195,058.69
SGA From treasury operations		557,680.49	380,487.73



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Cash Flow Statement

Items	Notes	Periods	
		2021	2020
Cash and cash equivalents at the end of the period		21,921,631.39	18,809,952.51
Cash equivalents at the end of the period		0	0
Non-cash equivalent portion of cash balance		0	0
Exchange rate variations on cash at the end of the period		0	0
Balance for next year (SGS)		21,921,631.39	18,809,952.51
SGS Budget execution		21,372,034.41	18,252,272.02
SGS From treasury operations		549,596.98	557,680.49



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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	2021		2020	
Cash		6,731.45		8,922.76
Demand deposits		17,912,114.56		14,797,994.37
Bank deposits payable on demand	17,912,114.56		14,797,994.37	
Other deposits		4,002,785.38		4,003,035.38
Term deposits	4 002 785,38		4,003,035.38	
Earmarked deposits				
Total		21,921,631.39		18,809,952.51

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

The financial statements were prepared based on the going concern assumption, from the accounting records and books and in accordance with the provisions of the Accounting Standardisation 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.

Tangible fixed assets and investment properties

All tangible fixed Assets and investment properties are measured at their acquisition cost.



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Intangible assets

The intangible fixed Assets are measured at their acquisition cost.

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 2021, 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	-2,032,917.85		7,742.87	2,077,660.72	-2,042,630.70		35,030.02
Industrial and intellectual property	18,329.64	-18,274.80		54.84	18,812.74	-18,812.74		
Others								
Intangible assets in progress	464,238.50			464,238.50	464,238.50			464,238.50
Total	2,523,228.86	-2,051,192.65		472,036.21	2,560,711.96	-2,061,443.44		499,268.52



Table 3 - Carrying amount and changes for the period

ITEMS	Initial Carrying Amount (1)	Inputs (2)	Internal Transfers (3)	Revaluation (4)	Variations				Final Carrying Amount (9)=(1)+(2)+(3)+(4)+(5)+(6)+(7)+(8)
					Reversals and Losses (5)	Impairment Losses (6)	Repayment Period (7)	Decreases (8)	
Goodwill	0	0	0	0	0	0	0	0	0
Projetos de desenvolvimento	0	0	0	0	0	0	0	0	0
Programas de computador e sistemas de informação	7,742.87	37,000.00	0	0	0	0	-9,712.85	0	35,030.02
Propriedade industrial e intelectual	54.84	483.10	0	0	0	0	-537.94	0	0
Outros	0	0	0	0	0	0	0	0	0
Ativos intangíveis em curso	464,238.50	0	0	0	0	0	0	0	464,238.50
Total	472,036.21	37,483.10	0	0	0	0	-10,250.79	0	499,268.52

Table 4 - Inputs

ITEMS	Inputs										Total (11)=(1)+(2)+(3)+(4)+(5)+(6)+(7)+(8)+(9)+(10)	
	Internal (1)	Procurement (2)	Assignment (3)	Transf Or Exchange (4)	Expropr (5)	Donation (6)	Donation as Payment (7)	Rental Financ (8)	Merger (9)	Others (10)		
Ativos intangíveis de domínio público, patrimônio histórico, artístico e cultural												
Goodwill												
Projetos de desenvolvimento												
Programas de computador e sistemas de informação		37,000.00										37,000.00
Propriedade industrial e intelectual		483.10										483.10
Outros												
Ativos intangíveis em curso												
Total		37,483.10										37,483.10

Note 4 - Service concession agreements: grantor

Not applicable.



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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 2021, 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			25,698,684.15	25,698,684.15			25,698,684.15
Buildings and other constructions	86,784,580.83	-52,901,475.92		33,883,104.91	92,278,289.13	-55,323,126.48		36,955,162.65
Basic equipment	149,728,544.52	-99,295,166.16		50,433,378.36	152,791,090.87	-111,631,736.32		41,159,354.55
Transport equipment	3,949,777.83	-2,417,366.00		1,532,411.83	5,086,389.83	-2,760,600.64		2,325,789.19
Administrative equipment	3,006,590.96	-2,588,120.18		418,470.78	2,974,155.54	-2,638,143.72		336,011.82
Biological equipment								
Others	1,734,246.80	-1,281,242.37		453,004.43	2,117,039.24	-1,406,426.83		710,612.41
Tangible fixed assets in progress	6,205,313.98			6,205,313.98	667,600.95			667,600.95
Total	277,107,739.07	-158,483,370.63		118,624,368.44	281,613,249.71	-173,760,033.99		107,853,215.72



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Table 6 - Carrying amount and changes for the period

ITEMS	Initial Carrying Amount (1)	Variations							Final Carrying Amount (9)=(1)+(2)+(3)+(4)+(5)+(6)+(7)+(8)
		Inputs (2)	Internal transfers (3)	Revaluations (4)	Reversals from impairment losses (5)	Impairment losses (6)	Depreciations for the period (7)	Decreases (8)	
Bens de domínio público, património histórico, artístico e cultural									
Terrenos e recursos naturais									
Edifícios e outras construções									
Infraestruturas									
Património histórico, artístico e cultural									
Outros									
Bens de domínio público em curso									
Outros ativos fixos tangíveis									
Terrenos e recursos naturais	25,698,684.15								25,698,684.15
Edifícios e outras construções	33,883,104.91	160,026.04	5,342,179.63				-2,421,650.56	-8,497.37	36,955,162.65
Equipamento básico	50,433,378.36	902,185.34	2,211,478.21				-12,336,570.16	-51,117.20	41,159,354.55
Equipamento de transporte	1,532,411.83	1,136,612.00					-343,234.64		2,325,789.19
Equipamento administrativo	418,470.78	62,969.24	5,328.41				-50,023.54	-100,733.07	336,011.82
Equipamentos biológicos									
Outros	453,004.43	45,293.10	340,512.54				-125,184.46	-3,013.20	710,612.41
Ativos fixos tangíveis em curso	6,205,313.98	2,361,785.76	-7,899,498.79						667,600.95
Total	118,624,368.44	4,668,871.48					-15,276,663.36	-163,360.84	107,853,215.72



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Table 7 - Inputs

ITEMS	Adições										
	Internal (1)	Procurement (2)	Assign ment (3)	Transfer or exchange (4)	Expropriation (5)	Donation, inheritance and others (6)	Donation as Payment (7)	Financial Leasing (8)	Merger, division, restructuring (9)	Others (10)	Total (11)=(1)+(2)+(3)+(4)+(5)+(6)+(7)+(8)+(9)+(10)
Bens de domínio público, patrimônio histórico, artístico e cultural											
Terrenos e recursos naturais											
Edifícios e outras construções											
Infraestruturas											
Patrimônio histórico, artístico e cultural											
Outros											
Bens de domínio público em curso											
Outros ativos fixos tangíveis											
Terrenos e recursos naturais											
Edifícios e outras construções	5,342,179.63	160,026.04									5,502.205.67
Equipamento básico	2,211,478.21	902,185.34									3,113,663.55
Equipamento de transporte		1,136,612.00									1,136,612.00
Equipamento administrativo	5,328.41	62,969.24									68,297.65
Equipamentos biológicos											
Outros	340,512.54	45,293.10									385,805.64
Ativos fixos tangíveis em curso	-7,899,498.79	2,361,785.76									-5,537,713.03
Total		4,668,871.48									4,668,871.48



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Table 8 - Decreases

ITEMS	Disposals for consideration (1)	Transfer or exchange (2)	Return or reversal (3)	Merger, division, restructuring (4)	Others (5)	Total = (1)+(2)+(3)+(4)+(5)
Bens de domínio público, património histórico, artístico e cultural						
Terrenos e recursos naturais						
Edifícios e outras construções						
Infraestruturas						
Património histórico, artístico e cultural						
Outros						
Bens de domínio público em curso						
Outros ativos fixos tangíveis						
Terrenos e recursos naturais						
Edifícios e outras construções					-8,497.37	-8,497.37
Equipamento básico					-51,117.20	-51,117.20
Equipamento de transporte						
Equipamento administrativo					-100,733.07	-100,733.07
Equipamentos biológicos						
Outros					-3,013.20	-3,013.20
Ativos fixos tangíveis em curso						
Total					-163,360.84	-163,360.84

All fixed Assets in progress stem from LIPOR's activity. During this year, upon receipt of proof that the asset has been put at LIPOR's service, namely through copies of final provisional acceptance documents, the tangible fixed Assets in progress were transferred to the definitive tangible fixed Assets.

Assets transferred to the definitive Assets include the overhaul of LIPOR's lighting system, the drop-off site and transfer station in Póvoa de Varzim, the regeneration of the mill integrated in the ecological trail, the drop-off site of Varziela, the restructuring of the inner platform, the



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improvement of access ways to LIPOR II, the plastic processing machines, support structures in Adventure Park, CVO's granulated compost line, infrastructure upgrading in CVE's Landfill, and HVAC upgrading in the administrative building.

As far as scrapped equipment is concerned, it mainly consists of IT and telecommunications equipment, and production equipment and materials.

Note 6 - Leases

LIPOR has seven 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	35,051.78	0	28,234.58	0	11,262.44	0	0	11,262.44	10,829.27
Transport Equipment	41,691.36	11,116.28	0	30,575.08	0	0	0	0	0	0
Transport Equipment	42,418.08	10,604.52	0	21,351.57	0	10,461.99	0	0	10,461.99	10,059.61
Transport Equipment	25,446.72	5,230.22	0	20,216.50	0	0	0	0	0	0
Transport Equipment	70,025.76	17,487.94	0	10,972.93	0	17,482.44	24,082.45	0	41,564.89	39,075.62
IT equipment	41,940.00	13,939.32	0	3,880.89	0	13,980.00	10,139.79	0	24,119.79	22,817.11
IT equipment	30,822.00	2,568.48	0	0	0	10,274.00	17,979.52	0	28,253.52	26,501.92
Total	326,892.72	95,998.54	0	115,231.55	0	63,460.87	52,201.76	0	115,662.63	109,283.53

Values do not include VAT



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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 2021 - 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	39,000.00		39,000.00
Raw, subsidiary and consumable materials	23,369.19		23,369.19
Finished and intermediate products	95,338.12		95,338.12
By-products, waste, residues and rubbish			
Products and work in progress			
Total	157,707.31		157,707.31



Table 11 - Inventories' movements for the period

Item	Initial carrying amount (1)	Movements for the period							Final carrying amount (9)=(1)+(2)+(3)+(4)+(5)+(6)+(7)+(8)
		Net Procurement (2)	Consumption/ Expenses (3)	Changes in production inventories (4)	Impairment losses (5)	Reversals from impairment losses (6)	Other inventory write-downs (7)	Other Inventory increases (8)	
Mercadorias		39,000.00							39,000.00
Matérias primas, subsidiárias e de consumo	56,945.30	21,294.24					54,870.35		23,369.19
Produtos acabados e intermédios	116,723.05	95,338.12	95,338.12	-21,384.93					95,338.12
Subprodutos, desperdícios, resíduos e refugos									
Produtos e trabalhos em curso									
Total	173,668.35	155,632.36	95,338.12	-21,384.93			54,870.35		157,707.31

Note 13 - Income from transactions with consideration

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
	Results	Net worth	Start of period	End of Period	
Fees, fines and other penalties					
Other fines and penalties	9,864.06		66,939.75		
Sales					
Finished and intermediate products - Agricultural and livestock products	541,291.51		235,351.70	66,836.82	
Finished and intermediate products - Other	22,982 180.22		4,799,299.26	4,473,292.24	

Table 12 - Income from consideration

Type of income	Income for the period recognised in		Amounts receivable		Advances received
	Results	Net worth	Start of period	End of Period	
By-products, waste, residues and rubbish - Scrap	387,108.84		116,734.20	76,535.43	
Provision of services					
Solid waste - from Municipalities	23,044,666.06		2,396,945.39	2,154,968.94	
Solid waste - Private Sector origin	59,039.91		8,946.77	24,641.98	
Studies, Opinions, Projects and Consultancy	80,084.07			16,437.50	
Containers rental	36,354.00		3,029.50	6,059.00	
Other Services - Training	8,639.00			3,850.00	
Disposals					
Disposals of tangible fixed assets			4,811.25		
Other income and earnings					
Other Supplementary Income	466,241.75		72,158.22	107,086.86	
Recovery of accounts receivable	6,839.14				
Inventory Earnings	11,590.84				
Other Non-Specified - Current	18,036.21				
Interest, dividends and other similar income					
Interest earned (deposits) and Interest on late payments	445,866.57		10,750.35	6,505.79	
Total	48,097,802.18		7,714,966.39	6,936,214.56	

Values do not include VAT



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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
	Results	Net worth	Start of period	End of Period	
Fees, fines and other penalties					
Waste Management Fee (TGR - CVE and Landfill)	1,902,623.87		165,085.81	295,506.09	
Current transfers and subsidies obtained					
Others	814,578.65				
Allocation of subsidies and transfers to investments	7,794,198.46				
Total	10,511,400.98		165,085.81	295,506.09	

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 11,302,349.41, as a result of the refund from a closed case regarding VAT, which LIPOR won, and the IRC provision was reinforced, as in previous years, in an amount deemed sufficient to cope with possible compensations related to legal proceedings with a significant risk of unfavourable decisions for LIPOR.

Table 14 - Provisions

ITEMS	Initial carrying amount (1)	Increases				Decreases				Final carrying amount (10)=(1)+(5)-(9)
		Reinforcements (2)	Increases in the discounted amount (3)	Other increases (4)	Total increases (5)=(2)+(3)+(4)	Uses (6)	Reversals (7)	Other decreases (8)	Total decreases (9)=(6)+(7)+(8)	
Taxes, contributions and fees Guarantees to customers										
Legal proceedings in progress	11,384,609.75	808,000.00			808,000.00		890,260.34		890,260.34	11,302,349.41
Accidents at work and occupational diseases Environmental issues										
Non-gratuitous contracts Restructuring and reorganisation										
Other provisions	5,246,472.62	1,920.71			1,920.71	6,839.14			6,839.14	5,241,554.19
Total	16,631,082.37	809,920.71			809,920.71	6,839.14	890,260.34		897,099.48	16,543,903.60

Note 18 – Employee benefits

During the year, all LIPOR employees were remunerated according to their duties. In accordance with the applicable labour legislation, the right to holiday and holiday allowance is due on 31st December of each year, as the fiscal period corresponds to the calendar year, being paid during the next period. Therefore, the corresponding expenses are recognised as short-term benefits.

Note 20 - Related parties disclosures

Not applicable.



Note 23 - Other disclosures

23.1 - State and Other Public Entities

As at 31 December 2021 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	31/12/2021		31/12/2020	
		Outstanding Balance	Credit Balance	Outstanding Balance	Credit Balance
241	Income tax				
242	Withholding tax on income		44,659.78		40,917.22
243	Value Added Tax (VAT)	4,133,587.08		3,002,720.58	
244	Other Taxes				
245	Contributions to social protection systems and health subsystems		53,866.73		57,147.91
246	Local authority taxes				
249	Other Taxation				
	Total	4,133,587.08	98,526.51	3,002,720.58	98,065.13

23.2 - Other Accounts Receivable/Payable

As at 31 December 2021, other accounts payable and receivable are detailed as follows:

Table 16 - Other Receivables/Payables

Account	Description	31/12/2021	31/12/2020
	Other accounts receivable		
2721	Debtors due to income accruals	26,082.36	5,682.53
2281	Advances to suppliers	1,489.65	416,092.88



Table 16 - Other Receivables/Payables

Account	Description	31/12/2021	31/12/2020
2789	Other debtors - others	368,028.19	782,690.06
	Balance receivable	395,600.20	1,204,465.47
	Other accounts payable		
2372	Staff guarantees	140.00	140.00
2771	Guarantees received from third parties	549,456.98	557,540.80
2722	Creditors from accrued expenses	6,259,819.90	5,062,178.21
	Balance payable	6,809,416.88	5,619,859.01

23.3 - Revenues

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

Table 17 - Revenues

Account	Description	31/12/2021	31/12/2020
712	Finished and intermediate products	23,523,471.73	23,848,440.94
713	By-products, waste, residues and rubbish	387,108.84	448.390.88
720	Provision of services and concessions	23,183,790.04	23,592,656.08
721	Equipment rental	36,354.00	36,354.00
729	Other services (training)	8,639.00	4,040.00
751	Current transfers obtained	814,578.65	265,406.74
	Total	47,953,942.26	48,195,288.64



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23.4 – External supplies and services

We present herein the detail of the external supplies and services account as at 31 December 2021:

Table 18 - External supplies and services

Account	Description	31/12/2021	31/12/2020
6217	Urban and solid waste collection and treatment services	23,219,104.96	23,527,466.95
6219	Other subcontracts or concessions	913,698.50	1,533,311.20
6221	Specialised work	2,858.756.55	2,249,576.09
6222	Advertising, communication and image	507,621.44	469,881.95
6223	Surveillance and security	227,348.09	201,244.31
6224	Fees	83,823.25	139,773.04
6226	Conservation and repair	1,041,431.38	853,637.20
6231	Fast wearing parts, tools and utensils	92,939.89	99,684.12
6232	Books and technical documentation	2,097.73	1,772.19
6233	Office supplies	21,073.76	31,190.04
6234	Offers, advertising and publicity items	15,944.94	26,901.79
6235	Educational, cultural and recreational material	78,798.66	53,473.02
6236	Hygiene and cleaning products, clothing and personal items	13,478.24	16,472.37
6239	Other miscellaneous consumables	9,738.62	20,950.00
6241	Electricity	270,793.25	218,575.11
6242	Fuels and lubricants	143,482.40	120,927.94
6243	Water	28,484.43	21,297.23
6251	Travel and accommodation	35,566.47	49,379.10



Table 18 - External supplies and services

Account	Description	31/12/2021	31/12/2020
6253	Transport of goods and other goods sold	29,818.55	23,404.03
6261	Rents and leases	478,130.02	483,029.53
6262	Communication	43,240.23	53,112.66
6263	Insurance	66,832.89	86,796.66
6265	Litigation and notary	10,314.68	32,237.11
6266	Service representation expenses	15,063.54	12,591.01
6267	Cleanliness, hygiene and comfort	122,349.69	121,783.78
6269	Other services	2,845.01	2,507.88
	Total	30,332,777.17	30,450,976.31

23.5 - Staff costs

As at the end of December 2021, the detail of staff costs was as follows:

Table 19 - Staff costs

Account	Description	31/12/2021	31/12/2020
630	Remuneration of holders of sovereign bodies and members of local government bodies	62,150.86	55,282.24
632	Staff remuneration	3,843,746.41	3,530,806.81
633	Post-employment benefits	4,673.16	1,383.27
635	Charges on remunerations	1,001,376.55	997,815.09
636	Accidents at work and occupational diseases	70,693.25	56,369.03

Table 19 - Staff costs

Account	Description	31/12/2021	31/12/2020
637	Social action expenditure	54,477.22	77,343.36
638	Other staff costs	77,990.07	92,879.39
639	Other social charges	10,591.35	11,126.27
	Total	5,125,698.87	4,823,005.46

23.6 - Accruals and deferrals

As at 31 December 2021, accruals and deferrals were detailed as follows:

Table 20 - Accruals and Deferrals

Account	Description	31/12/2021	31/12/2020
	Deferred Expenses		
28191	Diesel (stock)	13,845.62	14,206.55
28191	Stock entries	249,298.51	278,891.45
28191	Computer licences	125,778.58	80,719.77
28191	Other multi-annual costs	0	1,992.00
28191	Other deferred expenses	567,730.09	1,439,936.79
	Total	956,652.80	1,815,746.56
	Deferred Income		
28210	Current transfers and subsidies obtained	248,577.92	246,226.71
28292	Corporate Income Tax Return - to be regularised	74,601.56	74,601.56

Table 20 - Accruals and Deferrals

Account	Description	31/12/2021	31/12/2020
28292	Nutrimais - consignment customers	0	0
28222	Capital transfers and subsidies obtained - other entities	0	0
28292	Other settlements	-100.40	-100.40
	Total	323,079.08	320,727.87

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.



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 Standardisation 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 2021, 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.



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Entity Characterization

Model 8.3 - Characterization of the Entity (Local Business Sector)

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



Entity Characterization

Model 8.3 - Characterization of the Entity (Local Business Sector)

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
23	Alterou a composição dos órgãos executivo, deliberativo ou de fiscalização	Sim
	Identificação dos membros do Órgão Executivo - Conselho de Administração	
	Presidente do Conselho de Administração:	Dr. José Manuel Pereira Ribeiro
	Vogais Efetivos:	Eng.º Aires Henrique do Couto Pereira Eng.º Filipe Manuel Ventura Camões de Almeida Araújo Eng.ª Maria Manuela de Carvalho Álvares Dr.ª Marta Moreira de Sá Peneda
	Vogais Suplentes:	Arq.º Adelino Miguel Lino Moreira Reis Dr.ª Ana Luísa Machado Gomes Dr. Mário Jorge Pereira Reis
24	Verificaram-se alterações no capital social, nas entidades participantes ou na respetiva participação	Não
25	Verificaram-se atualizações de Estatutos, no contrato de sociedade, em acordos parassociais ou de reequilíbrio financeiro?	Não
26	Situação da sociedade (em atividade; em dissolução; em liquidação; em fusão; em cisão; em transformação; em alienação; em integração; em internalização, outra)	Em atividade



Entity Characterization

Model 8.3 - Characterization of the Entity (Local Business Sector)

27	Organização Contabilística	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	
	Sistema Informático	Aplicação do SNC-AP através do ERP SAP	
28	Outra Informação		
	Aprovação dos Documentos	Data de Aprovação	
		Órgão Executivo	Órgão Deliberativo
	Norma de Controlo Interno	24/05/2021	21/06/2021
	Regulamento Interno da Macroestrutura Organizacional da LIPOR	31/08/2020	22/01/2021
	Plano de Prevenção de Riscos de Corrupção e Infrações Conexas da LIPOR	01/02/2021	
	Relatório de Execução do ano 2021 do Plano de Prevenção dos Riscos de Corrupção e Infrações Conexas da LIPOR	31/01/2022	
	Código de Ética e Conduta	14/09/2020	21/12/2020
	Inscrição do Saldo da Gerência do Ano Anterior	Data de Aprovação	
		Órgão Executivo	Órgão Deliberativo
	Alteração Modificativa	15/02/2021	22/02/2021
	Alteração Permutativa		
	Informação relativa a Pessoal		
	Nº de trabalhadores a 31 de dezembro	205	
	Prazo Médio de Pagamento (dias)	Início do Exercício	Fim do Exercício
		60	60
29	É entidade pública concedente?	Não	
30	É entidade concessionária /subconcessionária (pública)?	Não	
31	É entidade concessionária /subconcessionária (privada)?	Não	



ANNEX III - BORROWINGS - BANK LOANS

MODEL 18 - Loans map

Reporting period: 01-01-2021 to 31-12-2021

Type	Identification of the loan		Lending contract date	Term of the contract	Years elapsed	Authorisation of the CA		Purpose of the loan	Capital	
	Contract no.	Name of the institution				Regis tration no.	Date		Contracted	Used
Short Term										
Total CP										
Medium and Long Term	21845	Banco Europeu Investimento	11/12/2002	19	18	3437/02	05/02/2003	Construção Central Valorização Orgânica	35,000,000.00	35,000,000.00
Medium and Long Term	23440	Banco Europeu Investimento	30/03/2006	18	14	3627/08	28/07/2008	Construção Central Valorização Orgânica	18,000,000.00	18,000,000.00
Non-exempt										
Sub Total									53,000,000.00	53,000,000.00
Medium and Long Term										
Exempt										
Sub Total										
Total MLP									53,000,000.00	53,000,000.00
Overall Total									53,000,000.00	53,000,000.00

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MODEL 18 - Loans map

Reporting period: 01-01-2021 to 31-12-2021

Type	Identification of the loan		Conditions				Other charges	Payments made		
	Contract no.	Name of the institution	Interest rate		Spread	Commissions		Capital repayment		
			Initial	Current				Up to N	Year N	Forecast after N
Short Term										
Total CP										
Medium and Long Term	21845	Banco Europeu Investimento	4.46%	4.38%				28,127,310.40	6,872,689.60	0
Medium and Long Term	23440	Banco Europeu Investimento	5.02%	3.44%				70,000.00	1,427,311.00	16,502,689.00
Non-exempt										
Sub Total			0.09	0.08	0	0	0	28,197,310.40	8,300,000.60	16,502,689.00
Medium and Long Term										
Non-exempt										
Sub Total										
Total MLP			0.09	0.08	0	0	0	28,197,310.40	8,300,000.60	16,502,689.00
Overall Total			0.09	0.08	0	0	0	28,197,310.40	8,300,000.60	16,502,689.00

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MODEL 18 - Loans map

Reporting period: 01-01-2021 to 31-12-2021

Type	Identification of the loan		Payments made			Other charges (a)		
	Contract no.	Name of the institution	Interest			Up to N	Year N	Forecast after N
			Up to N	Year N	Forecast after N			
Short Term								
Total CP								
Medium and Long Term	21845	Banco Europeu Investimento	15,911,071.04	301,092.53	0	1,022,458.20	13,745.38	0
Medium and Long Term	23440	Banco Europeu Investimento	5,918,290.20	616,433.40	954,276.12	401,478.01	33,005.38	59,368.08
Non-exempt								
Sub Total			21,829,361.24	917,525.93	954,276.12	1,423,936.21	46,750.76	59,368.08
Medium and Long Term								
Non-exempt								
Sub Total								
Total MLP			21,829,361.24	917,525.93	954,276.12	1,423,936.21	46,750.76	59,368.08
Overall Total			21,829,361.24	917,525.93	954,276.12	1,423,936.21	46,750.76	59,368.08

(a) Identifying each of them, namely taxes, commissions and other charges to be specified

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MODEL 18 - Loans map

Reporting period: 01-01-2021 to 31-12-2021

Type	Identification of the loan		Amounts due and unpaid on 31/12			Amount outstanding in year N		Average capital repayments		Legal grounds (c)
	Contract no.	Name of the institution	Capital	Interest	Other charges (a)	Em 01.01	em 31.12	Loans contracted until 31/12/2013 (b)	Loans contracted after 01/01/2014	
Curto prazo										
Total CP										
Médio e Longo prazo	21845	Banco Europeu Investimento				6,872,689.60		2,716,209.69		
Médio e Longo prazo	23440	Banco Europeu Investimento				17,930,000.00	16,502,689.00	1,636,363.63		
Não isentos										
Sub Total						24,802,689.60	16,502,689.00	4,352,573.32		
Médio e Longo prazo										
Isentos										
Sub Total										
Total MLP						24,802,689.60	16,502,689.00	4,352,573.32		
Total Geral						24,802,689.60	16,502,689.00	4,352,573.32		

(a) Identifying each of them, namely taxes, commissions and other charges to be specified

(b) For the purposes of this calculation, reference should be made to the amounts owed on 01/01/2014, as shown in map 8 3 1 (loans), which is part of the corresponding accountability file

(c) Loans that are not considered for the purpose of calculating Total Debt



ANNEX IV - IMPAIRMENT OF ASSETS

Impairment of assets

Assets	Nature	Gross amount	Accumulated impairment	Recoverable amount
Financial Holdings		5,185,277.96	5,185,277.96	0
Customers, taxpayers and users		8,199,460.18	56,276.23	8,143,183.95
Total		13,384,738.14	5,241,554.19	8,143,183.95



OTHER DOCUMENTS – LCPA

Statement of multi-annual commitments

Statement of multi-annual commitments existing as at 31 December 2021

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 31 de dezembro de 2021 are duly recorded in the central database, in the SAP application, for the following global amounts:

Year	Amount
2022	33,832,376.70
2023	39,173,218.93
2024	35,489,726.65
2025	5,523,216.67
Following	6,472,234.25



Porto, April 11, 2022

The Chairman of LIPOR's Board of Directors,

(Dr. José Manuel Pereira Ribeiro)

STATEMENT OF OVERDUE PAYMENTS

Statement of overdue payments as at 31 December 2021

Article 15, paragraph 1 b) of the LCPA

Pursuant to Article 15, paragraph 1 b) of Law No. 8/2012 of 21 February, I hereby declare, on December 31, 2021, that LIPOR has no overdue payment.

Porto, April 11, 2022

The Chairman of LIPOR's Board of Directors,



(Dr. José Manuel Pereira Ribeiro)



STATEMENT OF OVERDUE RECEIPTS

Statement of overdue receipts as at 31 December 2021

Article 15, paragraph 1 b) of the LCPA

Pursuant to Article 15, paragraph 1 b) of Law No. 8/2012 of 21 February, I hereby declare that the overdue receipt existing as at 31 December 2021 amount to 2,200,938.79 euros, as per the list in annex.

Porto, April 11, 2022

The Chairman of LIPOR's Board of Directors,



(Dr. José Manuel Pereira Ribeiro)



4.4 STATUTORY AUDIT AND AUDITOR'S REPORT



MANUEL TEIXEIRA CARDOSO
Revisor Oficial de Contas

MANUEL TEIXEIRA CARDOSO
Revisor Oficial de Contas

MANUEL TEIXEIRA CARDOSO
Revisor Oficial de Contas

CERTIFICAÇÃO LEGAL DAS CONTAS

RELATO SOBRE A AUDITORIA DAS DEMONSTRAÇÕES FINANCEIRAS

Opinião

Auditei as demonstrações financeiras anuais da Lipor - Serviço Intermunicipal do Castelo de Ranzós de Grande Porto, que compreendem o balanço em 31 de Dezembro de 2021, que evidência um total de 144.060.846,97 euros e um total de Património Líquido (capital próprio) de 103.188.577,94 euros, incluindo um resultado líquido de 3.476.092,13 euros, a demonstração dos resultados por natureza, a demonstração das alterações no Património Líquido (capital próprio) e a demonstração dos fluxos de caixa relativos 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 anuais apresentam de forma verdadeira e apropriada, em todos os aspectos materiais, a posição financeira da Lipor - Serviço Intermunicipal do Castelo de Ranzós de Grande Porto em 31 de Dezembro de 2021 e o seu desempenho financeiro e fluxos de caixa relativos ao ano findo naquela data de acordo com Normas de Contabilidade e Relatório Financeiro adoptadas em Portugal através do Sistema de Normalização Contabilística 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 pelo auditor 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.

Esta conclusão 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 Relatório 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 livres de distorção material devido a fraude ou erro;
- adopção de políticas e critérios contabilísticos adequados nas circunstâncias; e

- avaliação da capacidade da Entidade de se manter em conformidade, divulgando, quando aplicável, as matérias que possam suscitar dúvidas significativas sobre a continuidade das actividades.

Responsabilidades do auditor pela auditoria das demonstrações financeiras

A minha responsabilidade consiste em obter segurança razoável sobre as demonstrações financeiras como um todo estão livres 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 ceticismo profissional durante a auditoria e também:

- identifiquei e avaliei os riscos de distorção material das demonstrações financeiras, devido a fraude ou a erro, concebendo e executando 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 colusão, 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 Relatório 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 de continuidade as suas actividades. Se concluir que existe uma incerteza material, deve 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 Relatório 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 quaisquer deficiências significativas de controlo interno identificadas durante a auditoria.

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

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 Abril de 2022


Revisor Oficial de Contas nº. 293







4.5 GRI CONTENT INDEX



MATERIAL TOPIC	MATERIAL TOPIC AND BOUNDARY (103-1)	MANAGEMENT APPROACH AND ITS COMPONENTS (103-2)	EVALUATION OF THE MANAGEMENT APPROACH (103-3)	GRI TOPIC	CAPITALS	SDGS
Engagement with Suppliers	<p>LIPOR's relationship with its value chain, namely its Suppliers, was always based on transparency and openness. One of the key aspects of the Social Responsibility Management System standard is the Control of the organisation's Value Chain. Naturally, suppliers are a fundamental part of this process, and we wish to maintain partnerships with them mainly based on the Values we share.</p> <p>The GRI social topic "Supplier Social Assessment" relates to the "Engagement with Suppliers" topic identified as materially relevant through the described materiality exercise process (page 28).</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 - Conduct Code for Suppliers and Subcontractors - Supplier performance evaluation 	<p>With Sustainability in mind, we've created a set of tips and information that can drive transformation in their organisations, the Green Purchasing Guide.</p> <p>We also provide a key document for our relationship, the Conduct Code for Suppliers and Subcontractors, which binds suppliers to the principles of the Universal Declaration of Human Rights, the Conventions of the International Labour Organization, and National and Community Legislation in effect.</p> <p>There's also a semi-annual assessment for all suppliers that meet certain predefined requirements.</p>	102-09, 102-10, 414-1, 414-2	<p>Manufactured Capital</p> <p>Human Capital Social and Relationship Capital</p>	<p>8 DECENT WORK AND ECONOMIC GROWTH</p>



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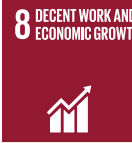
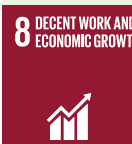
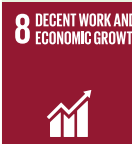



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MATERIAL TOPIC	MATERIAL TOPIC AND BOUNDARY (103-1)	MANAGEMENT APPROACH AND ITS COMPONENTS (103-2)	EVALUATION OF THE MANAGEMENT APPROACH (103-3)	GRI TOPIC	CAPITALS	SDGS
Ethics and Integrity	<p>The Ethics Code is intended to be a conduct guide for the Organisation and its Employees, that lives up to the specific requirements imposed on LIPOR as a public organisation. It applies to all LIPOR employees and managers, as well as service providers, trainees and remaining collaborators, regardless of their legal link.</p> <p>The “Ethics and Integrity” topic was identified as materially relevant through the described materiality exercise process (page 28).</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 Ethics Code 	<p>This code sets out ethical professional values and principles that must be observed by LIPOR employees and managers in all their activities and professional relationships between them and with third parties, namely with regard to interpersonal relationships, prevention and fight against harassment in the workplace, institutional offers, invitations or similar benefits.</p>	N/A	Human Capital	
Talent Attraction and Retention	<p>The Organisation’s Policy for Human Capital reinforcement gives priority to Talent retention and the recruitment of qualified Staff.</p> <p>The “Talent Attraction and Retention” topic was identified as materially relevant through the described materiality exercise process (page 28).</p>	<p>LIPOR resorts to the following policies and commitments to manage this material topic:</p> <ul style="list-style-type: none"> - Mission, Vision, Values and Policy - Social Accountability Policy - LIPOR Ethics Code 	<p>The Board of Directors is very committed to the Organisation’s Human Capital reinforcement policy, wherefore the attraction of qualified Staff and the retention of available Talents is one of its priorities.</p>	N/A	Human Capital	
Reputation and Brand Management	<p>Brand management promotes the reputation and external visibility of the organisational strategy.</p> <p>The “Reputation and Brand Management” topic was identified as materially relevant through the described materiality exercise process (page 28).</p>	<p>LIPOR resorts to the following policies and commitments to manage this material topic:</p> <ul style="list-style-type: none"> - Mission, Vision, Values and Policy - LIPOR’s Strategic Plan 2015 2020 - Communication, Environmental Education and Training Strategy 	<p>Several strategic projects have been developed to communicate the LIPOR Brand, such as Brand Vision and Semiotics. An annual Customer Satisfaction Study is carried out to monitor LIPOR’s reputation, through the “Level of Connection to the Brand” indicator. (L3)</p>	N/A	Financial Capital Social and Relationship Capital	 



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MATERIAL TOPIC	MATERIAL TOPIC AND BOUNDARY (103-1)	MANAGEMENT APPROACH AND ITS COMPONENTS (103-2)	EVALUATION OF THE MANAGEMENT APPROACH (103-3)	GRI TOPIC	CAPITALS	SDGS
Communication, Environmental Education and Training	<p>LIPOR regards Communication, Environmental Education and Training of the Community it serves as one of its major responsibilities. Hence, in order to promote citizen engagement and a change in mindsets, LIPOR's Education, Communication and Marketing Department, which comprises the Environmental Education and Training Unit and the Communication, Sustainability and Marketing Unit, develops several initiatives for different target audiences, aiming to encourage citizens to commit themselves to good environmental practices and to boost the acquisition of competencies for a broader civic participation, so that to increase and consolidate environmentally responsible and sustainable processes.</p> <p>The "Communication, Environmental Education and Training" topic was identified as materially relevant through the described materiality exercise process (page 28).</p>	<p>LIPOR resorts to the following policies and commitments to manage this material topic:</p> <ul style="list-style-type: none"> - Mission, Vision, Values and Policy - LIPOR's Strategic Plan 2015-2020 - Communication, Environmental Education and Training Strategy 	<p>LIPOR's effort to promote Communication, Environmental Education and Training is reflected by the diversity of the developed projects and initiatives, and the number of realised actions and sensitised citizens.</p> <p>With its Academy, LIPOR aims to develop and enhance competences through training and qualification, using advanced educational methods and equipment.</p> <p>The LIPOR Academy 2020 training offer encompasses different knowledge areas, including courses or training actions especially devised to meet the market's needs. LIPOR regards the total population reached with Environmental Education and Awareness actions as a key indicator of the coverage of education and training actions. (L1)</p>	N/A	<p>Social and Relationship Capital</p> <p>Financial Capital</p>	<p>4 QUALITY EDUCATION</p>  <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>  <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p> 



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<p>Transformation of Waste into New Resources through Circularity</p>	<p>LIPOR links its Circular Business Model to the Integrated Waste Management System, with the clear vision that waste is a resource and totally focused on a regenerative and restorative view of waste within the Value Chain.</p> <p>Having clearly recognised that waste management must be approached in a resource perspective, LIPOR focuses all its efforts on proper waste recovery, based on the projection of a circular business model and the development of projects that demonstrate auxiliary circular practices.</p> <p>The GRI environmental topics “Materials” and “Effluents and waste” relate to the “Transformation of Waste into New Resources through Circularity” topic identified as materially relevant through the described materiality exercise process (page 28).</p>	<p>LIPOR resorts to the following policies and commitments to manage this material topic:</p> <ul style="list-style-type: none"> - Mission, Vision, Values and Policy - LIPOR's Strategic Plan 2015-2020 - Voluntary Commitment to the 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>Here, we highlight the development of sustainable public procurement projects and environmental education and intervention programmes, the reinforcement 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 divulging the need for a paradigm shift and increasing knowledge of the concept of circular economy, providing technical expertise to increase skills through a certified competences training plan, and creating integrated Circular Economy dynamics amongst several civil society actors, at a local and national level.</p>	<p>301-1, 306-1, 306-2, 306-3, 306-4, 306-5</p>	<p>Manufactured Capital</p> <p>Financial Capital</p> <p>Natural Capital</p>	<p>2 ZERO HUNGER</p>  <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p> 



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MATERIAL TOPIC	MATERIAL TOPIC AND BOUNDARY (103-1)	MANAGEMENT APPROACH AND ITS COMPONENTS (103-2)	EVALUATION OF THE MANAGEMENT APPROACH (103-3)	GRI TOPIC	CAPITALS	SDGS
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 Prevention of Waste Production - To strengthen its relationship with stakeholders - To regard waste as a resource - To define and implement a Waste Management Hierarchy - To be a self-sufficient Organisation - To apply the "Polluter Pays" principle and the Producer Responsibility policy. <p>Having taken on the Sustainability challenge and committed itself to the global priorities of the Sustainable Development Goals, LIPOR interconnects them with its business strategies.</p> <p>The "Impact on the Community" topic was identified as materially relevant through the described materiality exercise process (page 28).</p>	<p>The Organisation's management approach is evident in its policies, as well as the commitments it subscribes to:</p> <ul style="list-style-type: none"> - Mission, Vision, Values and Policy - LIPOR's Strategic Plan 2015-2020 - BCSD Charter of Principles - SDG 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.</p> <p>It should be noted that some of these projects are devised for the long term, allowing the consolidation of its relationship with Stakeholders and the achievement of consistent results.</p> <p>In order to reinforce this commitment, in 2017, LIPOR's Sustainability Agenda was created with an execution goal, measured through the monitoring of the respective projects.</p> <p>In 2018 and 2020, the material topics, and consequently the Agenda, were updated as a result of the Stakeholder Consultation Processes. An annual Customer Satisfaction Study is also carried out to monitor the "Perceived Social Responsibility". (L4)</p>	N/A	Social and Relationship Capital	 



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<p>Climate Change</p>	<p>As a part of its commitment to sustainable development, LIPOR considers essential to fully integrate the climate change issue in its activities, thus regarding:</p> <ul style="list-style-type: none"> - Climate Change as the main threat to global sustainability and, hence, the top priority of its environmental and sustainable development policy; - The Fight against and Adaptation to Climate Change as structuring strategies for its action, given its responsibilities as a GHG emissions managing agent and producer, and as a promoter of knowledge, action and mobilisation amongst citizens and the society. <p>An efficient use of energy is an ever more imperative priority, leading to a reduction of operating costs and a sustainable policy.</p> <p>The GRI material topics of “Emissions” and “Energy” relate to the “Climate Change” topic identified as materially relevant through the described materiality exercise process (page 28).</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 of an Energy Recovery Plant requires our permanent supervision and performance assessment, in order to identify possible negative impacts, such as the emission of air pollutants.</p>	<p>305-1, 305-2, 305-3, 305-4, 305-5, 302-1, 302-2, 302-3, 302-4</p>	<p>Natural Capital</p>	<p>7 AFFORDABLE AND CLEAN ENERGY</p>  <p>13 CLIMATE ACTION</p> 



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Incentive for New Businesses and Opportunities	<p>LIPOR has a Research, Development and Innovation Unit (IDI) and an International Business Unit (UNI), both working to Stimulate New Businesses and Opportunities. After being acknowledged by the Organisation as strategic priorities in 2013, both are now classified as Organisational Units. LIPOR boosts different types of innovation: product innovation, process innovation, organisational innovation and marketing innovation. The international approach is a result of the experience and know-how gathered over 35 years of activity, made available to international partners and customers, adding value through resource enhancement, social accountability and performance eco-efficiency.</p> <p>The “Incentive for New Businesses and Opportunities” topic was identified as materially relevant through the described materiality exercise process (page 28).</p>	<p>The management approach to this topic is evident in the following policies and commitments assumed by 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 Policy - Certification according to the NP 4457 - Research, Development and Innovation Management System standard 	<p>LIPOR’s Research, Development and Innovation area is certified since 2012 (NP 4457) and, since 2017, the Organisation has been implementing an innovation strategy focused on the development of products, in order to boost the effective circular economy in the waste sector. The Innovation Scoring tool is used to assess the Organisation’s performance in terms of Innovation and benchmarking. (L2)</p> <p>The International Business Unit ensures customised solutions.</p> <p>LIPOR is fully committed to the projects, provides comprehensive solutions and the reliability of a brand with 39 years of experience, measured through the number of approved Proposals and Studies. (L5)</p> <p>The development of LIPOR’s projects is supported by a network of well-known and highly skilled technological and services partners.</p>	NA	Intellectual Capital	 



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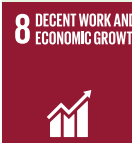




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MATERIAL TOPIC	MATERIAL TOPIC AND BOUNDARY (103-1)	MANAGEMENT APPROACH AND ITS COMPONENTS (103-2)	EVALUATION OF THE MANAGEMENT APPROACH (103-3)	GRI TOPIC	CAPITALS	SDGS
Financial Balance of the Organisation	<p>As a Municipalities Association, LIPOR's purpose is not to obtain profit; however, it constantly focuses on the optimisation of its performance, in order to decrease its dependence on the fees charged to the Associated Municipalities, which is why this is a material topic for LIPOR.</p> <p>The GRI economic topic "Economic Performance" relates to the "Financial Balance of the Organisation" topic identified as materially relevant through the described materiality exercise process (page 28).</p>	<p>LIPOR resorts to the following policies and commitments to manage this material topic:</p> <ul style="list-style-type: none"> - LIPOR Statutes - LIPOR's Strategic Plan 2015-2020 - LIPOR's Corruption Risk and Related Offences Management Plan 	<p>LIPOR's strong investment in the Community reflects its commitment to its Mission. In order to ensure the Organisation's economic sustainability, there's a Balance Tariff that reflects the real costs of waste management.</p> <p>The Organisation's performance is monitored using COGNOS, a Business Intelligence tool.</p>	201-1, 201-2	Financial Capital	
Biodiversity	<p>LIPOR has always based its action on sustainability principles, resulting in the development of numerous sustainability, social accountability and environmental education projects.</p> <p>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 28).</p>	<p>LIPOR resorts to the following policies and commitments to manage this material topic:</p> <ul style="list-style-type: none"> - LIPOR's Strategic Plan 2015-2020 - LIPOR Policy - Biodiversity Strategy - act4nature Commitments 	<p>We believe that we must incorporate biodiversity preservation, promotion and restoration issues in our business strategy.</p> <p>Therefore, in 2014, we launched a Biodiversity Strategy for the Greater Porto Region, for 2020, which materialised in several projects developed in cooperation with strategic partners, covering several areas.</p> <p>For the 2020-2030 decade, we've reinforced our commitments and efforts by joining act4nature Portugal.</p>	304-3	Natural Capital	 



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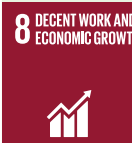


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(Employee) Development and Well-being	<p>LIPOR strives every day to fulfil its Mission, Vision, Values and Quality, Environmental, Safety, Social Accountability, Energy and Innovation Policy.</p> <p>Topics like Child Labour, Discrimination (race, gender or others), Slave or Compulsory Labour, etc. are duly controlled in order to ensure the thorough fulfilment of the legal requirements applicable to LIPOR (e.g., regarding recruitment and remuneration) and the requirements of the SA8000 - Social Accountability Standard.</p> <p>As far as training is concern, LIPOR deems it essential to the promotion of the Organisation’s development, wherefore it continues 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” and “Diversity and Equal Opportunity” relate to the “Development and Well-being” topic identified as materially relevant through the described materiality exercise process (page 28).</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 Policy - Certification according to the SA8000 Social Accountability standard - Certification according to the AA1000APS standard - Ethics Code - Portuguese Diversity Charter 	<p>In order to ensure compliance with the requirements of the Social Accountability Management System - SA8000, which is transversal to the entire Organisation, annual goals are set, and regular audits are conducted.</p> <p>Within the scope of the Integrated Quality, Environmental, Safety and Hygiene Management System, annual objectives regarding safety and hygiene are defined and periodically evaluated by the Board.</p> <p>In system review meetings, the Organisation's main risks and workplace accidents are analysed, and corresponding action plans are defined.</p>	<p>401-1, 401-2, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 103-7, 403-9, 403-10, 404-1, 404-2, 404-3, 405-1, 405-2</p>	Human Capital	<p>8 DECENT WORK AND ECONOMIC GROWTH</p> 



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Product and Service Quality and Reliability	<p>Product and service quality and reliability are decisive factors 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 and Reliability" topic identified as materially relevant through the described materiality exercise process (page 28).</p>	<p>LIPOR resorts to the following policies and commitments to manage this material topic:</p> <ul style="list-style-type: none"> - Mission, Vision, Values and Policy - Quality, Environmental, Energy, Health and Safety, Social Accountability and Innovation Policy - LIPOR's Strategic Plan 2015-2020 - Certification according to the ISO 9001:2015 - Quality Management System standard 	<p>The operational areas are duly certified according to the ISO 14001, ISO 9001 and OHSAS 18001 standards, ensuring that all requirements are duly met, and are subject to periodical audits.</p> <p>In order to monitor customer satisfaction, a Customer Satisfaction Study is carried out every year, serving as a basis for an Action Plan devised to implement/respond to the issues raised.</p>	<p>416-1, 416-2, 417-1, 417-2, 417-3</p>	<p>Manufactured Capital</p> <p>Financial Capital</p> <p>Social and Relationship Capital</p> <p>Natural Capital</p>	<p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</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. The GRI environmental topic "Environmental Compliance" and the GRI social topic "Socioeconomic Compliance" relate to the "Risk Management" topic identified as materially relevant through the described materiality exercise process (page 30).</p>	<p>The management approach to this topic is mostly evident in:</p> <ul style="list-style-type: none"> - Quality, Environmental, Energy, Health and Safety, Social Accountability and Innovation Policy - LIPOR Statutes - LIPOR's Corruption Risk and Related Offences Management Plan 	<p>The certification of our Management Systems is ensured in its different scopes: training, environmental, energy, quality, and health, safety and hygiene conditions for all Employees, in their different workplaces. Several long-term projects are developed to ensure the system's conformity, allowing to identify and foresee risks, to consolidate the relationship with Stakeholders and to achieve consistent results.</p>	<p>307-1, 419-1</p>	<p>Manufactured Capital</p> <p>Financial Capital</p> <p>Human Capital</p>	<p>8 DECENT WORK AND ECONOMIC GROWTH</p>  <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p> 



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CONTENT INDEX SERVICE

2022

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

GRI CONTENT INDEX (102-55)

GRI 101: Foundation 2016

GRI 102: Standard Disclosures 2016

Organisational Profile

GRI standards Content	Description	Page Location Topic Report	Omissions	External Assurance	Sustainable Development Goals
102-1	Name of the Organisation.	Page 9 of the Integrated Report: LIPOR Ecosystem	None	●	N/A
102-2	Activities, brands, products, and services.	Page 63 of the Integrated Report: Walking towards Zero Impact on the Planet www.lipor.pt/en/recover/multimaterial-recovery/ www.lipor.pt/en/recover/organic-recovery/composting-plant/ www.lipor.pt/en/recover/energy-recovery/ www.lipor.pt/en/recover/technical-confinement/	None	●	N/A
102-3	Location of headquarters.	Page 9 of the Integrated Report: Report Nature	None	●	N/A
102-4	Number of countries where the Organisation operates.	Page 10 of the Integrated Report: LIPOR Ecosystem	None	●	N/A
102-5	Ownership and legal form.	Page 83 of the Integrated Report: Governance	None	●	N/A
102-6	Markets served.	Page 10 of the Integrated Report: LIPOR Ecosystem	None	●	N/A



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Organisational Profile

GRI standards Content	Description	Page Location Topic Report	Omissions	External Assurance	Sustainable Development Goals
102-7	Scale of the Organisation.	Page 10 of the Integrated Report: LIPOR Ecosystem	None	●	N/A
102-8	Information on Employees and other Workers.	Page 43 of the Integrated Report: People First	None	●	8 - Decent Work and Economic Growth
102-9	Supply chain.	Page 55 of the Integrated Report: People First	None	●	N/A
102-10	Significant changes to the Organisation and its Supply chain.	Page 55 of the Integrated Report: People First	None	●	N/A
102-11	Precautionary principle or approach.	Page 26 of the Integrated Report: Stakeholders	None	●	N/A
102-12	Charters, principles, or other initiatives to which the Organisation subscribes.	Page 17 of the Integrated Report: Recognition & Commitments	None	●	N/A
102-13	Membership of associations, and national or international organisations.	Page 19 of the Integrated Report: Recognition & Commitments	None	●	N/A

Strategy and Analysis

102-14	Message from the Chairman of LIPOR's Board of Directors.	Page 7 of the Integrated Report: Message from the Chairman	None	●	N/A
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GRI CONTENT INDEX (102-55)

Strategy and Analysis

GRI standards Content	Description	Page Location Topic Report	Omissions	External Assurance	Sustainable Development Goals
102-15	Key impacts, risks, and opportunities.	Page 34 of the Integrated Report: Risk Management	None	●	N/A

Ethics and Integrity

102-16	Values, principles, standards, and norms of behaviour.	Page 16 of the Integrated Report: LIPOR Ecosystem	None	●	16 - Peace, Justice and Strong Institutions
102-17	Internal and external mechanisms for concerns about ethics.	Page 47 of the Integrated Report: People First	None	●	16 - Peace, Justice and Strong Institutions

Governance

102-18	Governance structure of the Organisation.	Page 84 of the Integrated Report: Governance	None	●	N/A
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 83 of the Integrated Report: Governance	None	●	N/A



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GRI CONTENT INDEX (102-55)					
Governance					
GRI standards Content	Description	Page Location Topic Report	Omissions	External Assurance	Sustainable Development Goals
102-21	Indication of processes for consultation between stakeholders and the highest governance body on economic, environmental, and social topics.	Page 27 of the Integrated Report: Stakeholders	None	●	16 - Peace, Justice and Strong Institutions
102-23	Indication of whether the chair of the highest governance body is also an executive officer.	Page 83 of the Integrated Report: Governance	None	●	16 - Peace, Justice and Strong Institutions
Stakeholders					
102-40	List of Stakeholder groups.	Page 28 of the Integrated Report: Stakeholders	None	●	N/A
102-41	Collective bargaining agreements.	Page 48 of the Integrated Report: People First	None	●	8 - Decent Work and Economic Growth
102-42	Identifying and selecting stakeholders.	Page 28 of the Integrated Report: Stakeholders	None	●	N/A
102-43	Approach to Stakeholder engagement.	Page 28 of the Integrated Report: Stakeholders	None	●	N/A



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GRI CONTENT INDEX (102-55)					
Stakeholders					
GRI standards Content	Description	Page Location Topic Report	Omissions	External Assurance	Sustainable Development Goals
102-44	Key topics and concerns that have been raised by Stakeholders and group response.	Page 29 of the Integrated Report: Stakeholders	None	●	N/A
Reporting Practice					
102-45	Entities included in the consolidated financial statements.	Page 86 of the Integrated Report: Rendering of Accounts and Financial Statements	None	●	N/A
102-46	Process for defining report content.	Page 27 of the Integrated Report: Stakeholders	None	●	N/A
102-47	Material topics identified in the process for defining report content.	Page 29 of the Integrated Report: Stakeholders	None	●	N/A
102-48	Restatements of information given in previous reports.	Current page No exceptions were identified throughout the Report	None	●	N/A
102-49	Significant changes from previous reporting periods.	Page 175 of the Integrated Report: Methodological notes	None	●	N/A
102-50	Reporting period.	Page 8 of the Integrated Report: Report Nature	None	●	N/A



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GRI CONTENT INDEX (102-55)

Reporting Practice

GRI standards Content	Description	Page Location Topic Report	Omissions	External Assurance	Sustainable Development Goals
102-51	Date of most recent report.	Page 8 of the Integrated Report: Report Nature	None	●	N/A
102-52	Reporting cycle.	Page 8 of the Integrated Report: Report Nature	None	●	N/A
102-53	Contact point for questions regarding the report.	Page 9 of the Integrated Report: Report Nature	None	●	N/A
102-54	Claims of reporting in accordance with the GRI Standards.	Page 9 of the Integrated Report: Report Nature	None	●	N/A
102-55	GRI content index.	Page 142 of the Integrated Report: GRI Content Index	None	●	N/A
102-56	Policy and practice with regard to external assurance.	Page 9 of the Integrated Report: LIPOR – Report Nature	None	●	N/A

Material Topic: Economic Performance

GRI 103: Management Approach 2016

GRI standards Content	Description	Page Location Topic Report	Omissions	External Assurance	Sustainable Development Goals
103-1	Explanation of the Material Topic and its Boundary.	Page 139: GRI Content Index	None	●	N/A
103-2	The management approach and its components.	Page 139: GRI Content Index	None	●	N/A



Material Topic: Economic Performance

GRI 103: Management Approach 2016

GRI standards Content	Description	Page Location Topic Report	Omissions	External Assurance	Sustainable Development Goals
103-3	Evaluation of the management approach.	Page 139: GRI Content Index	None	●	N/A

GRI 201: Economic Performance 2016

201-1	Direct economic value generated and distributed.	Page 72: To Be Leading Brand in the Global Market	None	●	8 - Decent Work and Economic Growth 9 - Industry, Innovation and Infrastructure
201-2	Financial implications and other risks due to climate change.	Page 37: Risk Management	None	●	13 - Climate Action

Material Topic: Materials

GRI 103: Management Approach 2016

GRI standards Content	Description	Page Location Topic Report	Omissions	External Assurance	Sustainable Development Goals
103-1	Explanation of the Material Topic and its Boundary.	Page 135: GRI Content Index	None	●	N/A
103-2	The management approach and its components.	Page 135: GRI Content Index	None	●	N/A
103-3	Evaluation of the management approach.	Page 135: GRI Content Index	None	●	N/A



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Material Topic: Materials

GRI 103: Management Approach 2016

GRI standards Content	Description	Page Location Topic Report	Omissions	External Assurance	Sustainable Development Goals
301-1	Materials used by weight or volume.	Current Page: GRI Content Index	None	●	8 - Decent Work and Economic Growth 12 - Responsible Consumption and Production

301-1

Sorting Plant

Materials	2019	2020	2021
Wire (t)	40	46	50

Composting Plant

Materials	2019	2020	2021
Wood (t)	74,19	62,8	60,374
Plastics (t)	23,3	28,6	22,4
Paper and Cardboard (t)	0,007	0,008	0,007



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301-1			
Energy Recovery Plant			
Use of Reagents	2019	2020	2021
Hydrated Lime (t)	3.905,50	4.428,60	3.861,4
Urea (t)	1.441,70	1.557,20	1.510,2
Activated Charcoal (t)	160	178,2	154,8
Caustic Soda (t)	23,3	22,9	17,7
HCl (t)	24,3	29,7	22,7
CVE's Auxiliary Landfill			
Reagents for the WWTP	2019	2020	2021
Sulphuric Acid (t)	4.061,00	2.201,10	2,901
Acetic Acid (t)	707,78	0	1,055
Soda (t)	29.836,80	11.760,00	1,302
Anti-foam (l)	24	16	0,101
ULTRASIL 25 (t)	0	0	0,021
ULTRASIL 75 (t)	0	0	0,011
LIPOR - in general			
Stationery	2019	2020	2021
White Paper (kg)	2.995,50	210,19	1.665,48
White Stationery (kg)	1.540,70	132,11	53,59
Total White (kg)	4.536,16	342,30	1.719,07



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301-1

LIPOR - in general

Stationery	2019	2020	2021
Recycled Paper (kg)	0	2437,81	0
Recycled Stationery (kg)	144,2	0	50,95
Total Recycled (kg)	144,2	2437,81	50,95
Total	4.680,38	2.780,11	1.770,02

Material Topic: Energy

GRI 103: Management Approach 2016

GRI standards Content	Description	Page Location Topic Report	Omissions	External Assurance	Sustainable Development Goals
103-1	Explanation of the Material Topic and its Boundarythe Organisation.	Page 137: GRI Content Index	None	●	N/A
103-2	The management approach and its components.	Page 137: GRI Content Index	None	●	N/A
103-3	Evaluation of the management approach.	Page 137: GRI Content Index	None	●	N/A



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Material Topic: Energy

Gri 302: Energy 2016

GRI standards Content	Description	Page Location Topic Report	Omissions	External Assurance	Sustainable Development Goals
302-1	Energy consumption within the Organisation.	Page 67: Walking towards Zero Impact on the Planet	None	●	7 - Affordable and Clean Energy 8 - Decent Work and Economic Growth 12 - Responsible Consumption and Production 13 - Climate Action
302-2	Energy consumption outside of the Organisation.	Page 68: Walking towards Zero Impact on the Planet	None	●	7 - Affordable and Clean Energy 8 - Decent Work and Economic Growth 12 - Responsible Consumption and Production 13 - Climate Action
302-3	Energy intensity.	Page 66: Walking towards Zero Impact on the Planet	None	●	7 - Affordable and Clean Energy 8 - Decent Work and Economic Growth 12 - Responsible Consumption and Production 13 - Climate Action
302-4	Reduction of energy consumption.	Page 66: Walking towards Zero Impact on the Planet	None	●	7 - Affordable and Clean Energy 8 - Decent Work and Economic Growth 12 - Responsible Consumption and Production 13 - Climate Action



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Material Topic: Biodiversity

GRI 103: Management Approach 2016

GRI standards Content	Description	Page Location Topic Report	Omissions	External Assurance	Sustainable Development Goals
103-1	Explanation of the Material Topic and its Boundary.	Page 139: GRI Content Index	None	●	N/A
103-2	The management approach and its components.	Page 139: GRI Content Index	None	●	N/A
103-3	Evaluation of the management approach.	Page 139: GRI Content Index	None	●	N/A
GRI 304: Biodiversity 2016					
304-3	Habitats protected or restored.	Page 68: Walking towards Zero Impact on the Planet	None	●	6 - Clean Water and Sanitation 14 - Life Below Water 15 - Life On Land

Material Topic: Emissions

GRI 103: Management Approach 2016

GRI standards Content	Description	Page Location Topic Report	Omissions	External Assurance	Sustainable Development Goals
103-1	Explanation of the Material Topic and its Boundary.	Page 137: GRI Content Index	None	●	N/A
103-2	The management approach and its components.	Page 139: GRI Content Index	None	●	N/A



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Material Topic: Emissions

GRI 103: Management Approach 2016

GRI standards Content	Description	Page Location Topic Report	Omissions	External Assurance	Sustainable Development Goals
103-3	Evaluation of the management approach.	Page 137: GRI Content Index	None	●	N/A

GRI 305: Emissions 2016

305-1	Direct (Scope 1) greenhouse gas (GHG) emissions.	Page 65: Walking towards Zero Impact on the Planet	None	●	3 - Good Health and Well-being 12 - Responsible Consumption and Production 13 - Climate Action 14 - Life Below Water 15 - Life On Land
305-2	Energy indirect (Scope 2) greenhouse gas (GHG) emissions.	Page 65: Walking towards Zero Impact on the Planet	None	●	3 - Good Health and Well-being 12 - Responsible Consumption and Production 13 - Climate Action 14 - Life Below Water 15 - Life On Land
305-3	Other indirect (Scope 3) greenhouse gas (GHG) emissions.	Page 65: Walking towards Zero Impact on the Planet	None	●	3 - Good Health and Well-being 12 - Responsible Consumption and Production 13 - Climate Action 14 - Life Below Water 15 - Life On Land



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Material Topic: Emissions

GRI 305: Emissions 2016

GRI standards Content	Description	Page Location Topic Report	Omissions	External Assurance	Sustainable Development Goals
305-4	Greenhouse gas (GHG) emissions intensity.	Page 65: Walking towards Zero Impact on the Planet	None	●	13 - Climate Action 14 - Life Below Water 15 - Life On Land
305-5	Reduction of greenhouse gas (GHG) emissions.	Page 65: Walking towards Zero Impact on the Planet	None	●	13 - Climate Action 14 - Life Below Water 15 - Life On Land

Material Topic: Effluents And Waste

GRI 103: Management Approach 2016

GRI standards Content	Description	Page Location Topic Report	Omissions	External Assurance	Sustainable Development Goals
103-1	Explanation of the Material Topic and its Boundary.	Page 135: GRI Content Index	None	●	N/A
103-2	The management approach and its components.	Page 135: GRI Content Index	None	●	N/A
103-3	Evaluation of the management approach.	Page 135: GRI Content Index	None	●	N/A



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Material Topic: Effluents And Waste

GRI 306: Effluents And Waste 2020

GRI standards Content	Description	Page Location Topic Report	Omissions	External Assurance	Sustainable Development Goals
306-1	Waste generation and significant waste-related impacts.	Page 60: Walking towards Zero Impact on the Planet	None	●	3 - Good Health and Well-being 6 - Clean Water and Sanitation 12 - Responsible Consumption and Production 14 - Life Below Water
306-2	Management of significant waste-related impacts.	Page 60: Walking towards Zero Impact on the Planet	None	●	3 - Good Health and Well-being 6 - Clean Water and Sanitation 12 - Responsible Consumption and Production
306-3	Waste generated.	Current Page: GRI Content Index	None	●	3 - Good Health and Well-being 6 - Clean Water and Sanitation 12 - Responsible Consumption and Production 14 - Life Below Water 15 - Life On Land
306-4	Waste diverted from disposal.	Current Page: GRI Content Index	None	●	3 - Good Health and Well-being 12 - Responsible Consumption and Production
306-5	Waste directed to disposal.	Current Page: GRI Content Index	None	●	6 - Clean Water and Sanitation 14 - Life Below Water 15 - Life On Land

306-3, 306-4, 306-5				
Rejected waste from the Sorting Plant				
	2019	2020	2021	Hazardous
Flat Products Line – Paper and Cardboard (t)	0	0	0	No
Bulky Items Line – Packaging (t)	1.624,70	1.654,64	1.630,89	No
Fines (t)	1.713,92	1.440,20	1.462,63	No
Pre-sorting (t)	524,22	523,92	667,24	No
Total (t)	3.862,84	3.618,76	3.760,76	
Destination – Energy Recovery Plant				
Rejected waste from the Energy Recovery Plan				
	2019	2020	2021	Hazardous
Inert ashes (t)	0	0	0	No
Fly ashes (t)	12.940,00	14.336,66	12.701,00	Yes
Slag (t)	76.280,30	81.868,36	77.579,35	No
Destination – Landfill of Maia				



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306-3, 306-4, 306-5

Waste produced by the system

	2019	2020	2021	Hazardous
Mineral Oils (l)	11.707,00	8.938,00	13.811,00	Yes
Oily Water (l)	21.360,00	22.600,00	34.640,00	Yes
Total (l)	33.067,00	31.538,00	48.451,00	
Cooking Oil (kg)	7.720,00	10.942,00	1.708,83	No
Sawdust and oily rags (kg)	139	213,00	81,00	Yes
Contaminated packaging (kg)	1.489,00	990,00	1.081,00	Yes
Small batteries (kg)	6.280,00	8.120,00	9.119,00	Yes
Batteries (kg)	1.860,00	1.400,00	1.970,00	Yes
Syringes (kg)	88,2	79,8	59,85	Yes
Fluorescent Lamps (kg)	34.730,00	15.005,00	22.585,00	Yes
Other municipal waste and similar waste (kg)	159,98	127,75	164,00	No
Ink Cartridges and Toners (kg)	26.948,00	14.308,00	23.368,00	Yes
Tyres (kg)	2.030,00	890,00	1.220,00	No
Inert materials	384.200,00	211.020,00	223.020,00	Yes
Total (kg)	465.644,18	263.095,55	284.376,68	

Destination – Companies licensed for Recovery/Treatment

	2019	2020	2021	Hazardous
Iron Scrap (t)	5.581,88	6.783,18	5.771,70	No
Total (t)	5.581,88	6.783,18	5.771,70	
Destination – Recycling				

Material Topic: Environmental Compliance

GRI 103: Management Approach 2016

GRI standards Content	Description	Page Location Topic Report	Omissions	External Assurance	Sustainable Development Goals
103-1	Explanation of the Material Topic and its Boundary.	Page 141: GRI Content Index	None	●	N/A
103-2	The management approach and its components.	Page 141: GRI Content Index	None	●	N/A
103-3	Evaluation of the management approach.	Page 141: GRI Content Index	None	●	N/A

GRI 307: Conformidade Ambiental 2016

307-1	Non-compliance with environmental laws and regulations.	Current Page: GRI Content Index	None	●	16 - Peace, Justice and Strong Institutions
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307-1 In 2021, no fine was imposed on LIPOR due to violation of environmental laws and norms.



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Material Topic: Employment

GRI 103: Management Approach 2016

GRI standards Content	Description	Page Location Topic Report	Omissions	External Assurance	Sustainable Development Goals
103-1	Explanation of the Material Topic and its Boundary.	Page 140: GRI Content Index	None	●	N/A
103-2	The management approach and its components.	Page 140: GRI Content Index	None	●	N/A
103-3	Evaluation of the management approach.	Page 140: GRI Content Index	None	●	N/A

Gri 401: Employment 2016

401-1	New Employee hires and Employee turnover.	Page 41: People First	None	●	5 - Gender Equality 8 - Decent Work and Economic Growth 10 - Reduced Inequalities
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation.	Page 46: People First	None	●	3 - Good Health and Well-being 5 - Gender Equality 8 - Decent Work and Economic Growth



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Material Topic: Occupational Health and Safety

GRI 103: Management Approach 2016

GRI standards Content	Description	Page Location Topic Report	Omissions	External Assurance	Sustainable Development Goals
103-1	Explanation of the Material Topic and its Boundary.	Page 140: GRI Content Index	None	●	N/A
103-2	The management approach and its components.	Page 140: GRI Content Index	None	●	N/A
103-3	Evaluation of the management approach.	Page 140: GRI Content Index	None	●	N/A

GRI 403: Occupational Health And Safety 2018

403-1	Occupational health and safety management system.	Page 48: People First	None	●	3 - Good Health and Well-being 8 - Decent Work and Economic Growth 16 - Peace, Justice and Strong Institutions
403-2	Hazard identification, risk assessment, and incident investigation.	Page 49: People First	None	●	8 - Decent Work and Economic Growth
403-3	Occupational health services.	Page 54: People First	None	●	8 - Decent Work and Economic Growth
403-4	Worker participation, consultation, and communication on occupational health and safety.	Page 34: Risk Management Page 53: People First	None	●	8 - Decent Work and Economic Growth 16 - Peace, Justice and Strong Institutions



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Material Topic: Occupational Health and Safety

GRI 403: Occupational Health And Safety 2018

GRI standards Content	Description	Page Location Topic Report	Omissions	External Assurance	Sustainable Development Goals
403-5	Worker training on occupational health and safety.	Page 34: Risk Management Page 48: People First	None	●	8 - Decent Work and Economic Growth
403-6	Promotion of worker health.	Page 52: People First	None	●	3 - Good Health and Well-being
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships.	Page 51: People First	None	●	8 - Decent Work and Economic Growth
403-9	Work-related injuries.	Page 50: People First	None	●	3 - Good Health and Well-being 8 - Decent Work and Economic Growth 16 - Peace, Justice and Strong Institutions
403-10	Work-related ill health.	Page 50: People First	None	●	3 - Good Health and Well-being 8 - Decent Work and Economic Growth 16 - Peace, Justice and Strong Institutions



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Material Topic: Training And Education

GRI 103: Management Approach 2016

GRI standards Content	Description	Page Location Topic Report	Omissions	External Assurance	Sustainable Development Goals
103-1	Explanation of the Material Topic and its Boundary.	Page 140: GRI Content Index	None	●	N/A
103-2	The management approach and its components.	Page 140: GRI Content Index	None	●	N/A
103-3	Evaluation of the management approach.	Page 140: GRI Content Index	None	●	N/A

GRI 404: Training And Education 2016

404-1	Average hours of training per year per Employee.	Page 45: People First	None	●	4 - Quality Education 5 - Gender Equality 8 - Decent Work and Economic Growth 10 - Reduced Inequalities
404-2	Programmes for skills management and lifelong learning that support the continued employability of Employees and assist them in managing career endings.	Page 42: People First	None	●	8 - Decent Work and Economic Growth



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Material Topic: Training And Education

GRI 404: Training And Education 2016

GRI standards Content	Description	Page Location Topic Report	Omissions	External Assurance	Sustainable Development Goals
404-3	Percentage of Employees receiving regular performance and career development reviews, by gender.	Page 44: People First	None	●	5 - Gender Equality 8 - Decent Work and Economic Growth 10 - Reduced Inequalities

Material Topic: Diversity and Equal Opportunity

GRI 103: Management Approach 2016

GRI standards Content	Description	Page Location Topic Report	Omissions	External Assurance	Sustainable Development Goals
103-1	Explanation of the Material Topic and its Boundary.	Page 140: GRI Content Index	None	●	N/A
103-2	The management approach and its components.	Page 140: GRI Content Index	None	●	N/A
103-3	Evaluation of the management approach.	Page 140: GRI Content Index	None	●	N/A



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Material Topic: Diversity and Equal Opportunity

GRI 405: Diversity and Equal Opportunity 2016

GRI standards Content	Description	Page Location Topic Report	Omissions	External Assurance	Sustainable Development Goals
405-1	Composition of governance bodies and breakdown of Employees per employee category according to gender, age group, minority group membership and other indicators of diversity.	Page 41: Governance Page 84: People First	None	●	5 - Gender Equality 8 - Decent Work and Economic Growth
405-2	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.	Page 44: People First	None	●	5 - Gender Equality 8 - Decent Work and Economic Growth 10 - Reduced Inequalities

Material Topic: Supplier Social Assessment

GRI 103: Management Approach 2016

GRI standards Content	Description	Page Location Topic Report	Omissions	External Assurance	Sustainable Development Goals
103-1	Explanation of the Material Topic and its Boundary.	Page 132: GRI Content Index	None	●	N/A



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Material Topic: Supplier Social Assessment

GRI 103: Management Approach 2016

GRI standards Content	Description	Page Location Topic Report	Omissions	External Assurance	Sustainable Development Goals
103-2	The management approach and its components.	Page 132: GRI Content Index	None	●	N/A
103-3	Evaluation of the management approach.	Page 132: GRI Content Index	None	●	N/A

GRI 414: Supplier Social Assessment 2016

414-1	Percentage of new Suppliers that were screened using labour practices criteria.	Page 55: People First	None	●	5 - Gender Equality 8 - Decent Work and Economic Growth 16 - Peace, Justice and Strong Institutions
414-2	Significant actual and potential negative impacts for labour practices in the Supply chain and actions taken.	Page 55: People First	None	●	5 - Gender Equality 8 - Decent Work and Economic Growth 16 - Peace, Justice and Strong Institutions



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Material Topic: Customer Health and Safety

GRI 103: Management Approach 2016

GRI standards Content	Description	Page Location Topic Report	Omissions	External Assurance	Sustainable Development Goals
103-1	Explanation of the Material Topic and its Boundary.	Page 141: GRI Content Index	None	●	N/A
103-2	The management approach and its components.	Page 141: GRI Content Index	None	●	N/A
103-3	Evaluation of the management approach.	Page 141: GRI Content Index	None	●	N/A

GRI 416: Customer Health and Safety 2016

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 63: Walking towards Zero Impact on the Planet	None	●	N/A
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Material Topic: Customer Health and Safety

GRI 416: Customer Health and Safety 2016

GRI standards Content	Description	Page Location Topic Report	Omissions	External Assurance	Sustainable Development Goals
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: GRI Content Index	None	●	16 - Peace, Justice and Strong Institutions
416-2 During 2021, there was no non-compliance of this kind.					

Material Topic: Marketing and Labelling

GRI 103: Management Approach 2016

GRI standards Content	Description	Page Location Topic Report	Omissions	External Assurance	Sustainable Development Goals
103-1	Explanation of the Material Topic and its Boundary.	Page 141: GRI Content Index	None	●	N/A



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Material Topic: Marketing and Labelling

GRI 103: Management Approach 2016

GRI standards Content	Description	Page Location Topic Report	Omissions	External Assurance	Sustainable Development Goals
103-2	The management approach and its components.	Page 141: GRI Content Index	None	●	N/A
103-3	Evaluation of the management approach.	Page 141: GRI Content Index	None	●	N/A

GRI 417: Marketing and Labelling 2016

417-1	Type of product and service information required by labelling procedures, and percentage of products and services subject to such requirements.	Page 64: Walking towards Zero Impact on the Planet	None	●	12 - Responsible Consumption and Production
417-2	Incidents of non-compliance concerning product and service information and labelling.	Current Page: GRI Content Index	None	●	16 - Peace, Justice and Strong Institutions

417-2 During 2021, there was no non-compliance of this kind.



Material Topic: Marketing and Labelling

GRI 417: Marketing and Labelling 2016

GRI standards Content	Description	Page Location Topic Report	Omissions	External Assurance	Sustainable Development Goals
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: GRI Content Index	None	●	16 - Peace, Justice and Strong Institutions
417-3 During 2021, there was no non-compliance of this kind.					

Material Topic: Socioeconomic Compliance

GRI 103: Management Approach 2016

GRI standards Content	Description	Page Location Topic Report	Omissions	External Assurance	Sustainable Development Goals
103-1	Explanation of the Material Topic and its Boundary.	Page 141: GRI Content Index	None	●	N/A
103-2	The management approach and its components.	Page 141: GRI Content Index	None	●	N/A



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Material Topic: Socioeconomic Compliance

GRI 103: Management Approach 2016

GRI standards Content	Description	Page Location Topic Report	Omissions	External Assurance	Sustainable Development Goals
103-3	Evaluation of the management approach.	Page 141: GRI Content Index	None	●	N/A

GRI 419: Socioeconomic Compliance 2016

419-1	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	Current Page: GRI Content Index	None	●	16 - Peace, Justice and Strong Institutions
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419-1 In 2021, no fine was imposed on LIPOR due to violation of laws regarding the provision and use of products and services.

Material Topic: Lipor

GRI 103: Management Approach 2016

GRI standards Content	Description	Page Location Topic Report	Omissions	External Assurance	Sustainable Development Goals
103-1	Explanation of the Material Topic and its Boundary.	Page 134: GRI Content Index	None	●	N/A



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Material Topic: Lipor

GRI 103: Management Approach 2016

GRI standards Content	Description	Page Location Topic Report	Omissions	External Assurance	Sustainable Development Goals
103-2	The management approach and its components.	Page 134: GRI Content Index	None	●	N/A
103-3	Evaluation of the management approach.	Page 134: GRI Content Index	None	●	N/A
L1	Total Population Reached with Environmental Education and Awareness actions.	Page 56: People First	None	●	N/A

GRI 103: Management Approach 2016

103-1	Explanation of the Material Topic and its Boundary	Page 138: GRI Content Index	None	●	N/A
103-2	The management approach and its components	Page 138: GRI Content Index	None	●	N/A
103-3	Evaluation of the management approach.	Page 138: GRI Content Index	None	●	N/A
L2	Innovation scoring result.	Page 75: To Be a Leading Brand in the Global Market	None	●	N/A

GRI 103: Management Approach 2016

103-1	Explanation of the Material Topic and its Boundary.	Page 133: GRI Content Index	None	●	N/A
103-2	The management approach and its components.	Page 133: GRI Content Index	None	●	N/A



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Material Topic: Lipor

GRI 103: Management Approach 2016

GRI standards Content	Description	Page Location Topic Report	Omissions	External Assurance	Sustainable Development Goals
103-3	Evaluation of the management approach.	Page 133: GRI Content Index	None	●	N/A
L3	Level of Connection to the LIPOR Brand – Opinion Barometer.	Page 72: People First	None	●	N/A

GRI 103: Management Approach 2016

103-1	Explanation of the Material Topic and its Boundary	Page 136: GRI Content Index	None	●	N/A
103-2	The management approach and its components.	Page 136: GRI Content Index	None	●	N/A
103-3	Evaluation of the management approach.	Page 136: GRI Content Index	None	●	N/A
L4	Perceived Social Responsibility.	Page 57: LIPOR – An Organisation with History	None	●	N/A

GRI 103: Management Approach 2016

103-1	Explanation of the Material Topic and its Boundary	Page 138: GRI Content Index	None	●	N/A
103-2	The management approach and its components.	Page 138: GRI Content Index	None	●	N/A
103-3	Evaluation of the management approach.	Page 138: GRI Content Index	None	●	N/A
L5	No. of approved proposals and preliminary studies/projects.	Page 79: To Be a Leading Brand in the Global Market	None	●	N/A

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a more sustainable community

We are allies of a community more and more committed to building a better world.



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5.1 METHODOLOGICAL NOTES

These methodological notes state the limits and bases for calculating the mentioned GRI topics. (102-49).

102-8

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

301-1

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

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

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

Reporting methodology (invoices, internal records, others): Data collected from the ERP SAP Programme 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).

At the moment, gasoline is calculated based on the information provided by the supplier's website and on the internal records carried out 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 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 NIR 2019.

305-1, 305-2, 305-3

The methodological notes regarding these topics can be found on the LIPOR Portal at: www.lipor.pt/pt/proteger/estrategia-lipor-4m-combater-as-alteracoes-climaticas/

306-2

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

401-1

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

403-9

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

Vacation leaves and days off are also not included. In terms of hours worked, we've only considered workable days (excluding the vacation days the Employee is entitled to); regarding the absenteeism rate and Severity and Frequency rates, we've added overtime hours actually worked. These rates do not include minor injuries (workplace accidents without sick leave days).



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

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

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

L1

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



5.2 EXTERNAL ASSURANCE REPORT



Independent Assurance Report

(Free translation from the original in Portuguese)

To the Board of Directors

Introduction

We were engaged by the Board of Directors of LIPOR-Serviço Intermunicipalizado de Gestão de Resíduos do Grande Porto ("LIPOR" or "Company") to perform a reasonable assurance engagement on the indicators identified below in the section "Responsibilities of the auditor" and a limited assurance engagement on the indicators also mentioned in that section, which integrates the sustainability information included in the Integrated Report 2021 ("Report"), for the year ended in December 31, 2021, prepared by the Company for the purpose of communicating its annual sustainability performance.

Responsibilities of the Board of Directors

It is the responsibility of the Board of Directors to prepare the sustainability information identified below in the section "Responsibilities of the auditor", included in the Integrated Report 2021, in accordance with the sustainability reporting guidelines "Global Reporting Initiative", GRI Standards version, the AA1000AP Standard (2018) issued by Accountability, regarding the principles of inclusivity, materiality, responsiveness and impact, and with the instructions and criteria disclosed in the Integrated Report 2021, as well as for the maintenance of an appropriate internal control system that enables the adequate preparation of the mentioned information.

Responsibilities of the auditor

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

Our work was conducted in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised) "Assurance engagements other than audits or reviews of historical financial information", issued by the International Auditing and Assurance Standards Board of the International Federation of Accountants and we have fulfilled other technical standards and recommendations issued by the Institute of Statutory Auditors. This standard requires that we plan and perform the assurance engagement to obtain:

Our limited assurance engagement also consisted in carrying out procedures with the objective of obtaining a limited level of assurance as to whether the Company applied, in the sustainability information included in the Integrated Report 2021, the GRI Standards guidelines, for the option "In accordance - Core", and the principles defined in the AA1000AP Standard (2018).

For this purpose the above mentioned work included:

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

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- (iii) Testing, on a sampling basis, the efficiency of processes and systems in place for collection, consolidation, validation and reporting of the performance information previously mentioned, through calculations and validation of reported data;
- (iv) Confirmation that operational units follow the instructions on collection, consolidation, validation and reporting of performance information;
- (v) Execution of substantive procedures, on a sampling basis, in order to collect evidence of the reported information;
- (vi) Comparison of financial and economic data included in the sustainability information with the audited by PricewaterhouseCoopers & Associados, SPROG, Lda, in the scope of the legal review of the Company's financial statements for the year ended in December 31, 2021;
- (vii) Analysis of the process for defining the materiality of the sustainability issues, based on the materiality principle of GRI Standards, according to methodology described by the Company in the Report;
- (viii) Assessment of the level of adherence to the principles of inclusivity, materiality, responsiveness and impact set by AA1000AP Standard (2018), in the sustainability information disclosure, through the analysis of the contents of the Report and the internal documents of the Company;
- (ix) Verification that the sustainability information included in the Report complies with the requirements of GRI Standards guidelines, for the option "In accordance - Core".

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

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

Quality control and independence

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

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

Conclusion on the limited assurance work

Based on the work performed, nothing has come to our attention that causes us to believe that the indicators identified above in the section "Responsibilities of the auditor", included in the Annex "GRI Index" of the Integrated Report 2021, for the year ended in December 31, 2021, as "External Assurance - Limited", were not prepared, in all material respects, in accordance with GRI Standards guidelines requirements and with the instructions and criteria disclosed on it and that the Company has not applied, in the sustainability information included in the same Integrated Report 2021, the GRI Standards guidelines, for the option "In accordance - Core", and the principles defined in the AA1000AP Standard (2018).

Restriction on use

This report is issued solely for information and use of the Board of Directors of the Company for the purpose of communicating the annual sustainability performance in the Integrated Report 2021 and should not be used for any other purpose. We will not assume any responsibility to third parties other than the Company by our work and the conclusions expressed in this report, which will be attached to the Company's Integrated Report 2021.

June 3rd, 2022

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

António Brochado Correia, R.O.C. nº1078
 Registado na CMVM com o nº20160688

(This is a translation, not to be signed)



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5.3 GLOSSARY

ACRONYMS & ABBREVIATIONS

CO2: Carbon Dioxide

GHG: Greenhouse gases

SDGs: Sustainable Development Goals

PERSU: Strategic Plan for Municipal Waste

MW: Municipal waste

DEFINITIONS

Landfill: Site destined for final disposal of waste generated by human activities.

Biowaste: Biodegradable waste from gardens and parks, food and kitchen waste from households,

offices, restaurants, wholesale trade, canteens, catering and retail premises, and similar waste from food processing plants.

Value chain: Comprises all necessary activities for the production of a good or service, from raw material extraction to product/service end of life.

Capitals: Stocks of value on which all organisations depend for their success; they serve as inputs to their business model, and are increased, decreased or transformed through the Organisation's business activities and outputs.



Energy Recovery Plant: Facilities where waste is thermally converted with energy recovery, generating electricity, heat, slag and ashes.

Customers: Any individual or organisation, which the Organisation sells, leases or rents to (it can be more than one level below in the chain).

Composting: Microbial decomposition of organic matter in the presence of oxygen. In the circular economy, composting can be used to convert food co-products and other biodegradable materials into compound fertiliser, which enriches soils, and potentially into biogas. Composting must take account of the qualification conditions for nutrient recirculation.

Community: Local residents that are not suppliers nor customers, including organisations, such as schools and philanthropic institutions.

Value creation: The process that results in increases, decreases or transformations of the capitals, generated by the Organisation’s business activities and outputs. According to the Portuguese General Waste Scheme, Municipal Waste (MW) is “household waste and waste similar in nature and composition to household waste”.

Performance: An Organisation’s achievements regarding its strategic objectives, and its outcomes in terms of its effect on the capitals.

Sustainable development/sustainability: Development that meets the present needs without compromising the ability of future generations to meet their own needs.

Circular Economy: Economic system that aims at zero waste and pollution throughout material lifecycles, from environment extraction to industrial transformation and final consumers, applying to all involved ecosystems.

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

Disposal: Any waste treatment operation other than recovery, even when the operation has as a secondary consequence the reclamation of substances or energy.

Verifying Entity: Independent organisation that assesses and expresses a conclusion regarding the Organisation’s public disclosure of its performance and underlying processes, systems and controls, with regard to proper criteria.



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Strategy: Business plan for the attainment of global or long-term goals, usually devised for a specific time frame, e.g., five years.

End of life: When products or assets reach the end of their use, with the possibility of being remanufactured to remain in use, or recycled to allow for material recirculation.

Supplier: Person or entity that provides services or goods.

Greenhouse Gases: Gases that contribute to the greenhouse effect by absorbing infra-red radiation.
Waste Management: Waste collection, transportation, sorting, recovery and disposal, including supervision of these operations, maintenance of disposal sites after closure, and measures taken in the capacity of waste trader or broker.

Waste Management Hierarchy: Applied as a priority order to waste management and prevention laws and policies:

- (i) prevention;
- (ii) preparation for reuse;
- (iii) recycling; (iv) other recovery;
- (v) disposal.

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

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

Materiality: Substantial effect that certain topics might have on the Organisation’s ability to create value in the short, medium and long term.

Goals: Measurable objectives intended to be reached - quantifiable targets (i.e., the goal is expressed by a number) with clear deadlines.

Business model: The Organisation’s system to transform inputs, through its business activities, into outputs and outcomes, aiming to fulfil the organisation’s strategic purposes and create value in the short, medium and long term. In this Model, capitals are categorised as financial, manufactured, human, social and relationship, and natural.

Stakeholders: 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 Organisation’s ability to create value over time. Stakeholders



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may include Employees, Customers, Suppliers, Business Partners, NGOs, Environmental Groups, Local Communities, Legislators, Regulators, and Policymakers.

Carbon footprint: Total GHG emissions as a result of an Organisation’s activity, event or product. It is generally expressed through a CO2 amount or its equivalent.

Integrated thinking: The active consideration by an Organisation of the relationships between its various operating and functional units, as well as the capitals that the organisation uses or affects. Integrated thinking leads to integrated decision-making and actions that aim at the creation of value in the short, medium and long term.

Single-use plastics: Plastics used only once before they are disposed of or recycled. It includes straws, cotton buds, cigarette butts, among others.

Pollution: Environmental degradation by any substance (solid, liquid or gas) or any form of energy (such as heat, sound or radioactivity) at a faster rate than it can be dispersed, diluted, decomposed, recycled or stored in a harmless form.

Preparation for reuse: Set of recovery operations consisting of checking, cleaning or repairing, by which products or product components that have become

waste are prepared in order to be reused, without any other kind of pre-processing.

Waste Prevention: The adoption of measures before a substance, material or product becomes waste, aiming to reduce:

- i) The amount of waste generated, namely through process and product redesign, and the adoption of new business models, up to the optimisation of resource use, product reuse and the extension of product life span;
- ii) the negative impacts of generated waste on the environment and human health;
- iii) the content of harmful substances in materials and products.

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

Circular economy principles: The circular economy has three principles, based on design: eliminating waste and pollution; keeping products and materials circulating (at their highest value); and regenerating natural systems.



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

Recycling: Any recovery operation, by which materials that constitute waste are reprocessed into products, materials or substances, for their original purpose or other purposes, including reprocessing organic materials, but excluding energy recovery and reprocessing into materials that shall be used as fuels or for backfilling operations.

Selective collection: Collection where a waste stream is kept separate by type and nature, in order to facilitate a specific treatment.

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

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

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.

Waste electrical and electronic equipment: Any waste equipment which is dependent on electric currents or electromagnetic fields in order to work properly, as well as equipment for the generation, transfer and measurement of such currents and fields.

Hazardous waste: Waste that has any of the characteristics mentioned in Annex III of the Basel Convention or is considered as hazardous by national legislation.

Green waste: Waste from garden cleaning and maintenance operations, namely trimmings, branches, grass and herbs.

Reuse: Any operation by which products or components that are not waste are reused for the same purpose they were designed for.

Service: Something supplied by a company and paid by a customer, without transferring ownership of materials. A service can't be transported nor stored, and only exists while it is provided by the provider and used by the customer.

Social Fingerprint: A tool that allows Organisations to measure and perceive the status of their Management System in terms of social performance. This tool uses the basic elements of SA8000 Requirement 9 - Management Systems, assessing each element on a



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scale of 1-5, which helps to easily define the areas of the organisation to be improved.

Treatment: Any waste recovery or disposal operation, including previous preparation for recovery or disposal.

Topic: Economic, environmental or social issue.



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