



40^{YEARS} lipor 

40 YEARS REINVENTING TOMORROW.

INTEGRATED REPORT 2022



BY READING THIS
INTEGRATED
REPORT YOU ARE
CONTRIBUTING TO
PLANT A TREE.

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GLOSSARY



a commitment that grows day by day

LIPOR nurtures a culture of strong interaction with its Interested Parties



1

LIPOR, 40 YEARS OF HISTORY

1.1 MESSAGE FROM THE CHAIRMAN



In 2022, the year of its 40th anniversary, LIPOR's significant role in the sustainable development of the Metropolitan Area of Porto, the Northern Region and the country became more visible and noticeable.

In perfect harmony with our interested parties, we ended the year with a feeling of full satisfaction at the important reinforcement of our activity, the impact caused, the significant increase of Initiatives and Actions implemented in cooperation with the associated City Councils, the achievement of the Goals and Objectives imposed on us by the national Waste Sector Authorities, and the reinforcement of our Vision to transform and change our current Business Model, with an increasing influence of the dynamics of the Circular Economy, which impacts us in a positive way and supports our conviction that waste is a resource.

In addition to sustainability, which is the ultimate goal of our activity, the type of development that LIPOR has promoted over four decades has

fostered the social and environmental development of the communities that live and work in Greater Porto. LIPOR has been central to the construction of the welfare state in its associated municipalities, promoting public hygiene and health, comfort, environmental qualification, social and urban interaction, and the modernisation and competitiveness of their business fabric. Within a framework of effort and commitment by and with LIPOR, the Organisation's Human Resources allow it to create an Ecosystem that values those Resources, in recognition of the dignity inherent to all Citizens and the fundamental respect for human rights.

LIPOR, a central part in building the circular economy

Today, LIPOR consists of a cluster of waste recovery and treatment units, support platforms and other equipment, which form a high-performance waste management system. It is a Municipalities Association that has been investing in science, technology and innovation to respond both to the European Union’s waste policy guidelines, mainly focused on circular economy practices, and to the calls made by the UN Secretary-General Eng. António Guterres to States and regions around the world to stop the environmental degradation of the planet.

This is what LIPOR has been doing: treating and using waste as a strategic resource, to ensure a good quality of life to the Greater Porto population and maintain the social, economic and environmental competitiveness of this Metropolitan Area.

LIPOR’s public performance metrics, as well as its economic and financial indicators and results pertaining to the past year, which are now presented by the Board of Directors, are a reassurance to its members that they are successfully carrying out their mission. Despite the high tax burden (debatably) imposed by the Tax Authority to its activities, LIPOR stands by its intensive investment policy for the purposes of process improvement and technological innovation at the service of citizens.

LIPOR is part of the advanced group of European waste management Organisations that, day by day, step by step, investment by investment, study by study, debate by debate, are reaching the Zero Landfill goal, which is something for the country to be proud of!

This achievement is afforded by the optimisation of multimaterial and organic recycling and reuse processes; the investment in energy recovery from unsorted waste; the production of electric energy with less impact than energy from fossil fuels, and possibly the supply of clean energy to the Porto International Airport, in the future; significant investment in Innovation; and the increasing Internationalisation of its activities, while benefiting from the interaction with other countries.

LIPOR’s strategy is based on emission control, operational process control and safety, and mostly on the improvement of environmental indicators.

In perfect alignment with its core business, LIPOR also continues to promote biodiversity within the region and to transform environmental liabilities into free leisure spaces for citizens.

LIPOR has been consistently incorporating a cultural dimension in its global mission. The “Corim House” (Casa do Corim), lent by the Municipality of Maia, will host LIPOR’s Sustainability Hub and cultural activities.

By introducing training, information, entertainment and nature enjoyment activities in their relationship with citizens, and sponsoring cultural, musical and dance initiatives, LIPOR and its associated municipalities, together with the community of Greater Porto, are building a global sustainability platform ever more comprehensive and inclusive.

In this virtuous path, LIPOR counts with the partnership and contribution of customers, suppliers and activity partners. As well as the commitment of its employees, its management team, and the competence of its staff.

Its eight associated municipalities – Espinho, Gondomar, Maia, Matosinhos, Porto, Póvoa de Varzim, Valongo and Vila do Conde – are well aware of LIPOR’s value for their common projects and acknowledge its strategic role in building the future communities they aspire for their citizens.

We do not tread our path alone, but together, confident that this is the only way a dual approach to the clear definition of material topics will allow LIPOR to go further and faster!

In 2023, we start a new cycle, aiming for 40 further years of intense and fruitful activity. (2-22)



JOSÉ MANUEL RIBEIRO

LIPOR Chairman of the Board of Directors
Mayor of the City Council of Valongo

LIPOR is part of the advanced group of European waste management Organisations that, day by day, step by step, investment by investment, study by study, debate by debate, are reaching the Zero Landfill goal, which is something for the country to be proud of!

1.2 WE STAND BY TRANSPARENCY

LIPOR – Associação de Municípios para a Gestão Sustentável de Resíduos do Grande Porto (Municipalities Association for Sustainable Waste Management of Greater Porto) was founded in 1982 as a Municipalities Association, which manages, recovers and treats municipal waste generated by its eight associated municipalities: Espinho, Gondomar, Maia, Matosinhos, Porto, Póvoa de Varzim, Valongo and Vila do Conde. (2-1, 2-2, 2-6)

LIPOR's Integrated Report mirrors its Commitment in terms of Responsibility and Transparency towards All of its Interested Parties, to which it is particularly intended.

The Report presents Financial and Sustainability information pertaining to 2022, namely information for the period from 1 January 2022 to 31 December 2022, being published consecutively for almost two decades. (2-3) The present Report does not include restatements of information relating to last year's report. (2-4)



This Report provides information on Strategy and Performance in the ESG (Environmental, Social and Governance) dimensions, based on the pillars of our Sustainability Agenda, in a dynamic and evolving perspective, aiming at the creation and sharing of sustainable value. Trends in the external environment and the management of risks associated to our activity are also analysed in this document. LIPOR’s Board of Directors, its highest governance body, is responsible for the analysis and approval of the reported information, namely the organisation’s material topics. (2-14)

In line with the best and most recent reporting practices, the Integrated Report 2022 was prepared in compliance with the integrated reporting guidelines of the International Integrated Reporting Council (IIRC) and, regarding Sustainability, the guidelines of the Global Reporting Initiative (GRI), GRI Standards version, option “with reference to the GRI standards”. Information on these GRI contents can be found in the Table on page 133 of the Report. The Financial Statements were drawn up according to the International Financial Reporting Standards (IFRS), as implemented in the European Union.

The Integrated Report 2022 is fully published in digital version. The document and its annexes follow the new Portuguese orthographic agreement and are available in Portuguese and English.

INDEPENDENT EXTERNAL ASSURANCE

In order to ensure data reliability and veracity, information regarding Sustainability reported in LIPOR’s Integrated Report 2022 was properly subjected to independent external assurance, for a limited reliability assurance, by PricewaterhouseCoopers & Associados – Sociedade de Revisores Oficiais de Contas, Lda, having the Board of Directors received the External Assurance Statement and the AA1000AP (2018) Standard Licence, as stated on page 167 of this Report. This Assurance includes obtaining the licence of adherence to the Principles defined in the AA1000AP (2018) Standard. (2-5)

WE ARE AT YOUR DISPOSAL!

CONTACT LIPOR (2-1, 2-3)

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1.3 LIPOR ECOSYSTEM

KEEP REINVENTING TOMORROW

On 12th November 1982, LIPOR – Associação de Municípios para a Gestão Sustentável de Resíduos do Grande Porto was founded as a Municipalities Association. Joint efforts from the Municipalities laid early on the foundations for a Project for the Future.

In 2022, LIPOR celebrated 40 years of fruitful activity, a long path that shaped today's Organisation, which is known, recognised, and honours the region and the country it serves.



LIPOR 40 YEARS



MESSAGE FROM THE PRESIDENT OF THE REPUBLIC

click on the image
to view the video



MESSAGE FROM THE MINISTER FOR THE ENVIRONMENT AND CLIMATE ACTION

click on the image
to view the video

OUR CONTRACT WITH HUMANITY



PURPOSE

Every day we build a Better world.



VISION

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



MISSION

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






POLICY

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

Putting into practice our Vision, in 2005, we adopted the three pillars of Sustainability – environmental, social and economic – and integrated its fundamental principles in our business, as well as in the relationship with our Interested Parties.

In line with the most recent trends, we've consolidated a management model characterised by the reintroduction of Waste as a Resource in the value chain, through innovative and circular practices. Our integrated system is based on Prevention, prioritising the reduction of the amount and hazardous content of waste, and is supported by Multimaterial, Organic and Energy Recovery, thus avoiding, as far as possible, disposal in Landfill and promoting closed material cycles, based on a regenerative and restorative view of Resources. (2-6)

The LIPOR universe has grown in a sustainable way and allowed us to go further! We increasingly embrace new projects and services, thus reinforcing our strategic path.

	WE SERVE		WE TREAT
REGION	 8 Municipalities	 1,000,000 Citizens	 500,000 t Municipal Waste
COUNTRY	1% Geographic Area	10% Population	12% Municipal Waste Generated



THE LIPOR UNIVERSE

LIPOR'S SORTING PLATFORMS

Located in the Baguim do Monte/Ermesinde complex, the Sorting Platforms play a fundamental role in the Multimaterial and Organic Recovery process carried out by LIPOR. We also have support platforms for sorting multimaterial flows, as well as for the preparation of green waste and sorting of green waste from cemeteries.

LIPOR'S SORTING PLANT

Located in the Baguim do Monte/Ermesinde complex. In the Sorting Plant, an additional fine sorting of the materials from the different selective collection circuits is carried out, so that they can be forwarded for recycling. It consists of a 4,000 m² covered hall with an installed treatment capacity of about 50,000 tons/year.



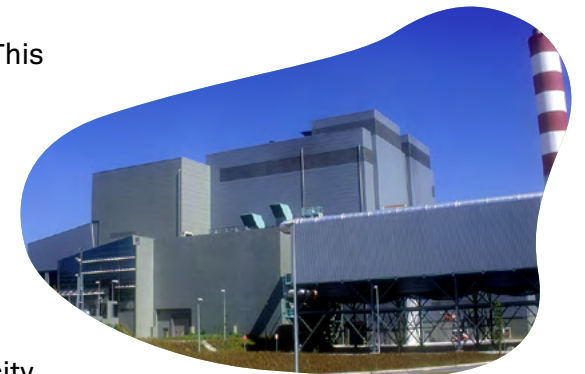
LIPOR'S COMPOSTING PLANT

Located in the Baguim do Monte/Ermesinde complex. The Plant is capable of recovering 60,000 tons/year of biowaste (food and green waste) from selective collection. It applies the tunnel composting process and produces about 13,000 tons/year of high-quality NUTRIMAIS organic improver.



ENERGY RECOVERY PLANT

Located in the Maia complex. This Plant receives the waste that cannot be recovered through composting or recycling processes, and subjects it to a controlled burning process that generates water vapour, which in turn produces electricity in a turbine.



With two treatment lines in continuous and practically automatic operation, the Plant can treat 380,000 tons of waste per year, with an

average of about 1,100 tons of waste processed per day, and produces about 170,000 MWh of electric energy per year, 90% of which are injected into the public grid, which is enough to supply a cluster of about 150,000 inhabitants.

LIPOR ACADEMY (ACADEMIA LIPOR)

Knowledge sharing and training are essential to promote Sustainability. In July 2013, LIPOR was certified as a Training Entity. LIPOR Academy aims to develop and enhance competences through training and qualification, using advanced educational methods and equipment. Its training is certified by DGERT (Directorate-General for Employment and Labour Relations) and the FEFAL Foundation (Foundation for Studies and Training in Local Authorities). LIPOR Academy is also a promoter organisation with accreditation by the Chamber of Engineers.



Since the beginning of its activity, LIPOR Academy has held 352 courses, with a total of 2,873 training hours and the participation of 8,486 trainees.

The courses focus on environmental and waste management topics, and

are divided into: Advanced Training, Technical Training, Bio Training and Tailor-Made Solutions.

The training plan is intended for several target audiences, namely: public and private entities, municipal technicians, teachers, recent graduates and anyone interested in the addressed topics.

CORIM HOUSE (CASA DO CORIM)

Under an institutional partnership with the City Council of Maia, LIPOR became responsible for dynamizing the Corim House, a space that will be dedicated to promoting sustainability, entrepreneurship, environmental protection and citizen awareness of different environmental topics, as well as civic, social and cultural development around the main challenges of sustainable development. It aims at becoming an influential hub for the local and business communities, contributing to an increased environmental awareness among the society.



The Corim House started to be built in the 18th century, following the Nasoni style. In the 19th century, it served as military headquarters for Dom Miguel during the siege of Porto, in 1832-34.

Its magnificent garden, with secular trees and traditional Portuguese tiles, provides visitors a pleasant sense of peace, hard to find in city life. In October 2022, a Reopening Ceremony was held in the Corim House, in the presence of numerous guests.

During the last quarter of 2022, numerous initiatives were held, of which we highlight the Reopening of the House, Cultural gatherings and sustainable Workshops, Christmas at Casa do Corim, Nativity Scene Exhibition and Christmas Markets.

Contributing to increasing levels of environmental literacy in society, this Space is embodied in three strategic axes, namely:

- Traing and Knowing
- Engaging and Experiencing
- Sharing

ADVENTURE PARK & ECOLOGICAL TRAIL

Resulting from the sealing, rehabilitation and environmental landscape recovery project of the former Landfill of Ermesinde/ Baguim do Monte, Adventure Park is now a space that promotes physical activity, respect for the environment and social interaction. It offers entertainment and leisure areas, as well as a wide range of training, educational and recreational activities. In the same complex, we can find LIPOR's Ecological Trail, a space used to promote biodiversity and to help protect, disseminate, preserve and recover environmental heritage. Along the Trail, it is possible to observe several natural engineering structures, which are increasingly used for the rehabilitation of water courses.



WE GUARANTEE RESPONSIBILITY AND TRANSPARENCY IN OUR WORK.

A continuous improvement of our performance is fundamental to us. With this in mind, we assure the certification of our Management Systems in their different scopes: training, environmental, energy, quality, and health, safety and hygiene conditions for all employees, in their different workplaces. Our Strategy and Policy clearly reflect the Board of Directors'

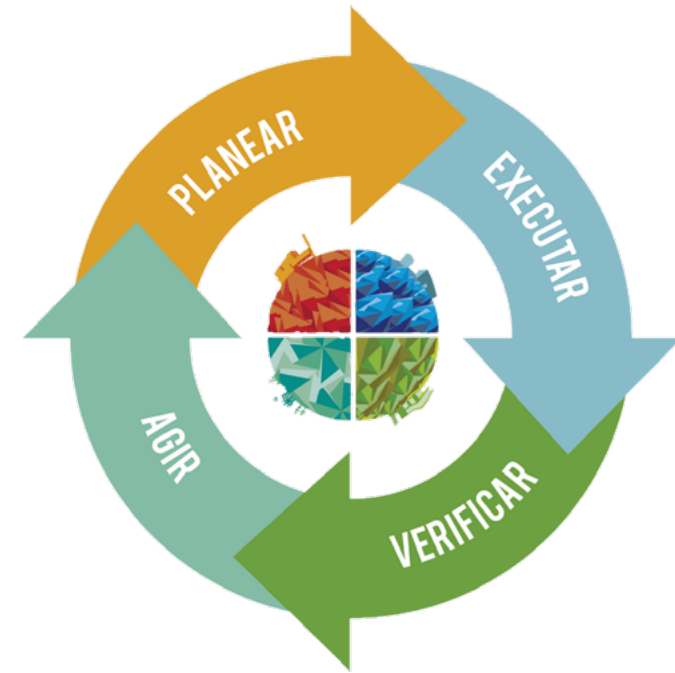
commitment to quality assurance, pollution prevention, environmental protection, increased energy efficiency, occupational health and safety management, social accountability, and research, development and innovation.

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

CONTINUOUS IMPROVEMENT | 10+ YEARS OF KAIZEN AT LIPOR

2022 was our 12th year of implementation of the KAIZEN methodology. It started in 2010, as a pilot project by the Accounting back office, and has grown continuously up to the present day. Through this journey, we celebrated several achievements and recognitions, both internal and external, the last one being the Black Belt Lean Six Sigma Certification, received in 2022 by the Kaizen Support team. This process shaped a mindset where we defy ourselves to continuously do better. What started as a set of improvement tools is now part of our daily work, our DNA, being inseparable from of the LIPOR culture.



CONTINUOUS IMPROVEMENT AT LIPOR IN NUMBERS | 2022 MAIN RESULTS



Keep reinventing tomorrow is the commitment we set out at the beginning of the next 40 years. We wish to continue taking action, creating sustainable value and sharing it with all of our Interested Parties, Associated Municipalities, Employees, Customers, Suppliers, Supervisory Authorities, the Portuguese Government, the several Associations we are proudly part of, and above all the Citizens of a significant part of the Metropolitan Area of Porto, to whom we dedicate our daily work.

Equally important is our membership in several national and international Organisations, acknowledged for their work in matters we address, in view of the multidisciplinary of the LIPOR Project. (2-28)

Discover the Organisations we are part of:

NATIONAL ASSOCIATIONS



INTERNATIONAL ASSOCIATIONS



1.4 COMMITMENTS

To ensure a responsible, stricter business conduct, more aligned with the ecosystem, LIPOR has established and incorporated in its activity a set of policy commitments: (2-23, 2-24)

COMMITMENT TO ETHICS

LIPOR is aware of its commitment to and impact on the communities it serves and is part of.

This impact imposes additional responsibility on our work. Therefore, consolidating the values and principles of loyalty, transparency and integrity is among the priorities of our Board of Directors and all our employees.

In the past years, we have sought to act in accordance with external and internal controls, in order to assure transparency and integrity.

- Ethics and Conduct Code
- Corruption Prevention
- Offences Reporting.

Having ethically responsible behavior as a fundamental premise, the consolidation of the values and principles of loyalty, transparency and integrity are among the priorities of our Board of Directors and of all Employees.



LIPOR's Ethics Code helps us build, maintain and strengthen our Organisation's culture, considering that we always seek to enhance the confidence of all those who interact with us, namely the population we serve.

Reflection and dialogue on Ethics are always part of the Organisation's agenda, as they are very important to us.

As a pivotal guiding instrument for the Organisation's and the Employees' conduct, the Ethics Code is systematically disseminated among the Employees through internal training actions. This dialogue aims at consolidating Ethics as an integral part of the Organisation's DNA and at integrating the Ethics Code as a "living" element in our way of working. LIPOR's Ethics Committee, an independent, multidisciplinary, advisory entity created in 2021, aims to promote and assure ethical standards within the Organisation, having as its main duties to ensure compliance with the procedures set out in the Ethics and Conduct Code, as well as to disseminate them amongst the Employees.

COMMITMENT TOWARDS SUPPLIERS

With the Suppliers and Subcontractors Conduct Code, we intend to promote Social Accountability along the Value Chain, of which Suppliers are a fundamental part. In this way, we seek to maintain partnerships mainly based on the Values we share with them.

COMMITMENT TO HUMAN RIGHTS

The SA8000 certification addresses issues such as forced and child labour, occupational health and safety, freedom of association and collective bargaining, discrimination, disciplinary action, working hours, remuneration and management systems. Besides setting minimal working conditions all over the world, the SA8000 also integrates existing international agreements, including the conventions of the International Labour Organization, the Universal Declaration of Human Rights and the United Nations Convention on the Rights of the Child.

As part of the Social Accountability Certification under the SA8000 Standard, LIPOR has been implementing several control mechanisms that ensure a high level of trust in the System. It is worth highlighting the quarterly Social Accountability visits, where Employees from all areas are interviewed. The entire Organisation is subject to internal and external third-party Audits twice a year, which include an onsite check of working conditions and anonymous interviews to detect any fault that may escape from the Organisation's ordinary control. In addition to the SA8000 control mechanisms, there are a few reporting channels that

the Employees may use to report their concerns anonymously: (2-26)

- Ethics Committee
- Intranet
- Suggestion Boxes

LIPOR provides an Internal and External Reporting Channel, and ensures adequate whistle-blower protection. Reports can refer to offences committed, being committed or reasonably expected to be committed, as well as attempts to conceal such offences. LIPOR is strongly committed to combat any corrupt and reprehensible practices, condemning any form of corruption or similar practices in its relationships. (2-26)

COMMITMENT TO UNIVERSAL PRINCIPLES

Charter of Principles of Companies for Sustainability	We joined the Charter of Principles of Companies for Sustainability, which sets common commitments for sustainable development in Portugal.
SDG Alliance Portugal	We subscribed the SDG ALLIANCE PORTUGAL, which mainly aims to raise awareness, inform, implement, monitor and assess the contribution of the business sector to the Sustainable Development Goals.
Diversity Charter	We joined the Diversity Charter, having committed ourselves to its purpose, which is to regard Diversity and equal opportunities at work as a basic ethical and guiding principle for our internal and external actions, integrating it in our values and institutional identity.
New Plastics Economy Global Commitment	As a reinforcement of our action towards the development of a Circular Economy for Plastics, we've submitted our commitment to the Ellen MacArthur Foundation, along with over 250 organisations worldwide.
Portuguese Plastics Pact	We joined the Portuguese Plastics Pact together with several value chain actors, in favour of a circular economy for plastics in Portugal.

the world changes when we decide to change

*A project for continuous
overcoming, where there is no
stagnation.*



2

WE SHARE VALUE

2.1 BUSINESS MODEL (2-6)

How we create value for the community

Capitais	Input	Modelo de negócio	Output	ODS	Tema Material
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: 8.849 tons Nutrimais 79.060 tons Recyclable Waste 189.573 MWh Energy	ODS 2 ODS 12	- Circularity and Transformation of Waste into New Resources - Product and Service Quality and Reliability
Financial Capital	The business requires financial capital, namely financial assets, subsidies and loans.		52.441.053,03 € Turnover 20.994.490,73 € de EBITDA	ODS 8	- Financial Balance of the Organisation - Involvement with Suppliers
Natural Capital	Managing waste as a resource is LIPOR's main premise, which is line with sustainable resource management, namely relating to raw materials, carbon and energy, biodiversity and soils.		30,7% GEE Reduction 0,068 GJ/ton Energy Intensity 47 ha of Preserved Native Forest	ODS 6 ODS 7 ODS 13 ODS 15	- Energy Transition and 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 47,64 training hours/employee 9 Employees with disabilities	ODS 8	- Development and Well-being (of Employees) - Attracting and Retaining Talent - Ethics and Integrity - Health and Safety - Human Rights and Diversity
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 4 Approved International Proposals 43 Ongoing Innovation Projects	ODS 9	- Incentive for new Businesses and Opportunities
Social and Relationship Capital	Stakeholder engagement and the well-being of the Communities we are part of are at the core of our identity.		1.847.166,33 € community investment 91.403 awareness citizens 1.567.995 LIPOR's reach on Facebook	ODS 4 ODS 11 ODS 17	- Communication, Environmental Education and Training - Brand and Reputation Management - Impact on the Community

2.2 STRATEGIC VISION

2022 was expected to be a year of full post-pandemic activity and commercial recovery worldwide. Those expectations were dashed by Russia’s unjustified aggression against Ukraine, in February 2022. After two years of pandemic crisis, the European economy plunged into a complex war situation, which is affecting all organisations, both directly and indirectly.

In 1987, the United Nations Brundtland Commission defined Sustainability as “meeting the needs of the present without compromising the ability of future generations to meet their own needs”. LIPOR adopted the concept of Sustainability as the anchor of its business strategy. In spite of the context lived in the past year, we persisted on our path and approach, aiming to improve our performance, maximise the impact of our work and expand our activities. We strongly believe that, by pursuing the path of Sustainability, we are creating more value and having a greater impact on the Community, while being more relevant and competitive.



We are driven by the People, the Planet and Prosperity, always promoting the best Partnerships. And 2022 was one more step towards the commitments made for 2025.

PEOPLE FIRST

We continue to create and share value by investing 20% of our Turnover in the Community we serve, through different initiatives and projects carried out throughout the year. We registered a 64% growth in the integration of curricular internships and continued to invest in the development of employee skills, thus creating more opportunities for the people linked to us. Health and well-being are fundamental factors for a person's quality of life, and a strategic priority for LIPOR. With this in mind, in 2022, the "Health and Well-Being" project for employees continued to be a key pillar of our activities.

Our Commitments for 2025:

- To maintain a perceived Social Accountability score of 4.5 (scale of 1-5)
- To invest 5% of Turnover in the Community
- To increase by 5% employee engagement with regard to benchmarking
- To promote Diversity by employing people with disabilities (5% of total employees)
- To promote Opportunities by offering curricular internships (15%) and international internships (4%)
- To ensure that all strategic suppliers are committed to the principles of equal access to employment and career development

WE MOVE TOWARDS ZERO IMPACT ON THE PLANET

Promoting Biodiversity, Circularity, Reuse and Recycling, and Reducing our Carbon Footprint are the principles that guide our daily activities and translate our commitment to Planet Earth.

We reduced waste generation by 3% and forwarded 36% of waste for reuse and recycling, thus ensuring a 64% recovery rate from selective collection in LIPOR's Municipalities.

It is becoming increasingly urgent to adopt individual and collective measures that ensure a healthy Nature. We're committed to transforming our spaces in areas of high biodiversity value. In 2022, we converted 8% of our spaces and reduced our greenhouse gas emissions by 35.5% (in comparison with 2006).

Our Commitments for 2025:

- To reduce our carbon footprint by 30%
- To make an impact on ecosystem services of 5 times the invested value
- To achieve a 5% energy surplus
- To reduce waste generation by 2% with prevention projects
- To promote circularity by ensuring a 45% rate of preparation for reuse and recycling and the recovery of 68 kg/inhab./year of waste from selective collection
- To achieve an 8% circularity rate in our activity
- To launch on the market 10 new circular products

BE A LEADING BRAND IN THE GLOBAL MARKET

Innovation is a key driver to reach our goal in terms of prosperity. In 2022, we invested about 8 million euros in the development of new products and services, having obtained a 0.12% return in our turnover.

We have been digitalising our operations gradually, but we are certain that this will strongly impact on our future business. Last year, we executed 90% of the programme defined for that period.

Partnerships have played a fundamental role in obtaining 91% funding for the implementation of new projects.

It is fair to say that our efforts have been praised by our interested parties, who acknowledge LIPOR as an affective brand.

Our Commitments for 2025:

- To reach an EBITDA margin of 35%
- To reach 2% turnover from new products
- To reach an investment in new products and services worth €3.5M
- To obtain a 56% spontaneous Brand awareness rate
- To digitalise 80% of our operations
- To obtain 50% funding for joint projects



LIPOR'S SUSTAINABILITY AGENDA



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
- Health and safety
- Human Rights and Diversity

Planet

- Energy Transition and Climate Change
- Biodiversity
- Circularity and Transformation of Waste into New Resources
- Product and Service Quality and Reliability

Prosperity

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

LIPOR's Sustainability Agenda reflects our dynamism and materialises our answer to important challenges that our business faces, by incorporating ESG criteria. It covers the Organisation's material topics, with input from our Interested Parties, as well as our alignment with the Sustainable Development Goals (SDGs).

LIPOR's performance is monitored through well-defined indicators, that allow for the analysis and assessment of the Strategic Vision – Sustainability – bearing in mind its several areas. The strategic monitoring process regularly carried out by the management team plays a fundamental role in ensuring that the emerging strategy is incorporated into the defined strategy. Strategic monitoring meetings are held quarterly to assess the defined objectives, indicators, goals and projects. The analysis of deviations by means of the Fact/Cause/Action methodology allows for the definition of corrective actions, thus ensuring strategic execution.

The results are a reflection of the Governance practice, indirectly allowing its assessment. Given the nature of the Board of Directors, no formal performance self-evaluation processes were implemented, in any specific area. Besides the Balanced Scorecard, the Board of Directors has access to other tools to assess the Organisation's development, and to monitor closely the results obtained in the different areas. As an example, we can mention the Management's performance review process for the implemented and certified management systems (ISO 9001:2008, ISO 14001:2004, OHSAS 18001 | NP 4397, SA8000:2008 and NP 4457), regarding Quality, Environment, Occupational Health and Safety (OHS),

Social Accountability, and Research, Development and Innovation (RDI). On the other hand, economic and financial analysis tools and Management Control Reports of economic nature also allow a rigorous follow-up of the Organisation's performance by the Directors.

In 2022, we also reinforced our Sustainability portfolio by voluntarily participating in the S&P Index, for a Corporate Sustainability Assessment by S&P Global, which provides a comprehensive assessment of Corporate ESG performance and allows for performance comparison between industries, while showing significant differences in materiality regarding several ESG criteria.

Despite the global challenges imposed on corporate sustainability in 2022, in virtue of the existing external environment, LIPOR continued to pursue its Sustainability Agenda, reinforcing social and environmental policies and governance commitments, always assuming our responsibilities and acting with the transparency that characterises us, towards the accomplishment of our purpose of “Building a better world every day”! (2-17)

2.3 DIALOGUE WITH THE INTERESTED PARTIES



In the matter of materiality, the new reporting trends have put forth two perspectives: 1) financial materiality, which indicates that a topic is material if it has significant impact on the organisation’s financial performance; and 2) social and environmental materiality, when the topic is materially relevant if the activities have a significant impact on society. In this context, the European Commission has consolidated these two perspectives by introducing the concept of “Double Materiality”.

In the course of the materiality review process carried out in 2022, LIPOR based its analysis on and aligned its activities with the concept of double materiality, believing that it adds value to the Organisation and its Interested Parties.

Thus, LIPOR’s material topics identified for the 2022-2023 biennium bore in mind the impact materiality (on people and the environment) and financial materiality, i.e., the criterion of double materiality, thus assessing its activities and impacts “from the inside out and from the outside in”.

In this context, we believe that engagement with our Interested Parties is paramount to involve all those who influence and impact us, wherefore we adopted the principles of the AA1000AP (2018) Standard, and applied for the licence in parallel with the Report’s Assurance, in order to add reliability to the process. (2-29)

In the new process cycle, we used the following framework for material topic definition: (3-1)

1. Mapping of interested parties and review of interest groups
2. Identification of critical and non-critical interested parties
3. Consultation of the interest parties
4. Identification of the material topics
5. Conception of the materiality matrix, with the double materiality perspective

About our **Interested Parties:** (2-29)

We identified 12 Interest Groups, which comprise our 25 Interested Parties.

The critical Interested Parties are those who show simultaneously moderate/high influence and dependence, and are mapped in the influence-dependence matrix:

Interested parties influence in the organisation					
		No influence	Low influence	Moderate influence	High influence
Interested parties dependence on the organisation	High Dependency			Employees	Board of Directors Operating Units Explorers Associated Municipalities
	Moderate Dependency			Suppliers Other interested parties	Customers Community Managing Entities
	Low Dependency				Financial and Funding Institutions
	No Dependency				Regulatory and licencing authorities Media and opinion leaders

About our **Material Topics:** (3-3)

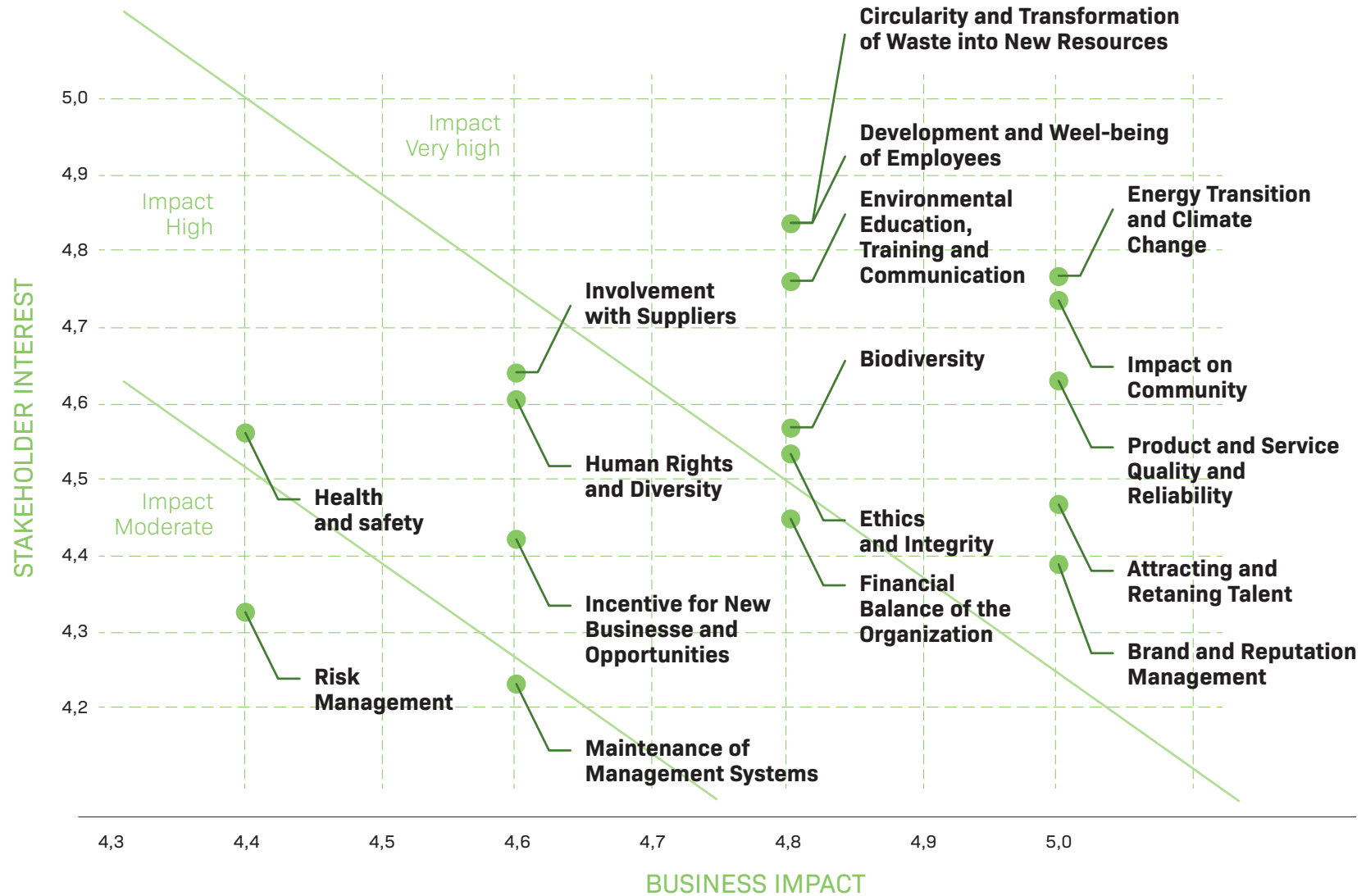
We believe that, by promoting dialogue to ascertain the most relevant environmental, social and governance (ESG) topics, we are improving decision making and accounting processes.

In 2022, we held Consultation Sessions for critical Interested Parties, consisting of a General Session and 3 Satellite Sessions for specific Interested Parties and topics, namely a Session for Suppliers, another Session for LIPOR Employees and a third Session for Biodiversity Partners. These forums, supported by an External Entity designated to ensure proper methodology and information confidentiality, aimed at Listening, Understanding and Cooperating: because the contribution of all parties is fundamental to us!

These Sessions were designed to identify, assess and prioritise relevant material topics, bearing in mind LIPOR's impact on the environment and the society. In addition, an online survey was made available to the community, so that everyone could share their opinion. These topics were merged with the Organisation's vision, in accordance with their relevance to the business, resulting in the following Double Materiality Matrix:



LIPOR MATERIALITY MATRIX



Summing up, LIPOR’s material topics are the topics identified by the Management and the Interested Parties as having high and very high impact by and on the Organisation.

LIPOR’s materially relevant topics are, thus, the following: (3-2)

- Financial Performance of the Organisation
- Ethics and Integrity
- Circularity and Transformation of Waste into New Resources
- Energy Transition and Climate Change
- Biodiversity
- Employee Development and Well-Being
- Health and Safety
- Talent Attraction and Retention
- Human Rights and Diversity
- Sustainable Value Chain
- Product and Service Quality and Reliability
- Communication, Environmental Education and Training
- New Business Models and Opportunities
- Impact on the Community
- Reputation and Brand Management

In relation to the previous reporting period, 2 new topics were identified: “Human Rights and Diversity” and “Health and Safety”. Also regarding the 2020 period, 2 topics are no longer considered material: “Risk Management” and “Maintenance of Management Systems”. These results stemmed from the combination of 49.02% answers from online surveys and 50.98% an-swers from in-person sessions.

Besides being fundamental to the integrated report, this process is also included in the documents pertaining to the ISO 9001 and ISO 14001 Standards.

For the first time, we decided to assess Employee knowledge on materiality, i.e., our approach to the Sustainability challenges that are most relevant to the organisation. Therefore, in 2022, we conducted a quiz, which revealed a materiality knowledge rate of 88.9%.

To manage material topics, we rely on the following management documents: (2-25, 3-3)

- Statutes
- Internal Regulation
- LIPOR’s Policy
- LIPOR’s Strategic Plan
- Regulatory Systems Management Manual
- Corruption Risk and Related Offences Management Plan
- Ethics and Conduct Code
- Suppliers and Subcontractors Conduct Code

We thank all our Interested Parties for helping us respond to the challenges of Sustainability!

2.4 EXTERNAL ENVIRONMENT

In 2022, the world started resuming normality after the troubled period of the COVID-19 pandemic.

Still, we are far from peaceful times, as 2022 was also the year we witnessed war arise in Europe, with Russia invading Ukraine, also resulting in the degradation of the environmental and social climate.

In 2022, inflation rose, reflecting increasing external pressures on prices; in addition, a high demand for goods and services, that was constrained during the pandemic, also contributed to inflation's upward trend.

The last report published by the Intergovernmental Panel on Climate Change (IPCC) alerts to a “liveable future” at risk: without a substantial and immediate reduction of emissions, it will be impossible to limit temperature rise to 1.5°C, as emissions were never as high as in the last decade.

The decarbonisation of economies and of our lives is one of the biggest challenges faced by this generation, considering that, as the UN Secretary-General António Guterres said at the opening of the COP27, we are in a “highway to climate hell”.



In an adverse external and financial context, it is undoubtedly urgent to take measures; prioritising Sustainability is, in our opinion, an indispensable step and a landmark in the strategy, business and operations of all Organisations. Existing international standards on responsible corporate conduct stipulate that companies must protect human rights and define a method to address environmental protection in all their operations and value chains. Therefore, an ESG approach is now indispensable to the corporate ecosystem!

International politics also consolidated significant commitments, namely the Sustainable Development Goals and the Paris Agreement, two important milestones.

The United Nations Sustainable Development Goals, adopted by all UN Member States in 2015, include promoting a sustainable, inclusive and sustained economic growth. The European Union set itself the objective of implementing the United Nations Sustainable Development Goals. Both public and private sectors contribute to those goals, and LIPOR is no exception.

The international agreements under the United Nations Framework Convention on Climate Change, such as the Paris Agreement and the recent Glasgow Climate Pact, stipulate concrete measures to fight climate change and limit temperature rise to 1.5°C. In addition to specific actions assumed by all signatories, the private sector, particularly its investment strategies, plays a fundamental role in reaching these goals.

The European Union is also taking initiative with regard to sustainable governance. Several policies, strategies and initiatives have been implemented to support the ambitions of the European Green Deal, so that Europe becomes the first climate-neutral continent by 2050; examples include the Circular Economy Action Plan and the EU Biodiversity Strategy for 2030.

With regard to the latter, it is worth highlighting the progress made in the COP15, from which resulted the post-2022 Kunming-Montreal Global Biodiversity Framework, which includes the global goal of halting biodiversity loss by 2030 and commits governments to compel all major companies and financial institutions to assess and divulge their risks, impacts and dependences regarding biodiversity.

Although European laws are increasingly restrictive, vast and ambitious, Corporate conduct is still paramount to the transition towards a green economy and the achievement of a neutral impact on climate.

Initiatives such as the Taxonomy for Sustainable Activities, the new Corporate Sustainability Reporting Directive, the proposed Corporate Due Diligence Directive and the Social Taxonomy show that Sustainability is on Europe's agenda!

ABOUT THE WASTE SECTOR IN PORTUGAL

In the continental territory of Portugal, municipal waste is treated by 23 High Service and Municipal Waste Management Entities (SGRU). The governance models adopted by the SGRU include inter-municipal concessions, municipal or inter-municipal companies and municipalities associations, such as LIPOR.

The Portuguese waste policy is materialised at the macro level by the National Waste Management Plan (PNGR 2030), supported by the Strategic Plan for Municipal Waste 2030 (PERSU 2030) and the Strategic Plan for Non-Municipal Waste 2030 (PERNU 2030), two reference planning instruments for municipal and non-municipal waste management that aim at the implementation of the national MW management policy, in line with EU policies and strategies.

It is time to make long-due decisions that will impact on the future of municipal waste management in Portugal. The latest edition of the State of the Environment Report (REA) (2020/2021) states that each Portuguese produces on average 1.4 kg of waste per day, i.e., a total of 14,000 tons of waste/day.

It is evident that the fulfilment of the ambitious goals and objectives defined requires full mobilisation. This transition will only be possible if the entire value chain is involved. Thus, it is essential to design packaging with its entire life cycle in mind, as well as to increase recycling rates, while ensuring high quality standards, to promote the integration of secondary materials, to reverse disposal in landfill, and to foster the recovery of residual waste by means of sustainable solutions.

International politics also consolidated significant commitments, namely the Sustainable Development Goals and the Paris Agreement, two important milestones.

2.5 RISK MANAGEMENT

The 18th edition of the Global Risks Report stresses the multiple areas where the world is at a critical turning point. It urges collective preparation for the next crisis the world may face, while shaping a pathway to a more stable, resilient world.

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

CORRUPTION RISK AND RELATED OFFENCES PREVENTION PLAN

Our Organisation has implemented a Corruption Risk and Related Offences Prevention Plan. In September 2022, we audited the organisational units with high corruption risk, in order to assess the Plan's execution and prepare a mid-term assessment report, in compliance with Article 6 (4) (a) of the Decree-Law no. 109-E/2021

of 9 December. In December, a meeting with the Organisational Units was held to assess the level of implementation of the preventive and corrective measures identified in the Plan, as well as to estimate its full implementation. The annual execution report, as laid down in Article 6 (4) (b) of the same legal document, was also prepared in this meeting. (205-1)

In the matters of communication and training about anti-corruption policies and procedures, we highlight:



- Internal Staff Training “Ethics management at LIPOR”
- “Keeping LIPOR’s Ethics Code alive”, with the participation of the Management Team, Members of the Ethics Committee and the EDS Team
- “Organisational Integrity – Prevention of Fraud and Corruption”, with the participation of a Technician from the Legal and Audit Department
- “Compliance – Reporting Channels and Whistle-Blower Protection”, with the participation of a Technician from the Legal and Audit Department

In addition, we developed the activity “1 Minute of Ethics”, which aims at encouraging reflection on situations that may constitute deviations from LIPOR’s Ethics and Conduct Code. We also publish monthly communications on ethics topics. In 2022, we created the Regulatory Compliance Committee, which takes on the duties of the “Regulatory Compliance Officer” (figure created by the Decree-Law no. 109-E/2021), we implemented a reporting channel, available on LIPOR’s website, and established the corresponding report management procedure. (205-2)

It is worth highlighting that LIPOR registered no corruption cases in 2022. (205-3)

CYBERSECURITY PLAN

The pandemic contributed to a deeper digitalisation of the economy, deeply transforming the way companies operate and interact with their

interested parties, 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 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 incident reporting rules. Being one of the entities concerned, LIPOR ensured compliance with the requirements, namely in terms of the designation of a security officer and permanent contact, the communication of the technological assets inventory, incident reporting and the elaboration 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 sectoral engagement and awareness. The measures were categorised as: general nature (comprising all dimensions of the Organisation), treatment infrastructures, and human resources.

COVID-19 CONTINGENCY PLAN

In view of the development of the COVID-19 pandemic, particularly the national scenario, in 2022, mitigation measures were eased (while permanently monitoring developments), wherefore onsite work was resumed.

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 defined actions are effective.

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 interested parties and, evidently, protect the LIPOR Brand.

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

This is our Energy

*Our performance stems from
Employee engagement.*



3

WE PUT PEOPLE FIRST

THIS IS THE ENERGY THAT DRIVES US, THE L ENERGY, LIPOR ENERGY!



It stems from Employee engagement in the Organisation's Strategy, wherefore we promote account-ability and commitment to LIPOR's Purpose.



In 2022, LIPOR was awarded 1st place in the Excellence at Work Index, in the Public Sector category, under the scope of the Organisational climate and human capital development study, developed by Neves de Almeida HR Consulting, in partnership with Human Resources and ISCTE Executive Education.

LIPOR prioritises the development of knowledge, skills and career paths, as well as Employee acknowledgement, respecting their diversity and promoting inclusion. Therefore, we strive to provide conditions that satisfy Employees, both personally and professionally, fostering occupational health and safety, physical and emotional wellbeing and the maintenance of trade unions relations, in compliance with the Quality, Environmental, Safety, Health and Social Accountability Management Systems.

Sociolect Project

It is essential to create a culture of unity and commitment within the Organisation. With the Sociolect Project, we aim at improving Employee engagement in the Organisation, with direct impact on the organisational climate.

In 2022, we had 210 Employees working full time (7 daily hours). Equally important to our performance is employment generated by our Business Partners (Prezero Ambiente, Prezero Portugal, Veolia and Luságua), through the operation and exploitation of the Composting Plant, the Sorting Plant, the Energy Recovery Plant and the Landfill, respectively. As well as, other Partners of other support operations. Non-employee workers total around 240 people. (2-8)

EACH EMPLOYEE IS UNIQUE

We strongly invest in **Employee Training**, a development tool used to improve skills. In 2022, this effort resulted in an average of 47,64 training hours per Employee. (404-1)

Level of Satisfaction with Training	
2022	4,58
2021	4,54
2020	4,48

Throughout 2022, we continued to boost the ATAWAD concept in YAMMER’s page intended for Employees, with 47 posts.

Career Management is subject to legal compliance, given that, as a public law legal person, LIPOR is regulated by the General Labour Law for Public Service (Law no. 35/2014 of 20 June).

We strongly invest in Employee training and competences improvement; however, there’s no other **Career Management** procedure besides the corresponding legal scheme. Nonetheless, there’s a permanent effort to promote the professional development of Employees, giving 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 2022, LIPOR used this tool to move 6 workers to upper grades and 3 within the same grade. (404-2)

Career-Based Remuneration is defined by specific legislation applicable to all Employees in Public Service (Law no. 35/2014 of 20 June and Implementing Decree no. 14/2008 of 31 July), 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 salary scale is applied equally in terms of gender, proving the inexistence of any type of discrimination regarding remuneration. In 2021, the guaranteed minimum monthly wage was

upgraded to 665.00 euros according to the Decree-Law no. 10/2021 of 1 February. (405-2)

For the purpose of **Employee performance assessment**, we use the Integrated System for Management and Performance Assessment of the Public Administration (SIADAP), applied in accordance with Law no. 66-B/2007 of 28 December, and adapted for application to Local Administration by the Implementing Decree no. 18/2009 of 4 September. This system is based on two areas: individual or shared objectives and competences. With the changes made in the past years, SIADAP 3 became biannual. LIPOR Employees are currently at the end of the 2021/2022 assessment cycle and the beginning of the 2023/2024 assessment cycle. (404-3)



Human Development Project

We started to digitalise processes pertaining to Human Resource management. SIADAP is in the final phase, being followed by the recruitment process.

Diversity and inclusion are an integral part of our genesis, wherefore we value individual identity and are guided by the principle of **equal** rights in our relationships with all parties, regardless of factors such as ethnicity, place of origin, religion, ideology, socioeconomic status or sexual orientation.

We promote equal opportunities for men and women with respect to access to employment and professional development, taking strict measures to avoid any form of discrimination.

In this context, Supervised Workers are also included in the Social Accountability visits, so that they have the opportunity to express their views on topics related to their employment relations, among others.

(401-2)

Employee Diversity (405-1)									
	2022								
	M	F	Total	< 30 years		30-50 years		> 50 yeras	
				M	F	M	F	M	F
Managers	8	7	15	0	0	5	6	3	1
Computer Specialists	2	1	3	0	0	2	1	0	0
Senior Technicians	27	54	81	1	4	23	42	3	8
Computer Technicians	0	0	0	0	0	0	0	0	0
Technical Assistants	28	9	37	0	0	18	7	10	2
Operational Assistants	70	4	74	1	0	25	2	44	2
Total	135	75	210	2	4	73	58	60	13

6

Employees
of foreign nationality

9

Employees
Employees with disabilities

46,7%

Women in
management positions

COLLECTIVE LABOUR AGREEMENTS

LIPOR and SINTAP (Public Administration and Services Workers Trade Union) concluded a (new) Collective Labour Agreement. This was published in the “Diário da República” on 26th September 2022. The document can be accessed at the following [link: https://files.dre.pt/2s/2022/09/188000000/0054400563.pdf](https://files.dre.pt/2s/2022/09/188000000/0054400563.pdf).

The Agreement covers workers affiliated to the signatory Trade Unions, who work at LIPOR with an employment contract in public service, as well as the remaining workers integrated into the career system or performing duties at the Public Employer, unless there is an explicit opposition by a non-union worker or by a trade union that hasn’t subscribed to the Agreement, concerning its members.

The Agreement entered into force the day after its publication, i.e., on 27th September 2022. It is valid for a year, having revoked the Collective Labour Agreement no. 128/2016, published in the “Diário da República” no. 19/2016, 2nd Series of 28 January 2016. After expiry of the mentioned period, the Agreement will be successively renewed for one-year periods. (2-30)

LIPOR makes use of Social Fingerprint, a tool that allows organisations to measure and ascertain the social performance of their Management System. This tool uses the basic elements of the 9th Requirement – SA8000 Management Systems, assessing each element in a scale of 1-5, thus simplifying the identification of the Organisation’s areas to be improved. In 2022, our Social Fingerprint was 4.7 (on a scale of 5).

LIPOR received two awards in the WELLBEING AWARDS 2022: Best Wellbeing PROGRAM and Best Mental Emotional Health STRATEGY.



The Wellbeing Awards are promoted by Workwell, from AGIS (Health Management and Innovation Association), and Aon Portugal, with the purpose of “acknowledging actions and programmes developed by organisations to promote the well-being, health and happiness of their Employees”.

BENEFITS GRANTED TO EMPLOYEES

The CCD (LIPOR Employees Cultural and Sports Centre – www.ccdlipor.pt) offers benefits to its Members, who amounted to 322 by the end of 2022, including LIPOR Employees, Service Providers and Re-tired Employees.

(401-2)

Free daily fruit, yoghurts and jellies

44 free warm beverages/month/Employee

Free Baby Kit

44 Protocols in areas such as health, training, sports, culture, tourism, and leisure

Promotion of Football Games and Tournaments

Life Insurance

Free Nutrition programme “Healthy Living” (Viver Saudável)
60 registered Employees

Free Yoga classes
83 classes held

Best School Grades Contest for the Members’ children and Student Workers

Photography Contest

Organisation of a Sport Fishing Competition
53 participating members

Free Christmas Baskets
Free toys for children up to 12 years old

Note: The list of provided benefits is not exhaustive.

SEMENTE – ASSOCIAÇÃO DE VOLUNTÁRIOS LIPOR (LIPOR VOLUNTEERS ASSOCIATION)

As a consequence of the international context, 2022 was marked by shortages of goods and products, logistic constraints and the rise in inflation. This scenario had, and still has, a direct impact on the lives of families and organisations. As usual, in addition to its intense activity among the Community, the SEMENTE association provided assistance to LIPOR Employees and their families.



Social Kitchen:

- 3,263 meals served
- 170 meals offered to LIPOR Employees

Emergency support:

- Support offered to 14 LIPOR Employees, totalling 42 people (Employee + family)
- 34 food supports, 33 health supports, 5 furniture and household appliances supports and 3 clothing supports.

LIPOR's internal event included an information session for Employees, where the Chairwoman of SEMENTE's Board presented the Association and its activities, and introduced its several support instruments for Employees.

OCCUPATIONAL HEALTH AND SAFETY

LIPOR's Occupational Health and Safety Management System is implemented and certified under the ISO 45001:2018 standard. (403-1)

This System covers the following areas of the Organisation:

- Receipt of waste from selective collection;
- Collection and receipt 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 Formiga Drop-off Site (Ecocentro da Formiga);
- Marketing of NUTRIMAIS (registered trademark) organic compost.

As far as hazard identification and professional risk assessment is concerned, we have implemented an appropriate procedure and methodology to quantify the magnitude of existing workplace risks and identify improvement opportunities. In this way, we can prioritise correction needs and plan actions to tackle the identified risks and opportunities. To this end, all workers, workplaces, activities performed, relevant previous incidents, including emergencies, planned or projected changes are taken into consideration, as well as other factors, namely social factors, that may influence the identified risks and opportunities,

and the Management System. This risk assessment process, which stems from the implemented Management System and respective certifications, is monitored, and rigorously verified and audited.

In addition, it is worth highlighting the following aspects defined in our Policy:

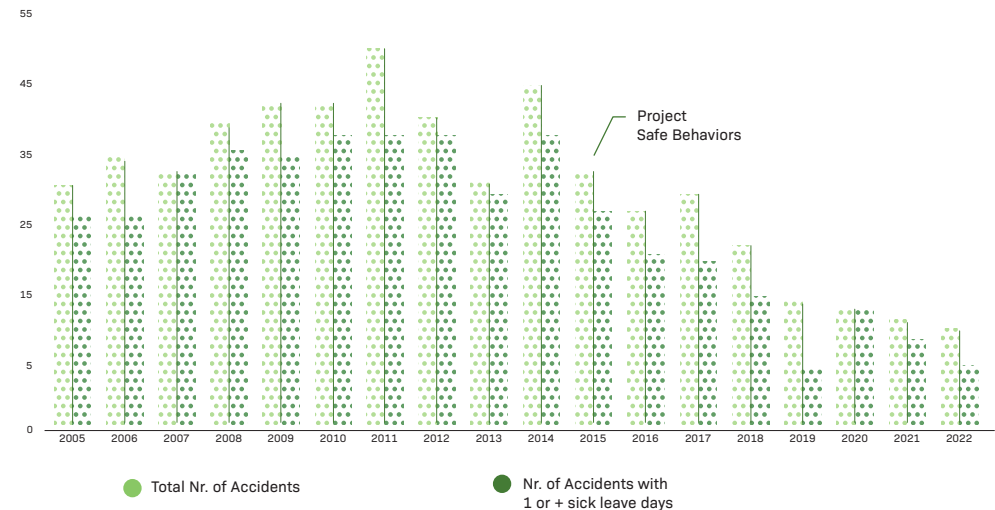
- To fulfil compliance obligations regarding legal requirements and other requirements the Organisation adheres to. To respect the principles of international regulatory instruments, namely the ILO Conventions and the international Human Rights regulations;
- To promote environmental protection by preventing all forms of pollution, promoting the fight against climate change, protecting 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, safety and health, and ensuring hazard elimination and risk reduction;
- To assure the consultation and participation of workers and their representatives. (403-2)

WE PROMOTE AN OCCUPATIONAL SAFETY CULTURE

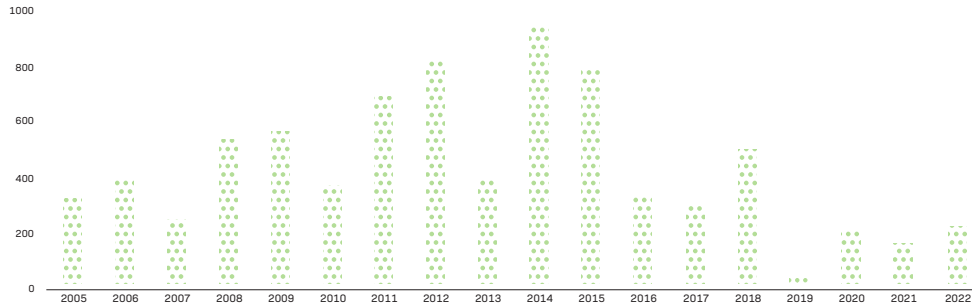
The promotion of an occupational safety culture is inherent to the Organisation’s daily practices, in view of continuous improvement and accident prevention. Therefore, we reinforce the adoption of good practices, raising awareness of Safety as a responsibility of all Employees.

(403-7)

NUMBER OF ACCIDENTS



SICK LEAVE DAYS



When analysing accidents recorded since 2005, it is clear that 2022 had the lowest figure of this period (11 accidents). The same can be observed for the number of accidents with sick leave (5), 76% lower than the maximum number of 37 accidents recorded in 2011, 2012 and 2014. The number of sick leave days (237 days) is the fourth lowest since 2005, 75% lower than the maximum number of 945 sick leave days recorded in 2014.

Overall, in 2022, 28% of accidents were caused by musculoskeletal injuries, 18% were due to traffic accidents and the remaining accidents were caused by cuts, entrapment, blows, pedestrian hits, burns and torsion. (403-9)

We have been adopting several Prevention and Control measures, to reduce risks associated with our activities and facilities, ensuring safe working conditions, so as to prevent workplace accidents and the occurrence of occupational diseases.

Under our Quality, Environmental, Energy, Health and Safety, Social Accountability and Innovation Policy, we commit ourselves to assuring the consultation and participation of workers and their representatives. This is put in place through periodic meetings of worker safety representatives, as well as the Safety Committee, which includes our Occupational Physician.



In this context, Safety Technicians carry out monthly visits to workplaces, accompanied by a Worker Safety Representative.

During 2022, the occupational physician conducted 8 visits to workplaces, together with the Head of the Human Resources Division, the Safety Senior Technician and a Member of the Hygiene and Safety Committee. (403-3)

Within the scope of the Social Accountability Management System, LIPOR established a Social Performance Team, made up of Board, Safety, Human Resources and Trade Union representatives and an Operational Assistant. Every quarter, the Team meets and analyses the standard's clauses and

the results of the Social Accountability visits conducted internally and to suppliers.

In order to foster continuous improvement and further protect its People, in 2022, LIPOR decided to provide annual medical appointments to all Employees, regardless of their age and job. Thus, the Occupational Physician doubled his attendance, in comparison with the previous year. Upon his recommendation, we provided complementary tests: for the first time, all Employees had an Electrocardiogram, and free Hypertension screenings were also arranged, to mark the World Hypertension Day, as well as Audiometry tests and Hepatitis markers.(403-4)

It is also worth highlighting the engagement of a Nurse, who developed the +HEALTH (+SAÚDE) Project through thematic posts on Yammer, namely “LET’S TALK ABOUT...” (VAMOS FALAR DE...), where topics like “Depression, suicide and stress” were discussed and relevant facts regarding mental health were divulged, such as: “Mental Health in Numbers” and “There’s no Health without Mental Health”. In this regard, individual counselling actions were also provided to Employees who sought support in this matter.

All new Employees attend an Integration Training held by the Safety services, which addresses workplace risk assessment, emergency and fire safety, specific safety procedures and good practices. (403-5)

Regarding the prevention of severe occupational diseases, we develop some initiatives that can help minimise them, such as a 15-minute

workplace gymnastics session, in operational areas, before each shift. As for the administrative staff, because they have the possibility of teleworking, workplace gymnastics is held online, twice 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.



WE INVOLVE THE SUPPLY CHAIN

Aiming to ensure supplier performance analysis at appropriate intervals and, whenever pertinent, foster progress by suggesting improvements to its suppliers, LIPOR conducts a Supplier Performance Evaluation. However, supplier evaluation has a higher purpose beyond assessing whether suppliers comply with the demands within the scope of their supply/service provision: entities are also assessed regarding other matters that are extremely important to LIPOR, such as social accountability, seeking to ensure that our suppliers always comply with the SA8000 standard.

Second Party Audits (414-2)	2020	2021	2022
Second party audits	3	3	3
Visits (LIPOR facilities)	3	4	4
Total	6	7	7

In order to uphold high standards, we strive for cooperation with reference entities across different activity sectors. We seek to guide companies towards the intended quality, in symbiosis with the organisation’s purposes, raising awareness of circular economy issues and the implementation of circular criteria, as cooperation by these entities is crucial to ensuring increasing circular procurement. Thus, supplier evaluation is a fundamental tool for a continuous

improvement philosophy, promoting growth and the level of excellence in organisations.

Suppliers are evaluated according to a management procedure, based on the following criteria:

- Number of invoices per semester (5 or more invoices);
- Billing volume (over €10,000, excluding VAT);
- Suppliers classified with “improvement recommendation” in the previous report;
- All Suppliers included in the “Bottleneck” and “Strategic” categories of the risk matrix;
- Energetically Relevant Suppliers for the organisation’s activity.

Suppliers with a score of 85% or higher pass the evaluation, those with a score of 70-84% receive im-provement suggestions, and suppliers with ratings of 69% or lower do not pass. Even the suppliers that are globally approved are subject to an assessment of improvement needs. In 2022, there were no significant changes in the Organisation’s supply chain. (2-6)

Supplier costs (euros)	2020	2021	2022
International	11 272 476,66	9 343 790,20	9 613 666,56
National	41 975 804,92	42 884 631,28	48 513 359,32
Total	53 248 281,58	52 228 421,48	58 127 025,88

Having analysed mailing and receipt of Statements of Commitment to the Conduct Code in 2022, it is clear that more conduct codes and statements of commitment were sent in comparison with the previous year. In sum, 673 suppliers conducted business with LIPOR, of which 312 fulfilled the standard’s requirements. Of these, 230 suppliers billed €10,000 or 5 invoices: 65 registered sales amounting to €10,000.00 or more, and 165 issued 5 (five) accounting documents or more.

In this context, in 2022, 17 Conduct Codes and respective Statements of Commitment were sent. A total of 26 Statements of Commitment were received, duly signed and stamped. This corresponds to the 17 statements sent (100%), while the remaining pertain to Public Procurement Procedures over €5,000. (414-1)

LIPOR has established a Procurement Centre with the purpose of bringing forth a concerted response to the shared needs of LIPOR and its Associated Municipalities, and ensuring faster, more sustainable and economically efficient proceedings.

In this context, meetings with the Follow-up Commission have been held to promote and ensure the aggregation of procurement needs of the participating entities, including needs planning consolidation, and the analysis, normalisation and standardisation of product and service specifications.

Based on Dialogue and Cooperation, as an assurance of its proper overall functioning, the Procurement Centre depends on a permanent lively debate of ideas and knowledge sharing among all involved parties.



WE MAKE AN IMPACT ON THE COMMUNITY

We believe that awareness raising on increasingly circular and sustainable practices must be based on the development of a sustainability, prevention, education, communication and qualification strategy, that promotes proximity to and interaction with the different interested parties.

Promoting integrated and creative communication, environmental education and training solutions, which foster value sharing and change, is the mission we believe in, with the purpose of EDUCATING ambitiously and passionately, and COMMUNICATING in a creative and responsible way!

In 2022, we celebrated LIPOR's 40 years of activity, while fully resuming our communication, environmental education and training activities, having reached 91,403 participants in the environmental education and training initiatives. (L1)

RESPONSIBLE AND CREATIVE COMMUNICATION

External communication is based on the development of mass communication, direct marketing and public relations strategies, supported by a 360° vision.

The celebration of LIPOR's 40 years was a high point of 2022, materialised through the creation of the anniversary corporate

identity, the development and production of communication pieces, a commemorative session, the production of a corporate film, among other initiatives, always aiming to boost brand awareness amongst the Community we serve.

1,567,995
Social Media Reach

As far as internal communication is concerned, we strive to provide quality content, as well as to improve and update our communication media. It is worth highlighting the work undertaken in terms of strategic communication, through the development of the “L Energy” (Energia L) Campaign, which boosts Employee engagement and awareness of LIPOR's Strategy, and culminated in the 40th anniversary commemorative session for Employees and the adoption of a human frame featuring all employees as the image of the “L Energy” project.

#sompelasustentabilidade (we stand by sustainability) campaign

Internal campaign associated with the “#sompelasustentabilidade” initiative, which aims to encourage the adoption of good practices with the purpose of fostering waste reduction, reuse of goods and materials, water and energy efficiency, sustainable waste management and sustainable consumption. Within the scope of the communication campaign, signs related to the promotion of sustainability in LIPOR's spaces were standardised and disseminated.



During 2022, we continued to reinforce the LIPOR Brand by boosting visibility and exalting a sustainable lifestyle.

Also during this year, the Webinar Series was continued with a 2nd edition, addressing several topics that are relevant to the Sector.

AMBITIOUS AND PASSIONATE EDUCATION

Environmental Education and Training have a particular strategic relevance for LIPOR in responding to current challenges, and are based on the following lines of action:

Adopting Circular Economy

To convey the vision of waste as a resource to the community, by promoting a circular practices culture.

Enhancing the Territory

Aims at promoting and comprehending the value of natural systems, while acknowledging their social, cultural and sustainability roles. To further promote Sustainable Green Spaces, we inaugurated 3 new urban kitchen gardens in 2022, thus increasing the number of cultivation plots.

Training the Community

The main aim is to improve citizen environmental literacy.

In 2022, emphasis goes to the Tailor-Made Solutions included in LIPOR Academy's training offer, which are offered to Companies and other Organisations and have been gradually increasing. An average evaluation over 90% shows the excellence level of the academy. This result is also reflected in turnover, which is now close to €10,000. In 2022, 41 training actions were conducted, with a total of 279 training hours and 803 trainees.

1.96€

Amount invested per citizen reached

Social Accountability Perceived: 4.62 (on a scale of 5, from the customer satisfaction survey) (L4)

Reopening of LIPOR Adventure Park and Ecological Trail

After being closed for two years due to the pandemic, LIPOR Adventure Park and Ecological Trail re-opened their doors with a vast activities plan for weekends – these Environmental Education Facilities are ready to welcome all families.

These spaces for leisure and physical activities, located at our Baguim do Monte/Ermesinde facilities, can be used freely by the population.



In association with the national plastic bottle caps collection movement, LIPOR promotes the **“Bottle Caps Operation” (Operação Tampinhas)** project, where plastic bottle caps are collected and forwarded for recycling, and the revenues obtained are used to donate medical, orthopaedic or similar equipment.

This initiative has been ongoing since April 2006, totalling 17 phases with delivered donations. In total, 940 tons of bottle caps were forwarded and 1,816 devices donated, representing an investment of €616,254, with 658 beneficiary entities.

Over the years, we have established **Partnerships** in areas such as education, knowledge, culture, environmental awareness and charity, to strengthen our bond with Local Communities, be an integral part of society and actively contribute to its development, creating and sharing value. In 2022, the following Cooperations stand out:

- Associação Juvenil Transformers (Juvenile Transformers Association), which implements the “Superpower School” methodology among teenagers and young adults from social disadvantaged groups to incorporate environmental sustainability into their daily lives.
- We joined the Municipality of Seia in the organisation of CINEECO, an International Environmental Film Festival, which aims to encourage the Community to reflect, participate, question, act or transform. Collaboration with the Portuguese Catholic University in the development of the “Ethics Forum”, which fosters dialogue and action towards responsible leadership.
- In partnership with the Serralves Foundation, we support the “Bioblitz – Discovering Serralves Park’s Nature” event, which is targeted at the educational community and the general public, and fosters knowledge on urban biodiversity.

the future is drawn today

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



MOVING TOWARDS ZERO IMPACT ON THE PLANET

OUR CIRCULAR MODEL BOOSTS CONTINUOUS MATERIAL CYCLES

We live in a time of transformation. The 4th Industrial Revolution is reshaping our societies and economies. The particularity of this revolution is that it must be disassociated from an increase in pollution; our ecosystems cannot take another massive surge of new pollution forms. The Circular Economy is the answer to this issue.

The Circular Economy isn't a new topic, but it still poses a challenge! Its importance is acknowledged in national and European guidelines and policies for its contribution to many current challenges, such as slowing down climate change, leveraging the potential of material recovery and promoting a more efficient use of resources.

Assuming our responsibility in supporting the transition towards a more Circular Economy, in 2022, we published the Circular Economy Guide, aiming to promote full understanding of the topic, leverage leaderships and inspire decisions that lead to the creation of virtuous circles.

An important pillar of waste management consists of treating it as a valuable resource. Effective waste management is paramount to the conservation of limited natural resources, and fundamental in ensuring a sustainable future, while posing an economic opportunity.

The Circular Economy is a central and fundamental topic for LIPOR, as we clearly take on a waste management approach that focuses on a resource perspective, allowing to re-enter materials into the production cycle, thus boosting continuous material cycles. In this way, we also contribute to the promotion of the priorities defined by the European Union and, naturally, Portugal, to ensure a transition towards a competitive, resource-efficient, climate neutral economy. (306-1, 306-2)

Our system is based on Waste Prevention, focusing on two main areas: biowaste circularity and multimaterial waste circularity, through reuse.

Promoting biowaste circularity is one of the greatest challenges the waste sector faces presently. In this area, we favour the reduction of food waste, by expanding the “Right Serving” (Dose Certa) and “Pack it.” (Embrulha.) projects, as well as the Local Partnerships Network, which promote the offering and reuse of food surplus. In addition, we continue to invest in local biowaste treatment, namely home and community composting. Given the relevance of a strong involvement by this fraction's value chain, we are testing several tools with the purpose of diverting biowaste from the collection system, aiming for their optimisation towards a real impact on the system. It is worth highlighting



click on the image
to view the guide



the “Predictive Tool”, developed in partnership with the Faculty of Engineering of the University of Porto, which allows for the anticipation of food supply and demand on the basis of statistic data, in order to foster better food management by Restaurants and Canteens. Another relevant solution is the “Circular Decision Support Tool”, which helps to assess the environmental performance and techno-economic feasibility of biowaste prevention or treatment measures, designed to improve circularity within different entities.

In order to promote multimaterial waste circularity, we have been implementing reuse practices, as well as collaborative consumption models, so as to avoid the disposal of several goods, products and materials. All this work is based on a strong synergy with local partners and the community. In 2022, we continued to develop the “Upcycling LIPOR” initiative, which implements and supports creative reuse practices, and expanded the “CREW Project”, in partnership with ERP Portugal, through which electrical and electronic equipment is repaired and donated to social partners. Furthermore, LIPOR’s Recovery and Reuse Centre was opened to the community, offering an annual activities plan and new dedicated tours.

All goods (furniture and equipment) owned by the Organisation were inventoried and catalogued, forming “LIPOR’s Goods Bank”, available to Employees on the Intranet platform. It provides access to available stored goods and promotes the reuse of existing goods instead of buying new ones, to foster resource sustainability and profitability. In addition, surplus goods are donated to social partners.



We also promote exchange and sharing by fostering Bookcrossing and hosting Exchange Markets for clothing, accessories and books, at LIPOR’s facilities, in partnership with the voluntary non-profit movement LET’s SWAP.

In 2022, Waste Prevention activities developed by LIPOR and a network of 19 partners resulted in:

WE MANAGE OUR WASTE AS A RESOURCE

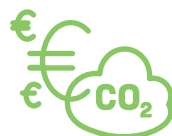
In 2022, LIPOR's Operational Units received approx. 535 thousand tons of waste, 0.6% less than in the previous year. Globally, the results demonstrate the work done by LIPOR and its associated Municipalities regarding the development of awareness campaigns, to promote more and better waste sorting, and the reinforcement of (Residential and Non-Residential) Door-to-Door selective collection, which play an essential role in the increase of the recyclable material fraction, in detriment of unsorted waste collection.



15,173.82 t
of avoided
waste



€725,461
of waste
treatment
costs avoided



€24,103.65
from avoided
CO_{2e} emissions



3,255.77 t
from avoided
CO_{2eq} emissions

Waste forwarding according to final destination (301-1)

Final destination	2019	2020	2021	2022	Δ% 22-21	% Weight 22
Multimaterial recovery	70 572	76 051	79 216	82 610	4,3%	15,5%
Organic Recovery	58 791	49 645	53 597	51 909	-3,1%	9,7%
Energy Recovery	403 547	418 791	398 444	393 752	-1,2%	73,7%
Technical Confinement	11 938	7 556	6 335	6 285	-0,8%	1,2%
Total	544 848	552 043	537 592	534 557	-0,6%	100,0%

Includes collected paper/cardboard, plastics, metal, glass, wood, biodegradable waste, oils and ferrous metals recovered at the Energy Recovery Plant.

ABOUT MULTIMATERIAL RECOVERY

Waste treated through **Multimaterial Recovery** is **15% of all waste** received by the LIPOR universe. In comparison with 2021, there was a **4% increase**, which corresponds approx. to an additional 3.4 thousand tons of recyclable material.

With the exception of Non-packaging plastics, Scrap and Waste Electrical and Electronic Equipment, all other materials registered growth, in comparison with the previous year. The Paper and Cardboard, Plastic and Metal Packaging, and Glass flows stood out, with increases of about 2.4%, 5.7% and 8.6% respectively, thus making a positive contribution to the achievement of LIPOR's goals. In terms of the operational objectives, the goals defined for Paper and Cardboard, Packaging and Glass were reached, with a global growth of about 3.3 thousand tons in the 3 main flows, thus representing 77% of total recyclable materials received in the Multimaterial Recycling area.

In 2022, we received about 85 kg/inhab. of materials for multimaterial recovery, more than the 82 kg/inhab. registered in 2021.

Therefore, 2022 was a very positive year, particularly regarding the development of Door-to-Door selective collection of both residential and non-residential waste. We must stress the efforts made concerning the implementation and expansion of selective collection circuits in the different Municipalities.

An analysis of all multimaterial treatment infrastructures reveals a decrease in rejected waste, in comparison with previous years.

Overall, LIPOR's treatment facilities are operating above their installed capacity. In this context, and bearing in mind the growth trend of packaging waste, several investments are being made to reinforce LIPOR's waste treatment capacity. The future Automatic Plastic and Metal Packaging Sorting line (TAE) will increase our processing capacity and provide better quality, efficiency and innovation, by incorporating the most recent waste sorting technology. It will deliver high-quality final product and reduce rejected waste, thus making an important contribution to the fulfilment of the ambitious goals defined by PERSU 2030.

In addition, the construction of a new Automatic Plastics Sorting line (TAP) is under study, with the potential of changing LIPOR's material treatment paradigm, and adding value to the Non-packaging plastic flow through the implementation of graining and grinding processes, which allow this material to move up the value chain and become more profitable.

ABOUT ORGANIC RECOVERY

During 2022, we received **51,909 tons of biowaste, of which 26,981 tons of Organic Waste and 24,928 tons of Green Waste**, translating into a **decrease** of about **1% and 5%** respectively, in comparison with 2021. This is due to the fact that, in early 2022, LIPOR stopped collecting Organic and Green Waste from large producers, so as to allocate the Composting Plant's capacity to the new selective collection circuits being implemented, as it was operating at its limit.

The Composting Plant ended 2022 with a **production of 8,849 tons of organic compost**, which corresponds to a **10% decrease**, in comparison with the previous year.

The **Plant's productivity rate was 18%**, which, combined with a reduction in biowaste received, explains the decrease in production. Corrective actions defined on the basis of studies and assessments made by experts are being implemented, aiming to recover to previous productivity levels and even increase the Plant's treatment capacity.

Regarding organic compost sales to the agricultural production factors market, there was a **slight increase of 1%**, in comparison with the previous year, with a total of **10,787 tons of compost sold** in 2022.

ABOUT ENERGY RECOVERY AND TECHNICAL CONFINEMENT

In 2022, **74% of all waste received by LIPOR's System was forwarded for Energy Recovery**, amounting to 393,752 tons, which represents a slight **decrease of about 1.2%** in comparison with 2021.

Over the year, LIPOR continued to receive waste from Mechanical Treatment plants from other waste management systems, under protocols concluded with them. The promotion of synergies and infrastructure sharing will continue to be one of our guidelines, contributing to the fulfilment of national targets.

The amount of **incinerated waste in 2022 was 394,241 tons**, about **94% of the plant's nominal capacity**, a positive result bearing in mind the technical and unplanned shutdowns for maintenance and inspection of the Plant's main equipment.

The average **NCV** (index that translates the calorific potential of incinerated waste) **was 6,965 kJ/kg, a slightly higher figure than in 2021**, but similar to that of 2020 and 2019. This figure reflects a steady quality of waste received.

The Plant produced 189,543 MWh and supplied 162,840 MWh of electric energy to the public grid. The Plant is energetically self-sufficient. In 2022, it consumed 14% of total energy produced for its operation, and the remaining 86% were injected into the Grid. The efficiency of both lines and the amount of electric energy produced and exported were

satisfactory along the year, partly thanks to the short duration of the shutdowns.

From the waste combustion process at the Energy Recovery Plant, we also obtain two by-products: slag and inert ashes. In 2022, **77,188 tons of slag and 12,705 tons of ashes were generated**. From slag we extract iron scrap, through an electromagnetic process, which is subsequently treated and forwarded for recycling by the Packaging Waste Managing Entities or Other Recovery Companies.

In 2022, a total of **5,183 tons of scrap** were recovered, which corresponds to 1.3% of incinerated waste.

Also in 2022, **municipal waste disposed of in the Landfill of Maia**, located next to the Energy Recovery Plant, amounted to **6,285 tons, less than in the previous year**, representing **only 1.2% of total waste** managed by the LIPOR System.

In the past years, LIPOR has registered very low landfilling (i.e., technical confinement) rates, in line with the best European references, thus fulfilling national and community objectives for a sound waste management. It is also worth mentioning that the decrease in unsorted waste is connected to the diversion of materials from incineration to multimaterial and organic recovery, as a result of a significant commitment by LIPOR and its associated Municipalities to the development of several projects and initiatives.

The analysis of the 2022 results is still based on the PERSU 2020 national goals, given that PERSU 2030 still hadn't been published, having LIPOR continued to fulfil the 3 defined goals. This was a year marked by recovery, particularly in the non-residential sector. Regarding food waste, there was a 10% increase in comparison with 2021. However, it is still 3% below the collection figures of a pre-pandemic year (2019). The Residential Door-to-Door (PAP-R) collection projects continue to have a positive impact, both regarding Multimaterial and Organic recovery, with an 8% growth in waste from this source, in comparison with 2021.

As far as **Recovery from Selective Collection** is concerned, there was an increase of 3 kg/inhab.year, in comparison with 2021, amounting to **63.83 kg/inhab.year**, thus far surpassing the **defined goal of 53.68 kg/inhab.year**.

Regarding the **goal of 35% Preparation for Reuse and Recycling**, in 2022, we reached 36.17%, which corresponds to a 1.75% growth, in comparison with 2021.

Only **1.2% of waste was disposed of in Landfill**, during the Energy Recovery Plant's maintenance shutdowns, thus complying with the **BMW Disposal in Landfill goal (10% by 2022)** with a very low rate, in fulfilment of the national and community objectives for a sound waste management.

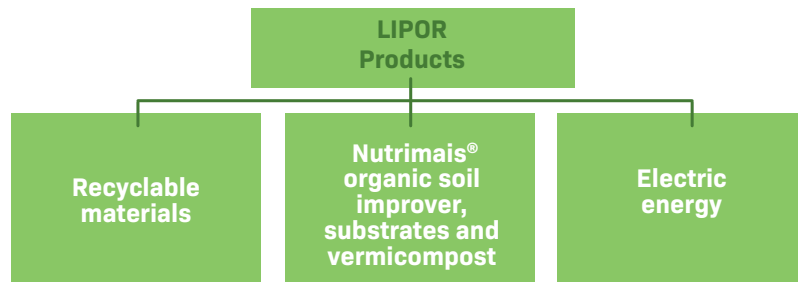


The LIPOR DATACENTER is a tool used for waste management monitoring, based on Ultra-High

Frequency RFID Technology. Besides providing higher reliability in information management and re-reporting to external entities, it also enables the transition from a macro analysis model, based on global results and geographical allocation, to an individualised system where we can quantify participation and estimate amounts delivered by customer. Only this way can we act in proximity to citizens and integrate them in any project!

LIPOR's products: (2-6)

LIPOR sells the following products on the Portuguese market: recyclable materials, Nutrimais® organic soil improver, substrates and vermicompost, and electric energy (electricity). None of these products are banned in Portugal and LIPOR was never questioned nor has ever received a complaint that questioned their sale.



In 2009, we launched Nutrimais for Organic Farming, which is certified by SATIVA for use as a production factor in organic farming. 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 close to 0%. (416-1)

LIPOR's services: (2-6)



SUSTAINABLE WATER MANAGEMENT

At LIPOR, water management is based on sustainability and efficiency principles. The high frequency of drought situations in the past times, associated with the possibility of escalation due to climate change, enhances related risks and vulnerabilities, thus demanding an increasingly sustainable management of this vital resource.



LIPOR's water consumption is divided into:

- (Nutrimais®) Organic compost production, where all water is recirculated;
- Irrigation of green spaces, where we use species that require less water;
- Consumer use in changing rooms, sanitary facilities and canteens;
- Washing of fleet vehicles;
- Fire protection network.

The water we use comes from public network systems and licensed groundwater abstraction. A water consumption control is conducted periodically, to prevent, identify and correct possible leaks, losses or improper use of water. Installed water meters are used to keep records of overall consumption and consumption by sector.

LIPOR's environmental objectives comprise goals for public water consumption by Employees and water consumption from groundwater abstraction in relation to the licensed limit.

We report abstraction volumes to the responsible authorities, in compliance with the terms of the groundwater abstraction licenses.

We've also implemented a water quality monitoring plan for public and abstracted water.

Employees receive internal training on water consumption. In addition, signs to raise awareness of rational use of water by Employees were placed in changing rooms, sanitary facilities and canteens. All implemented measures comply with legal requirements. (303-1)

Wastewater produced at LIPOR is classified as domestic water and discharged into the Public Wastewater Drainage System. It should be highlighted that all water resulting from the production of organic compost is recirculated, so no wastewater arises from this process. The system has hydrocarbon separators, and the resulting waste is periodically forwarded to a licensed collector. (303-2)

4M IS FOR EVERYONE!

Climate is changing! It is well known that Climate Change is a priority topic in the 21st Century, playing an increasingly significant role in the political agenda, the corporate sector and society.

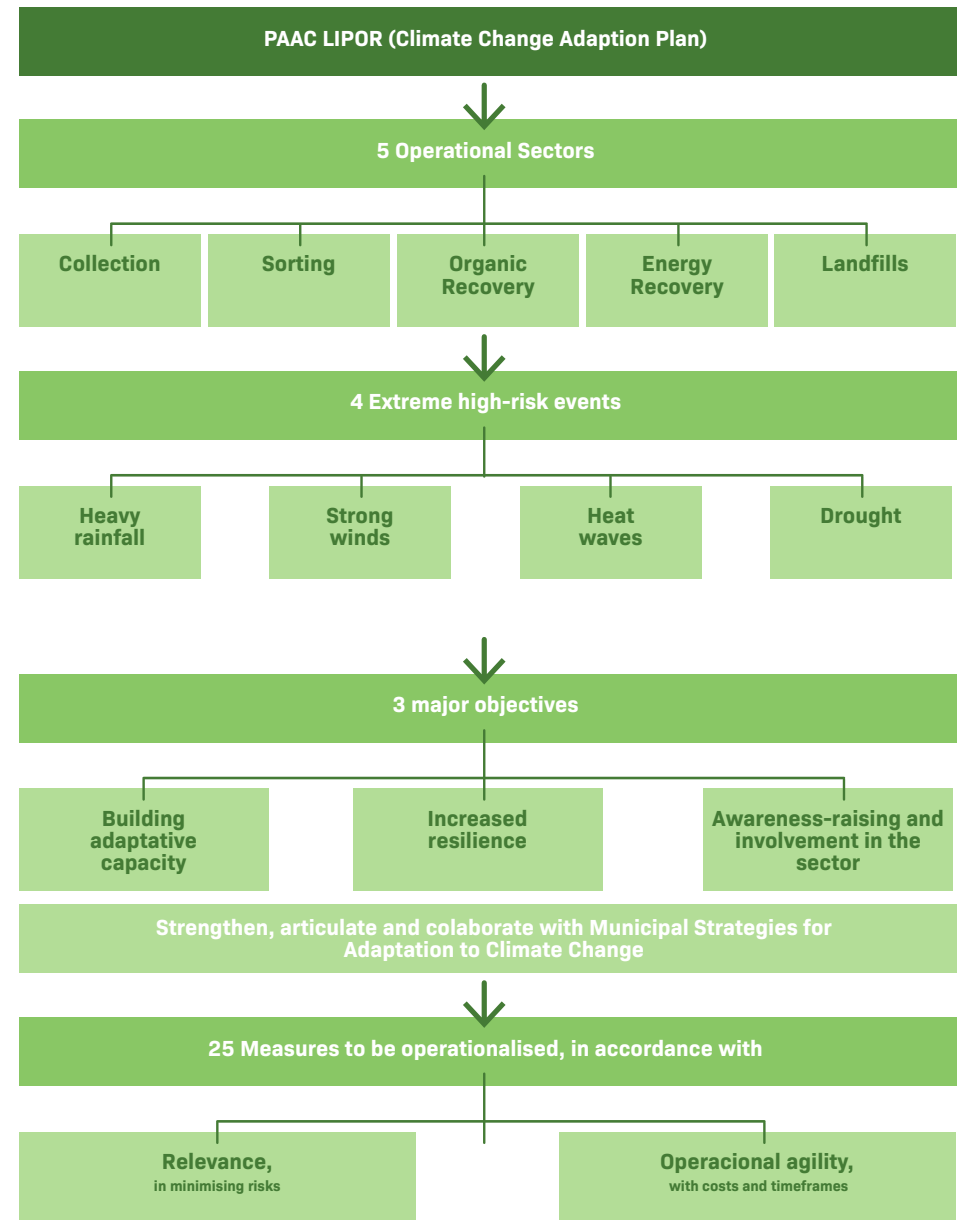
It is urgent to acknowledge that:

- Even if GHG emissions are reduced, climate change and its negative effects will last for decades;
- Europe is one of the areas that will be mostly affected by climate change, and Portugal is among the most vulnerable European areas associated with heat and drought situations;
- In terms of GHG emissions, these are decreasing at a national level – but the Northern Region is still a priority area.

So... It's up to us!

We have established our climate change adaptation strategy, aiming to lead and contribute to the elaboration of regional and sectoral strategies.

We are currently developing a Climate Change Adaptation Plan for 5 operational sectors, bearing in mind the extreme events identified as high-risk situations: extreme precipitation, strong winds, heat waves and droughts. (201-2)



With the “4M Strategy – less Waste, less Carbon, more Climate, more Biodiversity”, we have defined a new goal, aiming to reach a 35% reduction in GHG emissions by 2030. In order to achieve carbon neutrality by 2050, in line with EU goals, we establish goals and objectives for 2030.

The 4M Strategy invites citizens to transform their lifestyle, to acknowledge the relevance of their choices, to reduce CO₂ emissions and to build a more sustainable, healthier society. Hence, waste prevention, composting and recycling, biodiversity, urban kitchen gardens and mobility are some of the key aspects of this commitment, addressed so as to encourage citizens to join the 4M movement through their choices, and to adopt this strategy as a lifestyle, thus reducing their impact on the planet.

Regarding Scopes 1 and 2 we registered 265 kt CO_{2e} in 2022, which represents a 4,2% increase in emissions in comparison with 2021, and a 30,7% reduction in comparison with the base year (2006). This 30,7% reduction means 117 kt CO_{2e} less than in 2006. (305-5) Our carbon intensity corresponds to 0.51 tC_{o2}/t. (305-4)

For 2022, new goals were set 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 2020 Energy Audit Report. (302-4)

Managing an Energy Recovery Plant requires permanent supervision and performance control. In view of the plant’s specificity, the challenges and requirements we face every day are even higher.

With this in mind, we have always placed great importance on operation and emission monitoring, both in a production and environmental perspective, wherefore we implemented an External Monitoring Programme (PMExt), developed by a team of researchers from the Universities of Aveiro, Lisbon and Porto, and designed to assess and observe the effects of the LIPOR II complex on the surrounding environment. The programme bears in mind a wide set of environmental parameters, psychosocial factors and public health issues.

The PMExt consists of three complementary plans:

- Environment Monitoring Plan;
- Public Health Monitoring Plan;
- Psychosocial Monitoring Plan.

NO WEALTH CAN BE CREATED IN A DEVASTATED ECOSYSTEM

For LIPOR, biodiversity management is a matter of responsibility!

On the one hand, because “Biodiversity” is a material topic included in our Materiality Matrix since 2018; on the other hand, as it is also a key axis associated with LIPOR’s 4M Strategy to combat climate change.

Results achieved in 2022 were quite positive, with an 8.1% increase in land converted into areas of high biodiversity value, totalling about 187 hectares of high biodiversity value managed by the organisation, although its facilities are not located in protected areas. (304-3)

Since we joined, in 2020, the act4nature Portugal initiative promoted by BCSD Portugal, we have associated its 10 common commitments



with the reporting of our own SMART commitments.

During 2022, in addition to the Biodiversity Programme, 4 other projects were further developed: “Square Metre” (Metro Quadrado), “Tinto River Valorisation Project” (Projeto de Valorização do rio Tinto), “Biodiverse Green Spaces” (Espaços Verdes Biodiversos) and “Leça River Corridor” (Corredor do Rio Leça).

The **Square Metre Programme**, a native forest trees maintenance programme, monitors 25,030 trees, distributed across 47 hectares. This programme ensures the execution of maintenance operations in the first 4 years after the first intervention, as this is the most critical period. With the approval of its application to the LIFE Programme “Adapting Serras do Porto to Climate Change – Life Serras do Porto”, LIPOR will increase the area covered by the Square Metre Programme by a further 80 hectares in the Porto Mountains.



Under the **Tinto River Valorisation and Restitution Project**, which promotes the rehabilitation of the Tinto River, namely the section near LIPOR, in 2022, we developed several activities open to the community, such as: on-site visits, workshops, cleaning and planting operations, and flood plain clearance. The “Guarding the Rivers” (Guardar os Rios) 2-hour tour,

targeted at students in 3rd grade and above, allows visitors to join the “River Keeper” in his observation and surveillance tasks alongside the Tinto River, as well as to experiment with water by measuring its pH and temperature. In 2022, 10 tours were made with the participation of 236 people. LIPOR Academy promoted a 30-hour Training Programme entitled “River Guards – New River Keepers” (Vigilantes dos Rios – Novos Guarda Rios), with 17 participants, relying on the scientific and educational support of a multidisciplinary team from a company specialised in river and creek intervention.



The puddles and the retention basin implemented in 2021, as a result of a project funded by the Environmental Fund, have proved to be essential to the river’s ecosystem. During 2022, they revealed the preferential flooding area, making it clear that these structures are completely transforming the area and the landscape, while promoting biodiversity.

The **Biodiverse Green Spaces Project** promoted a Syntropic Agriculture and Agroforestry course, within the scope of LIPOR University 2022, with the participation of 21 trainees, including technicians from LIPOR’s municipalities, environmental companies and citizens interested in this emerging topic from all over the country.



We are creating life... Planting Water... Promoting Biodiversity in soils once compact and poor!

In May, LIPOR celebrates biodiversity, promoting several initiatives over the month, namely:

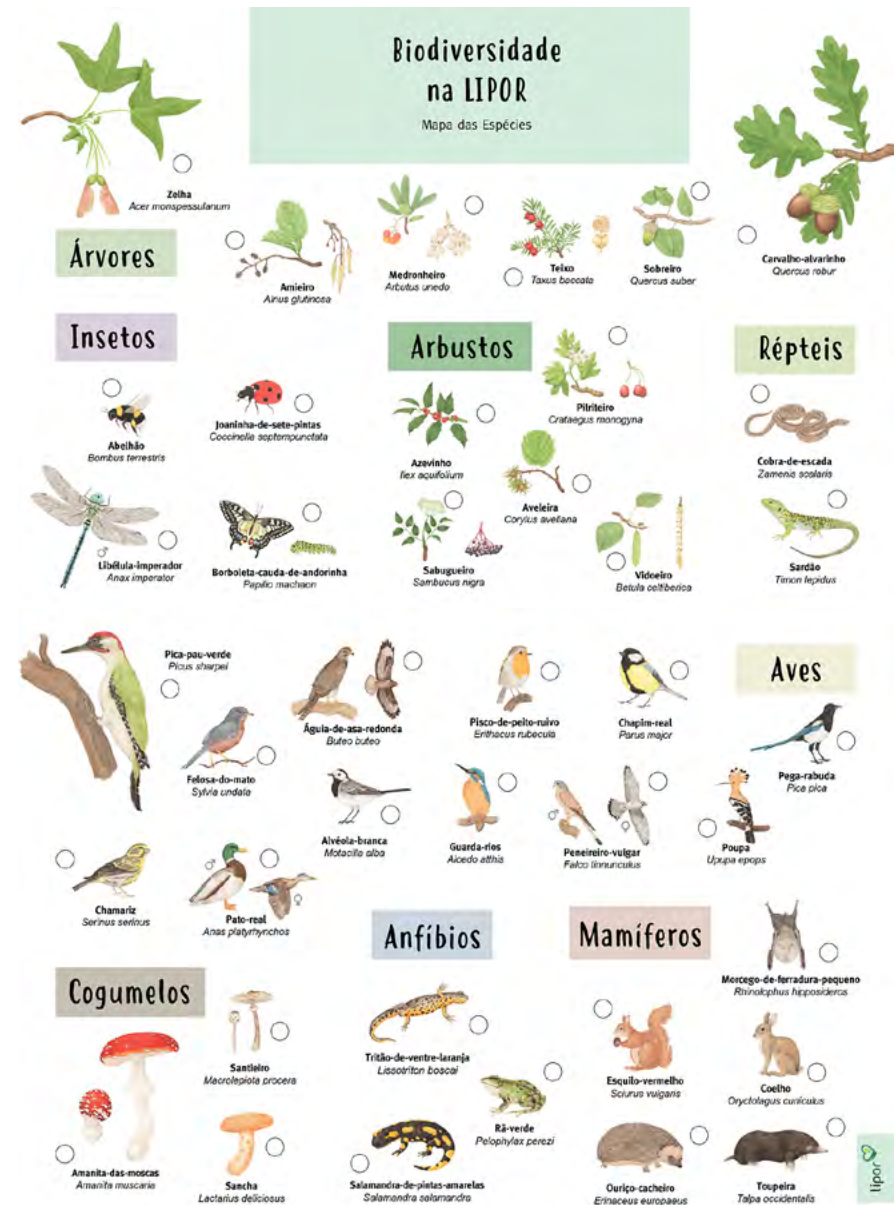
- “Bioblitz at LIPOR”, which demonstrates biodiversity at the Adventure Park and Ecological Trail through several fauna and flora observation and identification activities, in partnership with CIIMAR (Interdisciplinary Centre of Marine and Environmental Research).



- “40 years, 40 species” webinar and Launching of the Species Guide, where the developed Biodiversity Projects were divulged.
- In partnership with FNAC, we took part in a debate on biological diversity entitled “We Need to Talk... About Biodiversity” (Temos de Falar... sobre Biodiversidade), with the participation of a researcher from CIBIO-InBIO.

An important landmark in 2022 was the celebration of LIPOR’s 40 years with the launching of the “**40 Years, 40 Species**” **Guide**, which presents fauna and flora species from the several taxonomic groups, that can be spotted in the Adventure Park and Ecological Trail.

Also important are our efforts to present, in 2023, **LIPOR’s Biodiversity Strategy for 2030**, which will reinforce recognition of our Organisation as a promoter of biodiversity and ecosystem services, and a contributor to biodiversity enhancement in its area. Our main objective is to properly manage impacts and dependencies on biodiversity and ecosystem services, as well as to make a positive contribution to global biodiversity objectives, towards a nature positive journey.



a more sustainable community

*we want to contribute to a
community that aims to built a
better world*



5

WE WANT TO BE A LEADING BRAND IN THE GLOBAL MARKET

WE PROJECT PROSPERITY

We want to position the LIPOR Brand in the market as a differentiating and impactful brand. We aim for a Brand that nurtures good environment!

During 2022, we continued to reinforce the LIPOR Brand by boosting visibility and exalting a sustainable lifestyle.

The 40 years celebration was also an opportunity to reinforce LIPOR's visibility, with emphasis on the work done in cooperation with the Empower Brands Community in this matter. We are also developing a Brand Dashboard, which is expected to be concluded in early 2023.

Connection to the Brand: 4.55 (on a scale of 5, from the customer satisfaction survey) (L5)



WE ENSURE ECONOMIC AND FINANCIAL BALANCE

In 2022, LIPOR recorded a **positive net income of about 4 million euros, up by 8.6%** from the figure recorded in 2021, reflecting our resilient attitude in the search for new revenue sources, our continuous effort towards an efficient use of the available resources, and our compliance with defined budgets.

EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortisation) also **grew by 6.3% in comparison with the 2021 EBITDA**. This performance is mainly due to a strong increase in LIPOR's sales during this period.

It is also worth highlighting the positive development of our Financial Results (reduced Interest and Similar Expenses), in comparison with 2021. Interest to be paid to the EIB (European Investment Bank) has been decreasing, in comparison with previous years, as the contractual loan period is approaching its end, scheduled for March 2024. This is proof of the Organisation's ability to generate results over the years, made possible by the unconditional support of its associated Municipalities.

Direct Economic Value Generated and Distributed (201-1)

Direct Economic Value Generated	2020	2021	2022
Sales and Provision of Services	47,929,882.00	47,139,363.61	52,441,053.06
Supplementary Income	326,924.00	466,241.75	739,141.66
Transfers and Subsidies Obtained	265,407.00	814,578.65	258,560.76
Interest on Deposits	11,817.00	445,866.57	742.79
Cash Discounts Obtained	0.00	0.00	0.02
TOTAL	48,534,030	48,866,050.58	53,439,498.29

Economic Value Distributed	2020	2021	2022
Operating Costs			
External Services and Supplies	47,840,429	47,550,364.29	51,806,402.55
Salaries and Employee Benefits	4,730,126	4,613,741.07	4,447,903.26
Payments to Capital Providers	1,230,318	1,076,742.72	634,120.30
Payments to the Government	8,135	8,114.24	9,111.76
Community Investments	339,112	1,518,397.37	1,847,166.33
TOTAL	54,148,120	54,767,359.69	58,744,704.20

Economic value generated	48,534,030	48,866,050.58	53,439,498.29
Economic value distributed	54,148,120	54,767,359.69	58,168,209.34
Economic value retained	-5,614,090	-5,901,309.11	-5,305,205.91

After an economic context still affected by the COVID-19 pandemic in 2021, LIPOR recorded once again **growth in Turnover of about 11%, in**

comparison with the previous year, as a result of higher Sales (+21.8%) and Service Provision volumes (+0.4%).

Turnover (€)						
Items	2019	2020	2021	2022	Δ% 22-21	%Weight 22
Energy	14 516 541	15 336 294	14 258 787	18 702 066	31,2%	64,2%
Recyclables	7 457 565	7 765 820	8 723 393	9 445 677	8,3%	32,4%
Composts	689 532	746 326	541 292	617 282	14,0%	2,1%
Others	376 667	448 391	387 109	364 233	-5,9%	1,3%
Sell Products	23 040 305	24 296 832	23 910 581	29 129 259	21,8%	55,5%
Services Provision	23 909 158	23 633 050	23 228 783	23 311 794	0,4%	44,5%
Total	46 949 463	47 929 882	47 139 364	52 441 053	11,2%	100,0%

In a more detailed analysis of Turnover, the **31% increase in revenues from the sale of energy produced by the Energy Recovery Plant** stands out, resulting from increasing reference prices set by the Iberian Electricity Market (MIBEL), which caused a rise of about 27% in our energy selling price, in combination with an increase in incinerated waste and, consequently, the amount of energy injected into the national grid, close to 3%.

There was also an **increase in the amount of recoverable materials sent for recycling**, particularly in the three main flows (Paper and Cardboard, Plastic and Metal Packaging, and Glass), considering that **fees paid for**

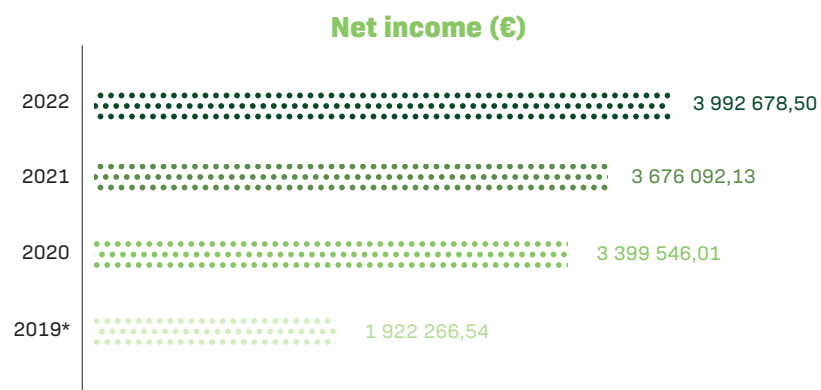
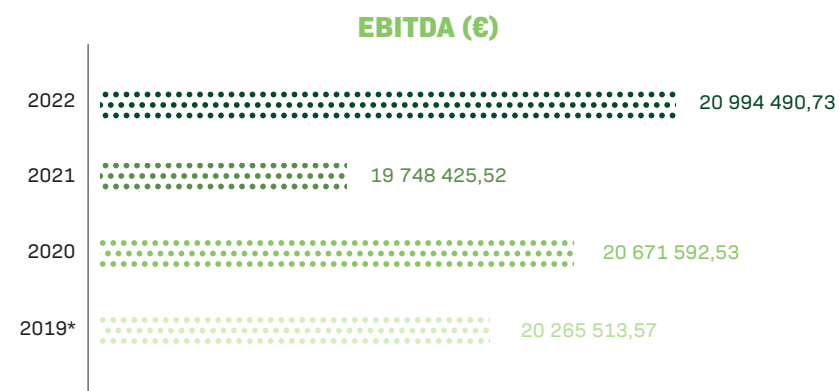
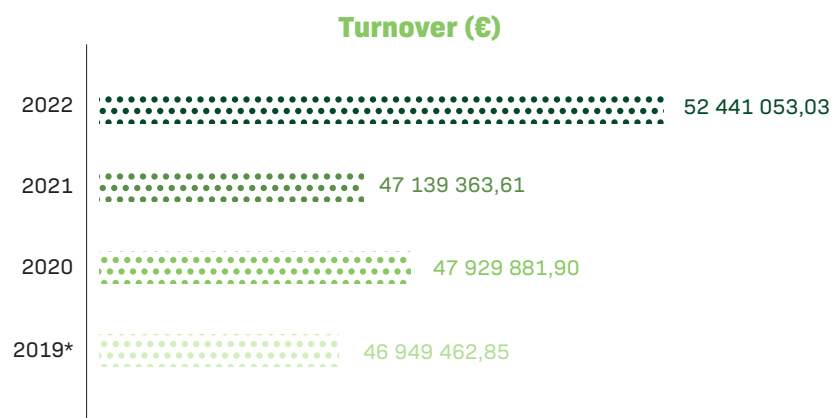
the recovery of these materials remain unchanged since 2017. Overall, there was an increase of about 4% in the amount of recoverable materials sold.

Regarding the sale of **NUTRIMAIS® agricultural production factors, it grew by 14%, in comparison with 2021**. Although the Plant's productivity has decreased in the past two years, leading to less product available for sale, our salespeople ensured shipping volumes similar to those of 2021, with an **increase in the average RRP**, explained by higher sales of granular and biological products, which have greater added value.

Revenues from the Provision of Services were identical to those recorded in 2021. It should be noted that we started billing biowaste from private customers received at the Composting Plant.

We also highlight **revenues associated with Energy and Recyclable materials**, which have greater **weight** in total Product Sales, representing about **64% and 32%**, respectively.

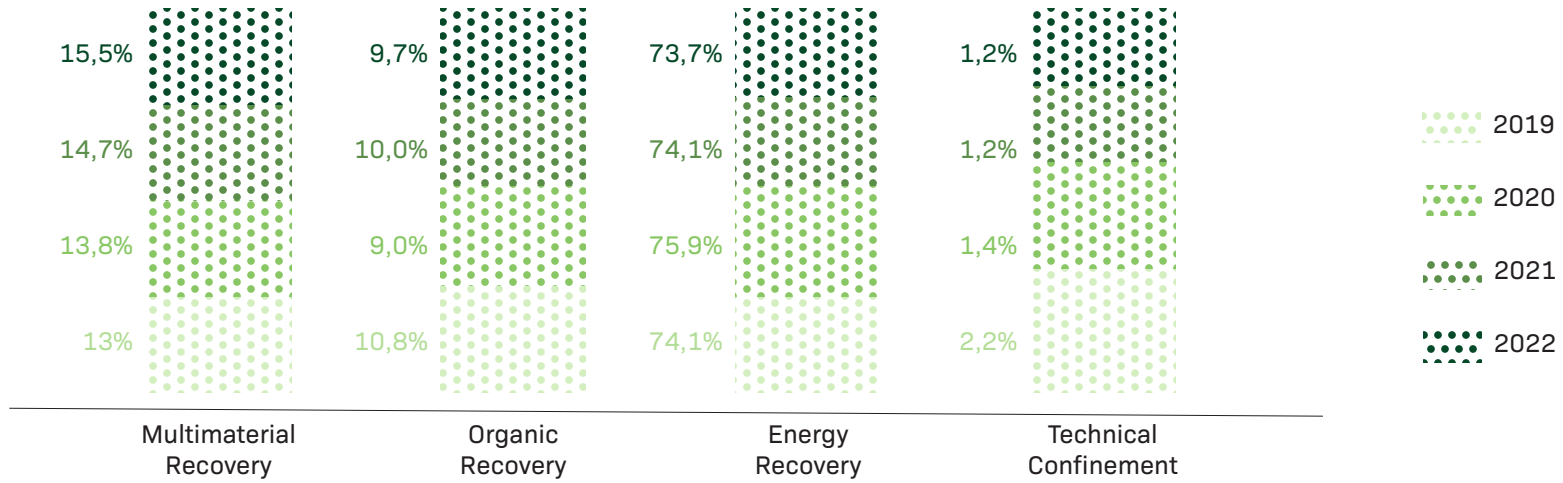
MAIN HIGHLIGHTS



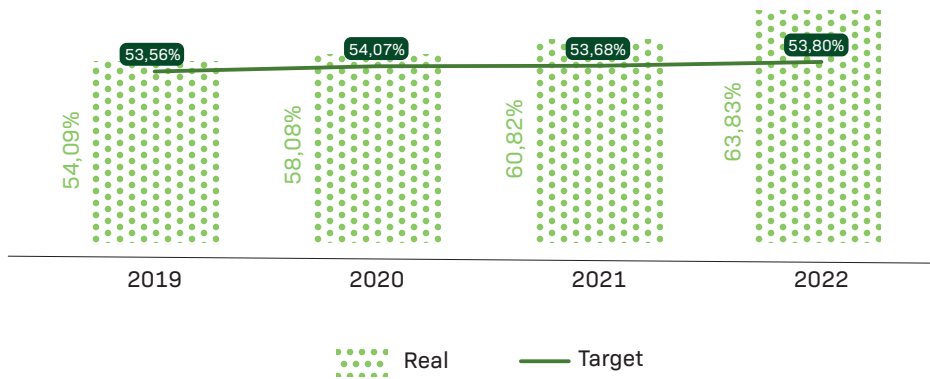
Note: The maps with economic information present the structure and orientations recommended by the new accounting standards SNC-AP, applied from 2020.

* The 2019 values were "Normalized" according to SNC-AP, for comparative purposes.

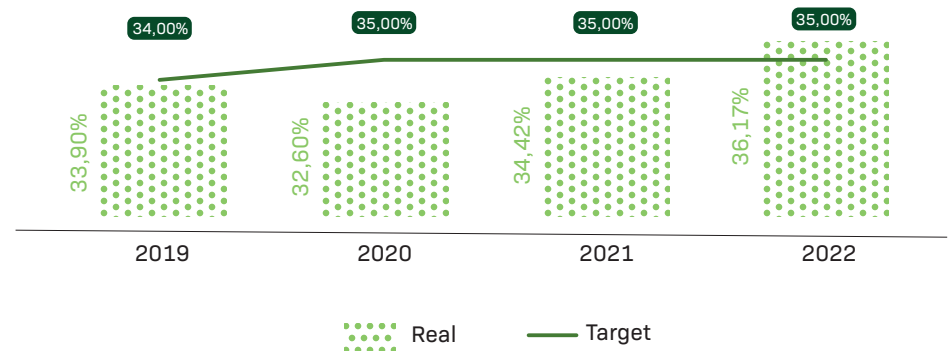
Final destination of waste



Separate Collection (Kg/inhab/year)



Preparing for Reuse and Recycling



WE INNOVATE TO CREATE VALUE

LIPOR's circular business model is already a reality. But we need to continue evolving in order to cope with current and future challenges posed by ecological transition, so that our impact is increasingly positive. Combining sustainability and innovation, navigating from garbage to luxury is the motto of LIPOR's Innovation Strategy, which we have been reinforcing, aiming at the implementation of innovative resource solutions that promote a circular approach and the creation of shared value.



In order to assess LIPOR's Innovation performance, we've submitted our Innovation Scoring to COTEC. In 2021, we achieved an Innovation Scoring of 645 points, on a scale of 1000 points. (L2)



For the second year, LIPOR was awarded the status of COTEC INNOVATOR, as a recognition of its high standards of financial soundness, innovation skills and economic performance.

Resulting from a partnership between Financial Institutions and COTEC Portugal, this Status aims at recognising national companies with superior innovation performance, by acknowledging their exemplarity, enhancing their notoriety and reinforcing their value.

WE ARE INNOVATION

10 years of Certified Innovation!
LIPOR's Research, Development and Innovation area is certified since 2012 (NP 4457)



The spirit of knowledge sharing and development of an innovation environment has been mirrored in **LIPOR's internal Innovation Seminar**, entitled “**What's New?**”. In 2022, we held its 4th edition, where the significant Innovation work being done in the entire Organisation was presented. The Seminar involved 35 speakers, including Employees and LIPOR's Top Management, and was attended by 90 Employees.

The **idea management** process aims at ensuring that any idea shared by an employee is properly analysed. Besides multiple ideas shared by Employees and kept within the respective work area, **18 spontaneous ideas** were submitted into the “IDEAS” (IDEIAS) app, of which 100% were classified as innovation or continuous improvement ideas, i.e., there were no repeated or out of scope submissions.

The “**Innovation Talks**” (Conversas de Inovação) are informal events, where people can share ideas and knowledge, whether or not linked to LIPOR's activity. They bring together Employees from different areas and

foster exchange of ideas and co-creation. These Talks are hosted in the Teams platform since 2020, totalling **36 sessions**.

We produce knowledge! In 2022, **9 technical articles** were published, stemming from studies conducted by LIPOR, 7 of which in partnership with external entities.

WE ARE CHANGING PARADIGMS

We strive to develop **New Products** that bring added value, to enhance quality and offer new solutions for several waste flows, always ensuring the customers' satisfaction and environmental sustainability.

With process digitalisation in the foreground, we focus on **3 priority areas**:

- Incineration Slag
- Products for Agriculture
- Metals and Polymers for Industries

Research and the Development of new solutions applied to LIPOR's core activity – municipal waste management and treatment – are the foundation for the effective implementation of Innovation projects. Presently, the Organisation is developing **43 Innovation Projects**. In this regard, it is worth stressing our cooperation with external partners, with a total of 160 RD partnerships concluded.

Concerning **Research and Development** in the priority areas previously mentioned, there has been significant progress regarding slag recovery, with the process to obtain slag without metal and the reclassification as artificial aggregate currently underway. Regarding Innovation, the highlights are:

- The commissioning of a Mixing Line for substrates, which affords the manufacturing of a product fully developed and produced by LIPOR;
- The production of WALLIE’s first batch, consisting of 500 units;
- The production and marketing of ferrous and non-ferrous metals from all slag produced.

In 2022, LIPOR’s applications “Textiles”, “Footwear” and “Circular Tech” to the Recovery and Resilience Plan (PRR) were approved and will be developed in the next years. The submission of the “ESTRAEE Capitalisation” Project to the Interreg POCTEP Programme was also approved, addressing the topic of circular and sustainable management of WEEE, with implementation planned for 2023.

WE BOOST NEW BUSINESSES

LIPOR’s Board stipulated that the Internationalisation area should focus on increasing Turnover, enhancing the Organisation’s visibility and Brand awareness, as an Excellence Organisation, and projecting its know-how among Customers from other Countries.

With our LIPOR – Global Waste Management specialised technical consultancy services, we design and implement the best tailor-made sustainable waste management solutions, adapted to the scale, needs and culture of our international Customers.

Global Waste Management expertise!

Our extensive service portfolio includes planning, strategy definition, integrated waste management models, interested parties awareness and engagement, training and qualification solutions.

In the beginning of the year, LIPOR was selected to participate in the International City Partnership Programme: Acting for Green and Inclusive Recovery (ICP-AGIR), promoted by the European Commission DG REGIO (Directorate-General for Regional and Urban Policy), and assigned to work with South Africa. In cooperation with the eThekweni municipality, in Durban, we addressed the topics of Circular Economy and Energy Transition, aiming at improving quality of life and promoting an integrated sustainable urban development, by determining innovative policies and programmes.

In 2022, LIPOR maintained business and prospection relationships with 22 Countries.

On a consortium basis, we won two international tenders, which will lead to two provisions of consultancy services in Ivory Coast and Trinidad & Tobago:

- “Technical feasibility study of the project for Optimisation of municipal and similar waste management in the Autonomous District of Abidjan”, for the Customer Ministry of Sanitation and Health of Ivory Coast. This Project is funded by the World Bank.



- “Waste Characterisation Study in Trinidad & Tobago”, for the Customer SWMCOL – The Trinidad and Tobago Solid Waste Management Company Limited (entity responsible for waste management in Trinidad & Tobago).

In 2022, we maintained contacts with Brazil, which is still the number one country in terms of visits to LIPOR. Over the year, we recorded 10 visits from Brazil (62.5%), of a total of 16 visits by international delegations from 8 countries, totalling 123 visitors.

Consulting services were provided to ABREN (Brazilian Association for Energy Recovery of Waste) and the Getúlio Vargas Foundation (FGV), within the scope of the Executive MBA of Administration – Energy Recovery and Waste Treatment, with the participation of 10 LIPOR experts, who held a total of 32 classes.

The Project dedicated to the fight against Marine Litter, launched in 2021, continued to be very fruitful in 2022, regarding achievements made with the Customer, the Ministry of the Environment and Sustainable Development of Argentina. In this matter, there was a strong participation in the United Nations Ocean Conference. We co-promoted a



side event entitled “How bilateral cooperation can contribute to achieve global goals – Portugal and Argentina together in the fight against ocean pollution and marine litter, through environmental education”, in cooperation with the Portuguese Ministry of the Environment and Climate Action and the Argentinian Ministry of the Environment and Sustainable Development. Finally, we welcomed the Argentinian Minister of the Environment and Sustainable Development in our facilities, reinforcing cooperation links between the two parties.

No. of approved proposals and preliminary studies/projects: 4 (L3)

- *Ivory Coast;*
- *Trinidad & Tobago;*
- *Argentina;*
- *India (funding by the European Union).*

We conducted a Mission to the European Commission, which included a Press Conference entitled “Waste2Resource” at the Press Club Brussels Europe, where we presented LIPOR’s expertise concerning international specialised technical consulting, as well as LIPOR’s related projects.

LIPOR also received a visit from the United Nations Special Rapporteur on Human Rights and the Environment.

The Inter-American Development Bank (IDB) promoted the Workshop “LIPOR Experience and Work Opportunities”, focusing on Colombia and Uruguay.

5 Expressions of Interest were submitted, focusing on Africa (3), Latin America (1) and Central America (1), as well as 4 Proposals targeted at Africa (2) and South America (2).

The year ended with LIPOR’s participation in the India EU Urban Partnership project, promoted by the European Commission. This included several meetings, technical visits and interactive events, namely the participation in the “Urban Sustainability and Smart City Event” Conference, in Panaji, India, in November, where we made two presentations.

The Internationalisation area makes constant efforts to find new business opportunities and promote international cooperation. In this context, the markets set to be explored in 2023 are: East Timor, Cape Verde, Mozambique and Angola.

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.



6

FINANCIAL INFORMATION

6.1 GOVERNANCE

Since 1982, when five of our Associated Municipalities joined to form an Association, we have been applying in our projects the know-how that stems from our experience in the waste sector. For this reason, Matosinhos and Vila do Conde, in 1985, and Póvoa de Varzim, in 1999, found in our mission the reason to join us and contribute to a common future.

In October 2022, a partial change to the Association's Statutes was formalised, adapting and changing its content, namely with regard to its designation and object.

The Association's bodies are:

- The Intermunicipal Assembly, a deliberative body
- The Board of Directors, the executive body

The members of the association's bodies are the associated municipalities, which are personally represented by members of the respective City Council. The terms of office coincide with the municipal terms of office, and entail no remuneration, as the representatives are already remunerated for their service in Local Authorities, as provided for by law.



Dra. Ana Luísa Gomes – Administrator | Gondomar
 Dr. Luís Miguel Oliveira Monteiro Canelas – Administrator | Espinho
 Eng^a Manuela Álvares - | Administrator | Matosinhos
 Dr. José Manuel Ribeiro - Chairman of the Board of Directors | Valongo
 Eng.^a Sara Lobão – Administrator | Vila do Conde
 Eng^o Aires Pereira – Administrator | Póvoa de Varzim
 Dra. Marta Peneda – Administrator | Maia
 Eng^o Filipe Araújo – Administrator | Porto

The Intermunicipal Assembly is composed of the Mayor and two City Councillors from each Associated Municipality. The Board of Directors consists of eight Directors, who are elected by the Intermunicipal Assembly. The Directors' adequacy to their duties and the assessment of their competencies falls under the Municipality's responsibility, as they are appointed by the Municipalities as their representatives within LIPOR's bodies; thus, there's no additional process to assess their adequacy to the position.

The Intermunicipal Assembly meets, ordinarily, twice a year and, extraordinarily, whenever regularly convened. The Board of Directors meets, ordinarily, every two weeks and, extraordinarily, whenever the Chairman convenes it or upon agreement of all members. (2-16)

The Board of Directors appoints a Chief Executive Officer, who is in charge of the professional executive management of the Association, and whose duties and remuneration are defined by this executive body. (2-9, 2-10, 2-11, 2-12, 2-13)

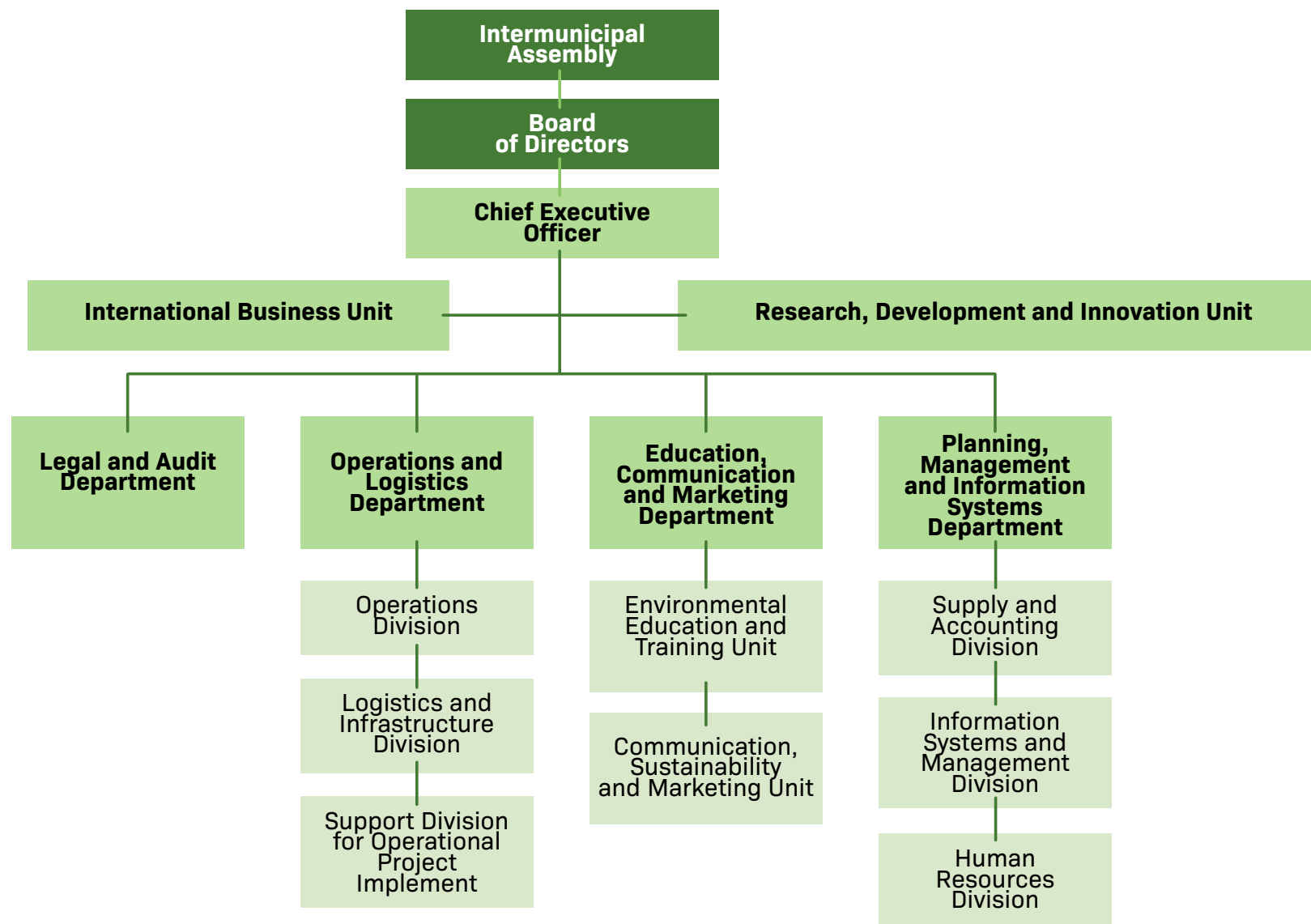
LIPOR pays prudent attention to the issue of conflicts of interest, as the Directors represent the different Municipalities within the Board of Directors, so they also aim to defend the interests of their own Municipality within the scope of LIPOR's activities. The performance of duties as Chairman of the Intermunicipal Assembly is incompatible with the performance of duties as Chairman of the Board of Directors. (2-15)

In fulfilment of the relevant legislation, the CEO has assumed a Mission Chart, which states the objectives to reach and the related goals. As stipulated by the law, the CEO's performance is evaluated according to the fulfilment of the previously defined objectives. (2-18)

As LIPOR is a Municipalities Association, its Management and Governance models are very specific and different from the most common Governance models. The Directors are not remunerated, as they receive salary for their position in the City Council, so there can be no direct link between the Organisation's performance and their remuneration. This also applies to members of the Intermunicipal Assembly. Due to its specificity and to legal terms, LIPOR is also not allowed to give compensations or bonuses. In turn, the CEO's salary complies with the scale in effect for managers in Public Administration. (2-19, 2-20)

The Association's organic structure is defined by the Board of Directors and submitted for approval to the Intermunicipal Assembly. In order to fulfil the Association's functions and duties, its Services are organised according to the following Organigram, composed of different Organisational Units: Departments, Divisions and Units.

Our Organisation has the following internal structure:



6.2 RENDERING OF ACCOUNTS

(2-2)

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

Accountability Documents

BUDGET STATEMENT

5	Budget performance statement	NCP26	A1
6	Revenue budget execution statement	NCP26	A1
7	Expenditure budget execution statement	NCP26	A1
8	Statement of execution of the multi-annual investment plan	NCP26	A1
	Annex to the budget statements:		
	Budget amendments in revenue	NCP26	A1
	Budget amendments in expenditure	NCP26	A1
	Amendments to the MIP	NCP26	A1
	Treasury operations	NCP26	A1
	Administrative procurement: Contracts status	NCP26	A1
	Administrative procurement: awards by type of procedure	NCP26	A1
	Transfers and subsidies - revenue	NCP26	A1
	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

6.3 FINANCIAL STATEMENTS (2-2)

Balance

Entity: LIPOR - Municipalities Association for Sustainable Waste Management of Greater Porto (501394192).

Balance Sheet '(individual) as at 31 December 2022.

Currency: EUR

Items	Notes	Periods	
		31/12/2022	31/12/2021
ASSETS			
Non-current assets			
Tangible fixed assets	5	99.951.144,02	107.853.215,72
Investment properties		0,00	0,00
Intangible assets	3	445.270,32	499.268,52
Biological assets		0,00	0,00
Financial holdings		0,00	0,00
Debtors due to subsidised loans and reimbursable subsidies		0,00	0,00
Customers, taxpayers and users		0,00	0,00
Shareholders/partners/associates		0,00	0,00
Deferrals		0,00	0,00
Other financial assets		0,00	0,00

Items	Notes	Periods	
		31/12/2022	31/12/2021
Deferred tax assets		0,00	0,00
Other accounts receivable		0,00	0,00
		100.396.414,34	108.352.484,24
Current assets			
Inventories	10	221.451,52	157.707,31
Biological assets		0,00	0,00
Debtors due to transfers and non-refundable subsidies		0,00	0,00
Debtors due to subsidised loans and reimbursable subsidies		0,00	0,00
Customers, taxpayers and users	9	8.321.255,94	8.143.183,95
State and other public entities	23.1	4.581.716,57	4.133.587,08
Shareholders/partners/associates		0,00	0,00
Other accounts receivable	23.2	1.066.979,22	395.600,20
Deferrals	23.6	953.910,30	956.652,80
Financial assets held for trading		0,00	0,00
Other financial assets		0,00	0,00
Non-current assets held for sale		0,00	0,00
Cash and deposits	1	22.218.761,52	21.921.631,39
		37.364.075,07	35.708.362,73
Total Assets		137.760.489,41	144.060.846,97
NET WORTH			
Assets/Capital		52.291.466,31	52.291.466,31
Own shares (quotas)		0,00	0,00
Other equity instruments		0,00	0,00

Items	Notes	Periods	
		31/12/2022	31/12/2021
Issuance premiums		0,00	0,00
Reserves		10.272.678,84	10.088.874,23
Retained earnings		3.119.124,09	-373.163,43
Adjustments in financial assets		0,00	0,00
Revaluation surplus		2.344.133,47	2.344.133,47
Other changes in Net Worth		30.957.511,73	35.161.275,23
Net profit for the period		3.992.678,50	3.676.092,13
Anticipated dividends		0,00	0,00
Interests not controlled		0,00	0,00
		102.977.592,94	103.188.677,94
LIABILITIES			
Non-current liabilities			
Provisions	15	8.993.292,66	11.302.349,41
Financing obtained		3.751.344,50	7.502.689,00
Investment providers		0,00	0,00
Suppliers		0,00	0,00
Accountability for post-employment benefits		0,00	0,00
Deferrals	23.6	0,00	74.501,16
Deferred tax liabilities		0,00	0,00
Other accounts payable	23.2	543.944,37	549.596,98
		13.288.581,53	19.429.136,55

Items	Notes	Periods	
		31/12/2022	31/12/2021
Current liabilities			
Creditors for transfers and non-refundable subsidies granted		0,00	0,00
Suppliers		6.703.514,55	5.583.979,18
Advances from customers, taxpayers and users		210.908,43	129.903,29
State and other public entities	23.1	636.599,71	98.526,51
Shareholders/partners/associates		0,00	0,00
Financing obtained		3.751.344,50	9.000.000,00
Investment providers		397.488,60	122.225,68
Other accounts payable	23.2	8.552.135,33	6.259.819,90
Deferrals	23.6	1.242.323,82	248.577,92
Financial liabilities held for trading		0,00	0,00
Other financial liabilities		0,00	0,00
		21.494.314,94	21.443.032,48
Total Liabilities		34.782.896,47	40.872.169,03
Total Net Worth and Liabilities		137.760.489,41	144.060.846,97

Profit and Loss Account by Nature

Entity: LIPOR - Municipalities Association for Sustainable Waste Management of Greater Porto (501394192)

Profit and loss account by nature (individual) for the period ended 31 December 2022.

Currency: EUR

Income and Expenses	Notes	Periods	
		31/12/2022	31/12/2021
Taxes, contributions and fees	13/14	1.846.283,77	1.912.487,93
Sales	13/23.3	29.129.258,73	23.910.580,57
Provision of services and concessions	13/23.3	23.311.794,30	23.228.783,04
Current transfers and subsidies obtained	14/23.3	258.560,76	814.578,65
Income/expenses allocated from subsidiaries, associates and joint ventures		0,00	0,00
Changes in production inventories	10	23.071,66	-21.384,93
Work for the entity itself		0,00	0,00
Cost of goods sold and materials consumed		-76.625,41	-188.674,27
External services and supplies	23.4	-32.486.329,57	-30.332.777,17
Staff costs	23.5	-4.977.498,53	-5.125.698,87
Transfers and subsidies granted		-434.989,47	-320.773,26
Social benefits		0,00	0,00
Impairment of inventories and biological assets (losses/reversals)		0,00	0,00
Impairment of receivables (losses/reversals)	15	-7.334,78	-1.920,71
Provisions (increases/reductions)	15	0,00	82.260,34
Impairment of non-depreciable/repayable investments (losses/reversals)		0,00	0,00
Fair value increases/decreases		0,00	0,00
Other income	14	8.704.144,39	8.294.868,22
Other expenses		-4.295.845,12	-2.503.904,02

Income and Expenses	Notes	Periods	
		31/12/2022	31/12/2021
Profit and loss before depreciation and financial results		20.994.490,73	19.748.425,52
Depreciation and repayment expenses/reversals	3/5	-15.877.363,86	-15.441.457,24
Impairment of depreciable/repayable investments (losses/reversals)		0,00	0,00
Operating income (before financial results)		5.117.126,87	4.306.968,28
Interest and similar income obtained	13	742,81	445.866,57
Interest and similar expenses charged	7	-634.120,30	-1.076.742,72
Profit before tax		4.483.749,38	3.676.092,13
Income tax		-491.070,88	0,00
Net profit for the period		3.992.678,50	3.676.092,13

Statement of Changes in Net Worth

Entity: LIPOR - Municipalities Association for Sustainable Waste Management of Greater Porto (501394192)

Statement (individual or consolidated) of changes in net worth as at 31 December 2022

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		52.291.466,31	0,00	0,00	0,00	10.088.874,23	(373.163,43)	0,00	2.344.133,47	35.161.275,23	3.676.092,13	103.188.677,94	0,00	103.188.677,94
CHANGES IN PERIOD														
Transition adjustments to the accounting standards		0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Changes in accounting policies		0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Correction of material errors		0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Translation differences on financial statements		0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Realisation of revaluation surplus		0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Revaluation surplus and respective variations		0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Capital transfers and subsidies		0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	(4.203.763,50)	0,00	(4.203.763,50)	0,00	(4.203.763,50)
Other changes recognised in Net Assets		0,00	0,00	0,00	0,00	183.804,61	3.492.287,52	0,00	0,00	0,00	(3.185.021,25)	491.070,88	0,00	491.070,88
(2)		0,00	0,00	0,00	0,00	183.804,61	3.492.287,52	0,00	0,00	(4.203.763,50)	(3.185.021,25)	(3.712.692,62)	0,00	(3.712.692,62)
NET PROFIT FOR THE PERIOD (3)		0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	3.992.678,5	3.992.678,50	0,00	3.992.678,50
INTEGRAL RESULT (4)=(2)+(3)		0,00	0,00	0,00	0,00	183.804,61	3.492.287,52	0,00	0,00	(4.203.763,50)	807.657,25	279.985,88	0,00	279.985,88
TRANSACTIONS WITH EQUITY HOLDERS FOR THE PERIOD														
Capital/assets subscriptions		0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Issuance premium subscriptions		0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Inputs to cover losses		0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Other operations		0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	(491.070,88)	(491.070,88)	0,00	(491.070,88)
(5)		0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	(491.070,88)	(491.070,88)	0,00	(491.070,88)
POSITION AT THE END OF THE PERIOD (6)=(1)+(2)+(3)+(5)		52.291.466,31	0,00	0,00	0,00	10.272.678,84	3.119.124,09	0,00	2.344.133,47	30.957.511,73	3.992.678,50	102.977.592,94	0,00	102.977.592,94

Cash Flow Statement

Entity: LIPOR - Municipalities Association for Sustainable Waste Management of Greater Porto (501394192)

Execution: 01.01.20212 a 31.12.2022

Currency: EUR

Items	Notes	Periods	
		2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		47.666.352,50	43.988.690,09
Receipts from taxpayers		0,00	0,00
Receipts from current transfers and subsidies		0,00	0,00
Receipts from users		0,00	0,00
Payments to suppliers		35.773.288,19	32.209.445,78
Payments to staff		3.015.318,50	2.858.246,51
Payments to taxpayers / users		0,00	0,00
Payments of transfers and subsidies		0,00	0,00
Payments of social benefits		0,00	0,00
Cash generated from operations		8.877.745,81	8.920.997,80
Payment / receipt of income tax		574.870,51	562.109,83
Other receipts/payments		1.247.142,80	1.971.428,56
Cash flows from operating activities (a)		7.055.732,50	6.387.459,41
CASH FLOWS FROM INVESTMENT ACTIVITIES			
Payments regarding:			
Payments - Tangible fixed assets		8.133.982,17	6.056.190,41
Payments - Intangible Assets			
Payments - Investment properties		0,00	0,00

Items	Notes	Periods	
		2022	2021
Payments - Financial Investments		0,00	0,00
Payments - Other assets		0,00	0,00
Receipts from:			
Receipts - Tangible fixed assets		0,00	4.811,25
Receipts - Intangible assets		0,00	0,00
Receipts - Investment properties		0,00	0,00
Receipts - Financial investments		0,00	0,00
Receipts - Other assets		0,00	
Receipts - Investment subsidies		11.200.403,60	11.547.520,66
Receipts - Capital transfers		0,00	0,00
Receipts - Interest and similar income		557,09	445.866,57
Receipts - Dividends		0,00	0,00
Cash flows from investment activities (b)		3.066.978,52	5.942.008,07
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts from:			
Receipts - Financing obtained		0,00	0,00
Receipts - Proceeds from equity and other equity instruments		0,00	0,00
Receipts - Coverage of losses		0,00	0,00
Receipts - Donations		0,00	0,00
Receipts - Other financing operations		0,00	0,00
Payments regarding:			
Payments - Financing obtained		9.000.000,00	8.300.000,60
Payments - Interest and similar expenses		825.580,89	917.788,00

Items	Notes	Periods	
		2022	2021
Payments - Dividends		0,00	0,00
Payments - Reductions in equity and other equity instruments		0,00	0,00
Payments - Other financing operations		0,00	0,00
Cash flows from financing activities (c)		9.825.580,89	9.217.788,60
Variation in cash and cash equivalents (a+b+c)		297.130,13	3.111.678,88
Effect of exchange rate differences		0,00	0,00
Cash and cash equivalents at the beginning of the period		21.921.631,39	18.809.952,51
Cash and cash equivalents at the end of the period		22.218.761,52	21.921.631,39
Cash and cash equivalents at the beginning of the period		21.921.631,39	18.809.952,51
Cash equivalents at the beginning of the period		0,00	0,00
Non-cash equivalent portion of cash balance		0,00	0,00
Exchange rate variations on cash at the beginning of the period		0,00	0,00
Balance from previous year (SGA)		21.921.631,39	18.809.952,51
SGA Budget execution		21.372.034,41	18.252.272,02
SGA From treasury operations		549.596,98	557.680,49
Cash and cash equivalents at the end of the period		22.218.761,52	21.921.631,39
Cash equivalents at the end of the period		0,00	0,00
Non-cash equivalent portion of cash balance		0,00	0,00
Exchange rate variations on cash at the end of the period		0,00	0,00
Balance for next year (SGS)		22.218.761,52	21.921.631,39
SGS Budget execution		21.674.817,15	21.372.034,41
SGS From treasury operations		543.944,37	549.596,98

ANNEX TO THE FINANCIAL STATEMENTS

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

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

The breakdown of cash and cash equivalents is presented below.

Table 1 - Breakdown of cash and deposits				
Account	2022		2021	
Cash		7.479,10		6.731,45
Demand deposits		18.207.938,95		17.912.114,56
Bank deposits payable on demand	18.207.938,95		17.912.114,56	
Other deposits		4.003.343,47		4.002.785,38
Term deposits	4.003.343,47		4.002.785,38	
Earmarked deposits				
Total		22.218.761,52		21.921.631,39

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.

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 2022, the movement in the carrying amount of intangible assets is shown in the following tables.

Table 2 - Changes in accumulated repayments and impairment losses								
Description	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	2.077.660,72	-2.042.630,70		35.030,02	2.638.554,39	-2.194.310,08		444.244,31
Industrial and intellectual property	18.812,74	-18.812,74		0,00	19.888,50	-18.862,49		1.026,01
Others								
Intangible assets in progress	464.238,50	0,00		464.238,50	0,00	0,00		0,00
TOTAL	2.560.711,96	-2.061.443,44	0,00	499.268,52	2.658.442,89	-2.213.172,57	0,00	445.270,32

Table 3 - 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)	Revaluation (4)	Reversals and Losses (5)	Impairment Losses (6)	Repayment Period (7)	Decreases (8)	
Goodwill									
Development projects									
Computer programmes and information systems	35.030,02	49.388,67	511.505,00				-151.679,38		444.244,31
Industrial and intellectual property	0,00	1.075,76	0,00				-49,75		1.026,01
Others									
Intangible assets in progress	464.238,50	47.266,50	-511.505,00						0,00
TOTAL	499.268,52	97.730,93	0,00	0,00	0,00	0,00	-151.729,13	0,00	445.270,32

Note 4 - Service concession agreements: grantor

Not applicable.

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 Finance (8)	Merger (9)	Others (10)	
Intangible assets of public domain, historical, artistic and cultural heritage											
Goodwill											
Development projects											
Computer programmes and information systems	511.505,00	49.388,67									560.893,67
Industrial and intellectual property		1.075,76									1.075,76
Others											
Intangible assets in progress	-511.505,00	47.266,50									-464.238,50
TOTAL	0,00	97.730,93									97.730,93

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 2022, the movement in the carrying amount of tangible assets is shown below.

Table 5 - Changes in accumulated depreciation and accumulated impairment losses

Description	Start of period				End of period			
	Gross Amount (1)	Accumulated Depreciation (2)	Accumulated impairment losses (3)	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	0,00		25.698.684,15	25.698.684,15	0,00		25.698.684,15
Buildings and other constructions	92.278.289,13	-55.323.126,48		36.955.162,65	94.268.294,45	-57.510.555,71		36.757.738,74
Basic equipment	152.791.090,87	-111.631.736,32		41.159.354,55	153.449.213,09	-122.662.821,63		30.786.391,46
Transport equipment	5.086.389,83	-2.760.600,64		2.325.789,19	5.317.914,51	-3.355.439,83		1.962.474,68
Administrative equipment	2.974.155,54	-2.638.143,72		336.011,82	3.072.420,34	-2.763.833,55		308.586,79
Biological equipment	0,00	0,00		0,00	0,00	0,00		0,00
Others	2.117.039,24	-1.406.426,83		710.612,41	2.160.530,92	-1.518.676,98		641.853,94
Tangible fixed assets in progress	667.600,95	0,00		667.600,95	3.795.414,26	0,00		3.795.414,26
	281.613.249,71	-173.760.033,99		107.853.215,72	287.762.471,72	-187.811.327,70		99.951.144,02
TOTAL	281.613.249,71	-173.760.033,99		107.853.215,72	287.762.471,72	-187.811.327,70		99.951.144,02



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)	
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	0,00	0,00				0,00	0,00	25.698.684,15
Buildings and other constructions	36.955.162,65	960.871,99	1.029.133,33				-2.187.429,23	0,00	36.757.738,74
Basic equipment	41.159.354,55	1.510.437,62	811.018,79				-11.031.085,31	-1.663.334,19	30.786.391,46
Transport equipment	2.325.789,19	231.524,68	0,00				-594.839,19	0,00	1.962.474,68
Administrative equipment	336.011,82	107.058,50	0,00				-125.689,83	-8.793,70	308.586,79
Biological equipment									
Others	710.612,41	48.985,67	0,00				-112.250,15	-5.493,99	641.853,94
Tangible fixed assets in progress	667.600,95	4.967.965,43	-1.840.152,12						3.795.414,26
	107.853.215,72	7.826.843,89	0,00	0,00	0,00	0,00	-14.051.293,71	-1.677.621,88	99.951.144,02
TOTAL	107.853.215,72	7.826.843,89	0,00	0,00	0,00	0,00	-14.051.293,71	-1.677.621,88	99.951.144,02

Table 7 - Inputs

Items	Inputs										Total (11)=(1)+(2)+ (3)+(4)+(5)+ (6)+(7)+(8) +(9)+(10)
	Internal (1)	Procurement (2)	Assignment (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)	
ASSETS OF PUBLIC DOMAIN, HISTORICAL, ARTISTIC AND CULTURAL HERITAGE											
Land and natural resources											
Buildings and other constructions											
Infrastructures											
Historical, artistic and cultural heritage											
Others											
Public domain assets in progress											
OTHER TANGIBLE FIXED ASSETS											
Land and natural resources											
Buildings and other constructions	1.029.133,33	960.871,99									1.990.005,32
Basic equipment	811.018,79	1.510.437,62									2.321.456,41
Transport equipment	0,00	231.524,68									231.524,68
Administrative equipment	0,00	107.058,50									107.058,50
Biological equipment	0,00	0,00									0,00
Others	0,00	48.985,67									48.985,67
Tangible fixed assets in progress	-1.840.152,12	4.967.965,43									3.127.813,31
	0,00	7.826.843,89									7.826.843,89
TOTAL	0,00	7.826.843,89									7.826.843,89

Table 8 - Decreases

Items	Disposals for consideration (1)	Transfer or exchange (2)	Return or reversal (3)	Merger, division, restructuring (4)	Others (5)	Total (6)=(1)+(2)+(3)+(4)+(5)
ASSETS OF PUBLIC DOMAIN, HISTORICAL, ARTISTIC AND CULTURAL HERITAGE						
Land and natural resources						
Buildings and other constructions						
Infrastructures						
Historical, artistic and cultural heritage						
Others						
Public domain assets in progress						
OTHER TANGIBLE FIXED ASSETS						
Land and natural resources						
Buildings and other constructions					0,00	0,00
Basic equipment					-1.663.334,19	-1.663.334,19
Transport equipment					0,00	0,00
Administrative equipment					-8.793,70	-8.793,70
Biological equipment					0,00	0,00
Others					-5.493,99	-5.493,99
Tangible fixed assets in progress						
					-1.677.621,88	-1.677.621,88
TOTAL					-1.677.621,88	-1.677.621,88

During 2022, we emphasise the importance of LIPOR's investment in the automatic packaging sorting line, which amounted to 3,070,153.87 euros. As at 31/12/2022, this investment was still included in the fixed assets in progress, being scheduled for completion in 2023. Containers (basic equipment) were also acquired for the implementation of several ongoing LIPOR projects.

On the other hand, regarding assets transferred from investments in progress to Definitive Assets, we highlight the contract for the construction of the Green Waste Platform and the Cemetery Green Waste Sorting Line (TCAEM), which totals 1,601,453.87 euros.

Concerning asset decreases, it is worth mentioning the scrapping of obsolete containers, as well as of some administrative equipment (IT and telecommunications equipment), which was no longer operational.

Note 6 - Leases

LIPOR has eight 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	73.640,25	16.566,38	0,00	57.073,88	0,00	0,00	0,00	0,00	0,00	0,00
Copying, Printing and Scanning Equipment	19.820,00	6.812,44	0,00	0,00	0,00	13.007,56	0,00	0,00	13.007,56	12.507,27
Transport Equipment	41.216,51	9.260,42	0,00	31.956,09	0,00	0,00	0,00	0,00	0,00	0,00
Transport Equipment	61.422,72	11.638,47	0,00	0,00	0,00	15.355,68	34.428,57	0,00	49.784,25	46.596,23
Transport Equipment	70.025,76	17.474,94	0,00	28.460,87	0,00	17.482,44	6.607,51	0,00	24.089,95	22.919,05
IT equipment	41.940,00	13.939,32	0,00	17.820,21	0,00	10.180,47	0,00	0,00	10.180,47	9.788,91
IT equipment	30.822,00	10.273,92	0,00	2.568,48	0,00	10.273,92	7.705,68	0,00	17.979,60	17.003,10
IT equipment	58.932,00	6.548,00	0,00	0,00	0,00	19.644,00	32.740,00	0,00	52.384,00	49.158,43
Total	397.819,24	92.513,89	0,00	137.879,53	0,00	85.944,07	81.481,76	0,00	167.425,83	157.973,00

Values do not include VAT

Note 7 - Borrowing costs

Information in ANNEX III.

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 2022 - 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	65.000,00		65.000,00
Raw, subsidiary and consumable materials	38.041,74		38.041,74
Finished and intermediate products	118.409,78		118.409,78
By-products, waste, residues and rubbish			
Products and work in progress			
Total	221.451,52	0,00	221.451,52

Table 11 - Inventories' movements for the period

Items	Initial carrying amount (1)	Movements for the period							Final carrying amount (9)=(1)+(2)+(3) +(4)+(5)+(6) +(7)+(8)
		Net Procurement	Consumption/ /Expenses	Changes in production inventories	Impairment losses	Reversals from impairment losses	Other inventory write-downs	Other Inventory increases	
Goods	39.000,00	26.000,00							65.000,00
Raw, subsidiary and consumable materials	23.369,19	91.759,10	77.086,55						38.041,74
Finished and intermediate products	95.338,12			23.071,66					118.409,78
By-products, waste, residues and rubbish									
Products and work in progress									
TOTAL	157.707,31	117.759,10	77.086,55	23.071,66	0,00	0,00	0,00	0,00	221.451,52

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	0,00		0,00	0,00	
Sales					
Finished and intermediate products - Agricultural and livestock products	617.281,92		63.928,89	60.064,93	
Finished and intermediate products - Other	28.147.743,64		4.501.377,72	4.517.144,43	
By-products, waste, residues and rubbish - Scrap	364.233,17		76.535,43	59.832,11	
Provision of services					
Solid waste - from Municipalities	22.994.016,80		2.498.209,26	2.877.690,20	
Solid waste - Private Sector origin	224.053,58		17.794,15	52.597,08	
Studies, Opinions, Projects and Consultancy	43.831,63		16.437,00	12.000,00	
Containers rental	36.354,00		6.059,00	3.029,50	
Other Services - Training	13.538,29		3.850,00	280,00	
Disposals					
Disposals of tangible fixed assets	0,00		0,00	0,00	
Other income and earnings					
Other Supplementary Income	739.141,66		107.667,93	159.856,30	
Cash discount obtained	0,00		0,00	0,00	
Recovery of accounts receivable	7.792,50		0,00	0,00	
Inventory Earnings	8.323,36		0,00	0,00	
Other Non-Specified - Current	97.193,33		0,00	0,00	
Interest, dividends and other similar income					
Interest earned (deposits) and Interest on late payments	742,81		0,00	0,00	
TOTAL	53.294.246,69		7.291.859,38	7.742.494,55	

Values do not include VAT

Note 14 - Income from transactions without consideration

Transactions without consideration are subdivided into taxes and transfers. Taxes are economic benefits or service potential mandatorily paid or payable to public entities in accordance with appropriate legal provisions, created to provide income to public administrations. Transfers are inflows of future economic benefits or service potential arising from transactions without consideration other than tax.

Details of this income are presented below.

Table 13 - Income without consideration					
Type of income	Income for the period recognised in		Amounts receivable		Advances received
	Results	Net worth	Start of period	End of Period	
Fees, fines and other penalties					
Waste Management Fee (TGR - CVE and Landfill)	1.846.283,77		295 553,49	239 473,19	
Current transfers and subsidies obtained					
Others	258.560,76		0,00	0,00	
Allocation of subsidies and transfers to investments	7.851.693,54		0,00	0,00	
TOTAL	9.956.538,07		295 553,49	239 473,19	

Note 15 - Provisions, contingent liabilities and contingent assets

15.1 - Provisions

Provisions are recognised when there is a present obligation as a result of a past event, where it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, and a reliable estimate can be made of the amount of that obligation.

During the past years of 2022 and 2021, the provisions item recorded the following movements:

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	11.302.349,41					2.309.056,75			2.309.056,75	8.993.292,66
Accidents at work and occupational diseases Environmental issues	0,00									0,00
Non-gratuitous contracts Restructuring and reorganisation	0,00									0,00
Other provisions	5.241.554,19	7.334,78			7.334,78	47.309,23	7.792,50		55.101,73	5.193.787,24
Total	16.543.903,60	7.334,78	0,00	0,00	7.334,78	2.356.365,98	7.792,50	0,00	2.364.158,48	14.187.079,90

Regarding the several ongoing legal proceedings, either brought by LIPOR or by other entities, after legal review for annual reporting purposes, the provision for other risks and costs was adjusted to 8,933,292.66 euros. This adjustment results of the payment of the amount of corporate income tax, including interests and court costs, related to 4 legal proceedings currently in progress relating to the years 2006, 2011, 2014 and 2021 in the total amount of 2,567,097.00 euros.

Analyzing the open legal proceedings, given that they reflect the amount of responsibilities estimated as probable in legal proceedings in progress, provisions were made in an amount enough to cover predictable losses regarding the ongoing disputes.

Note 17 – Events after the reporting period

Regarding events after 31 December 2021 that, despite being materially relevant, did not result in adjustments, we highlight the ongoing judicial proceedings concerning case no. 3176/10.5BEPRT, with regard to corporation tax (IRC) from 2009, which has now come to an unfavourable final decision against LIPOR. In this context, a payment of 221,991.43 euros was made, including interest and court costs.

Challenges concerning the IRC from 2020 and 2021 were deducted, amounting to 705,096.66 euros and 807,923.48 euros, respectively.

Note 19 – 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 23 - Other disclosures

23.1 - State and Other Public Entities

As at 31 December 2022 the detail of the state and other public entities account is as follows:

Quadro 15 - Estado e outros entes públicos

Account	State and other public entities	31/12/2022		31/12/2021	
		Outstanding Balance	Credit Balance	Outstanding Balance	Credit Balance
241	Income tax	1.185,70	491.070,88		
242	Withholding tax on income		43.378,21		44.659,78
243	Value Added Tax (VAT)	4.580.530,87		4.133.587,08	
244	Other Taxes				
245	Contributions to social protection systems and health subsystems		102.150,62		53.866,73
246	Local authority taxes				
249	Other Taxation				
	Total	4.581.716,57	636.599,71	4.133.587,08	98.526,51

23.2 - Other Accounts Receivable/Payable

As at 31 December 2022, other accounts payable and receivable are detailed as follows:

Table 16 - Other Receivables/Payables			
Account	Description	31/12/2022	31/12/2021
	Other accounts receivable		
2721	Debtors due to income accruals	370.281,34	26.082,36
2281	Advances to suppliers	1.558,74	1.489,65
2789	Other debtors - others	695.139,14	368.028,19
	Balance receivable	1.066.979,22	395.600,20
	Other accounts payable		
2372	Staff guarantees	140,00	140,00
2771	Guarantees received from third parties	543.804,37	549.456,98
2722	Creditors from accrued expenses	8.552.135,33	6.259.819,90
	Balance payable	9.096.079,70	6.809.416,88

23.3 - Revenues

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

Table 17 - Revenues			
Conta	Description	31/12/2022	31/12/2021
712	Finished and intermediate products	28.765.025,56	23.523.471,73
713	By-products, waste, residues and rubbish	364.233,17	387.108,84
720	Provision of services and concessions	23.261.902,01	23.183.790,04
721	Equipment rental	36.354,00	36.354,00
729	Other services (training)	13.538,29	8.639,00
751	Current transfers obtained	258.560,76	814.578,65
	Total	52.699.613,79	47.953.942,26

23.4 - External supplies and services

We present herein the detail of the external supplies and services account as at 31 December 2022:

Table 18 - External supplies and services			
Conta	Description	31/12/2022	31/12/2021
6217	Urban and solid waste collection and treatment services	25.709.538,59	23.219.104,96
6219	Other subcontracts or concessions	330.062,59	913.698,50
6221	Specialised work	2.629.637,54	2.858.756,55
6222	Advertising, communication and image	560.329,01	507.621,44
6223	Surveillance and security	235.598,98	227.348,09
6224	Fees	96.730,00	83.823,25

Conta	Description	31/12/2022	31/12/2021
6226	Conservation and repair	1.165.230,84	1.041.431,38
6231	Fast wearing parts, tools and utensils	85.899,77	92.939,89
6232	Books and technical documentation	1.431,90	2.097,73
6233	Office supplies	26.560,63	21.073,76
6234	Offers, advertising and publicity items	37.380,39	15.944,94
6235	Educational, cultural and recreational material	30.997,08	78.798,66
6236	Hygiene and cleaning products, clothing and personal items	16.734,23	13.478,24
6239	Other miscellaneous consumables	8.381,26	9.738,62
6241	Electricity	279.704,34	270.793,25
6242	Fuels and lubricants	176.967,07	143.482,40
6243	Water	32.027,13	28.484,43
6251	Travel and accommodation	128.200,14	35.566,47
6253	Transport of goods and other goods sold	74.573,24	29.818,55
6261	Rents and leases	560.223,56	478.130,02
6262	Communication	47.936,93	43.240,23
6263	Insurance	53.953,52	66.832,89
6265	Litigation and notary	49.050,14	10.314,68
6266	Service representation expenses	24.080,34	15.063,54
6267	Cleanliness, hygiene and comfort	119.908,11	122.349,69
6269	Other services	5.192,24	2.845,01
	Total	32.486.329,57	30.332.777,17

23.5 - Staff costs

As at the end of December 2022, the detail of staff costs was as follows:

Table 19 - Staff costs

Conta	Description	31/12/2022	31/12/2021
630	Remuneration of holders of sovereign bodies and members of local government bodies	63.321,85	62.150,86
632	Staff remuneration	3.822.359,73	3.843.746,41
633	Post-employment benefits	0,00	4.673,16
635	Charges on remunerations	976.268,86	1.001.376,55
636	Accidents at work and occupational diseases	49.250,29	70.693,25
637	Social action expenditure	0,00	54.477,22
638	Other staff costs	56.724,83	77.990,07
639	Other social charges	9.572,97	10.591,35
	Total	4.977.498,53	5.125.698,87

During 2022, no employees retired, therefore, LIPOR registered no post-employment costs with regard to pension premiums. Concerning the provision of staff costs, an estimation made in 2021 for 2022 was lower than expected, leading to a decrease in staff remuneration figures, in comparison with the previous year.

23.6 - Accruals and deferrals

As at 31 December 2022, accruals and deferrals were detailed as follows:

Table 20 - Accruals and Deferrals

Account	Description	31/12/2022	31/12/2021
	Deferred Expenses		
28191	Diesel (stock)	18.689,58	13.845,62
28191	Stock entries	201.974,77	249.298,51
28191	Computer licences	182.275,90	125.778,58
28191	Other multi-annual costs	0,00	0,00
28191	Other deferred expenses	550.970,05	567.730,09
	Total	953.910,30	956.652,80
	Deferred Income		
28210	Current transfers and subsidies obtained	1.242.323,82	248.577,92
28292	Corporate Income Tax Return - to be regularised	0,00	74.601,56
28292	Nutrimais - consignment customers	0,00	0,00
28222	Capital transfers and subsidies obtained - other entities	0,00	0,00
28292	Other settlements	0,00	-100,40
	Total	1.242.323,82	323.079,08

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 2022, 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.

Table 20 - Deferrals

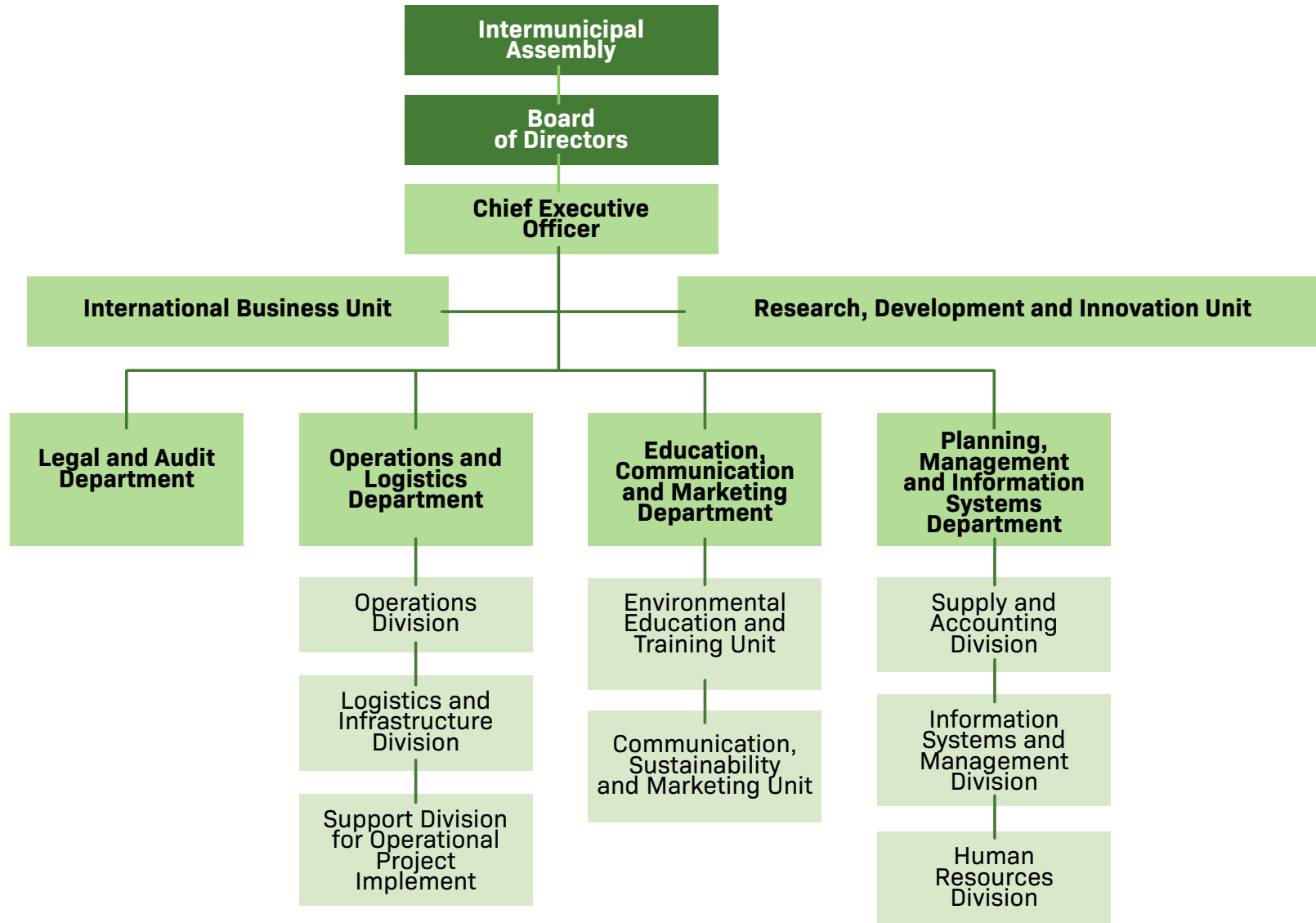
Model 8.3 - Characterization of the Entity (Local Business Sector)

1	Designação	LIPOR – Associação de Municípios para a Gestão Sustentável de Resíduos do Grande Porto
	Contactos oficiais	
	Endereço postal	
2	Arruamento	Rua da Morena, 805
3	Código postal	4435-746 BAGUIM DO MONTE
4	Localidade postal	BAGUIM DO MONTE
5	Endereço de correio eletrónico	info@lipor.pt
6	Sítio na internet	www.lipor.pt
7	Telefone	229.770.100
	Fax	229.756.038
8	Número de Identificação de Pessoa Coletiva (NIPC)	501.394.192
9	Classificação Portuguesa de Atividades Económicas (Código e Designação)	38212 - Tratamento e eliminação de outros resíduos não perigosos
10	Data de Constituição	12/11/1982
11	Tipo de Sociedade	ADMINISTRAÇÃO LOCAL: Sociedades Não Financeiras do Sector Público - detidas pela administração local - Associação de Municípios
12	Tem serviços de natureza consultiva e/ou serviços de fiscalização?	Não
13	Organograma em anexo	(ver anexo II)
14	Entidades que exercem influência dominante na sociedade	Câmara Municipal de Espinho
		Câmara Municipal de Gondomar
		Câmara Municipal da Maia
		Câmara Municipal de Matosinhos
		Câmara Municipal do Porto
		Câmara Municipal da Póvoa de Varzim
		Câmara Municipal de Valongo
		Câmara Municipal de Vila do Conde

15	Âmbito territorial	Nacional - Portugal Continental
16	Description sumária das atividades	A associação tem por objeto promover 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, além de potenciar os resíduos recebidos numa ótica de circularidade, nomeadamente através da sua transformação em produtos.
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	Não
	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

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 de Macroestrutura Organizacional da LIPOR	05/09/2015	19/09/2016
	Alteração ao Regulamento Interno da Macroestrutura Organizacional da LIPOR	31/08/2020	21/12/2020
	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 de Riscos de Corrupção e Infrações Conexas	31/01/2022	
	Código Ética e Coduta	14/09/2020	21/12/2020
	Código Ética e Coduta - Proposta para a constituição da Comissão de Ética	31/01/2022	
	Inscrição do Saldo da Gerência do Ano Anterior	Data de Aprovação	
		Órgão Executivo	Órgão Deliberativo
	Alteração Modificativa	24/01/2022	31/01/2022
	Alteração Permutativa		
	Informação relativa a Pessoal		
	Nº de trabalhadores a 31 de dezembro	210	
	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 II - ORGANIZATION CHART



ANNEX III - BORROWINGS - BANK LOANS

MODEL 18 - Loans map

Reporting period: 01-01-2022 to 31-12-2022

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				Registration No.	Date		Contracted	Used
Short Term										
Total CP										
Medium and Long Term	23440	European Investment Bank	30/03/2006	18	14	3627/08	28/07/2008	Central Construction Organic Enhancement	18.000.000,00	18.000.000,00
Non-exempt										
SubTotal									18.000.000,00	18.000.000,00
Medium and Long Term										
Exempt										
SubTotal										
Total MLT									18.000.000,00	18.000.000,00
Overall Total									18.000.000,00	18.000.000,00

MODEL 18 - Loans map

Reporting period: 01-01-2022 to 31-12-2022

Type	Conditions				Other charges	Payments made								
	Interest rate		Spread	Commissions		Capital repayment			Interest			Other charges (a)		
	Initial	Current				Up to N	Ano N	Forecast after N	Up to N	Ano N	Forecast after N	Up to N	Ano N	Forecast after N
Short Term														
Total CP														
Medium and Long Term	5,02%	3,44%				1.497.311,00	9.000.000,00	7.505.689,00	6.534.723,60	567.362,45	386.913,67	434.483,39	33.005,38	26.362,70
Non-exempt														
SubTotal	0,05	0,03	0,00	0,00	0,00	1.497.311,00	9.000.000,00	7.505.689,00	6.534.723,60	567.362,45	386.913,67	434.483,39	33.005,38	26.362,70
Medium and Long Term														
Exempt														
SubTotal														
Total MLT	0,05	0,03	0,00	0,00	0,00	1.497.311,00	9.000.000,00	7.505.689,00	6.534.723,60	567.362,45	386.913,67	434.483,39	33.005,38	26.362,70
Overall Total	0,05	0,03	0,00	0,00	0,00	1.497.311,00	9.000.000,00	7.505.689,00	6.534.723,60	567.362,45	386.913,67	434.483,39	33.005,38	26.362,70

MODEL 18 - Loans map

Reporting period: 01-01-2022 to 31-12-2022

Type	Amounts due and unpaid on 31/12			Amount outstanding in year N		Average capital repayments		Legal grounds (c)
	Capital	Interest	Other charges (a)	On 01.01	On 31.12	Loans contracted until 31/12/2013	Loans contracted after 01/01/2014	
Short Term								
Total CP								
Medium and Long Term				16.502.689,00	7.502.689,00			
Non-exempt								
SubTotal	0,00	0,00	0,00	16.502.689,00	7.502.689,00	0,00	0,00	0,00
Medium and Long Term								
Exempt								
SubTotal								
Total MLT				16.502.689,00	7.502.689,00			
Overall Total				16.502.689,00	7.502.689,00			

(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	0,00
Customers, taxpayers and users		8.329.765,22	8.509,28	8.321.255,94
Total		13.515.043,18	5.193.787,24	8.321.255,94



STATEMENT OF MULTI-ANNUAL COMMITMENTS

STATEMENT OF MULTI-ANNUAL COMMITMENTS EXISTING AS AT 31 DECEMBER 2022

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 2022 are duly recorded in the central database, in the SAP application, for the following global amounts:

Year	Amount
2023	38.034.526,80
2024	34.253.886,41
2025	2.815.936,82
2026	750,00
Following	0,00



Baguim do Monte, April 3, 2023

The Chairman of LIPOR's Board of Directors,

(Dr. José Manuel Pereira Ribeiro)

STATEMENT OF OVERDUE PAYMENTS

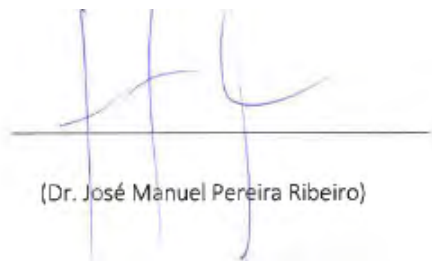
Statement of overdue payments as at 31 December 2022

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, 2022, that LIPOR has no overdue payment.

Baguim do Monte, April 3, 2023

The Chairman of LIPOR's Board of Directors,



(Dr. José Manuel Pereira Ribeiro)



STATEMENT OF OVERDUE RECEIPTS

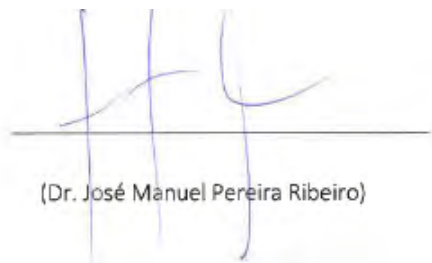
Statement of overdue receipts as at 31 December 2022

Article 15, paragraph 1 b) of the LCPA

Pursuant to Article 15 (1) (b) of Law no. 8/2012 of 21 February, I declare that the existing overdue receipts on 31 December 2022 amount to 2,158,283.13 euros, in accordance with the annexed list.

Baguim do Monte, April 3, 2023

The Chairman of LIPOR's Board of Directors,



(Dr. José Manuel Pereira Ribeiro)



6.4 STATUTORY AUDITOR'S REPORT

MANUEL TEIXEIRA CARDOSO
Statutory Auditor

STATUTORY AUDITOR'S REPORT

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

I have audited the enclosed financial statements of LIPOR – Associação de Municípios para a Gestão Sustentável de Resíduos do Grande Porto, legal person no. 501 394 192, which comprise the balance sheet at 31 December 2022, amounting to 137,760,489.41 euros, and total Net Assets (equity) of 102,977,592.94 euros, including a net income of 3,992,678.50 euros, the income statement by nature, the statement of changes in Net Assets (equity) and the cash flow statement for the year ended on that date, and the notes annexed to the financial statements, which include a summary of relevant accounting policies.

In my opinion, the enclosed financial statements give a true and fair view, in all material aspects, of the financial position of LIPOR – Associação de Municípios para a Gestão Sustentável de Resíduos do Grande Porto at 31 December 2022, and its financial performance and cash flows for the year then ended, in accordance with Accounting and Financial Reporting Standards adopted in Portugal under the Accounting Standardisation System for Public Administration (SNC-AP).

Basis for opinion

My audit was performed in accordance with the International Standards on Auditing (ISA) and other technical and ethical guidelines and standards issued by the Portuguese Statutory Auditors Association. My responsibilities under those standards are described below, in the section "Auditor's responsibilities for the audit of the financial statements". I am independent of the Entity in accordance with the law and have fulfilled the other ethical requirements in accordance with the code of ethics of the Portuguese Statutory Auditors Association.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the management body for the financial statements

The management body is responsible for:

- preparing the financial statements in accordance with the Accounting and Financial Reporting Standard for Non-Profit Sector Entities, adopted in Portugal under the SNC-AP;

- preparing the management report in accordance with the applicable laws and regulations;
- designing and maintaining an appropriate internal control system to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- adopting accounting policies and criteria appropriate in the circumstances; and
- assessing the Entity's ability to continue as a going concern, and disclosing, where applicable, matters that may cast significant doubt on its ability to continue as a going concern.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report that includes my opinion. Reasonable assurance is a high level of assurance, but not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit according to ISA, I make professional assessments and maintain an attitude of professional scepticism throughout the audit, and I've also:

- identified and assessed the risks of material misstatement of the financial statements, due to fraud or error, designed and performed audit procedures that respond to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for my opinion;
- obtained an understanding of internal control relevant to the audit, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;
- evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management body, in accordance with the Accounting and Financial Reporting Standard for Non-Profit Sector Entities, adopted in Portugal under the SNC-AP;
- concluded on the appropriateness of the use of the going concern assumption by the management body and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I must draw attention in my report to the related disclosures in the financial statements or, if such

disclosures are inadequate, modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause the Entity to cease to continue as a going concern;

- evaluated the overall presentation, structure and content of the financial statements, including the disclosures, in accordance with the Accounting and Financial Reporting Standard for Non-Profit Sector Entities, adopted in Portugal under the SNC-AP; and

- communicated to those responsible for governance, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant internal control deficiencies identified during the audit.

My responsibility also includes verifying that the information contained in the management report is consistent with the financial statements.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

On the management report

In my opinion, the management report was prepared in accordance with the applicable laws and regulations, and the information contained therein is consistent with the audited financial statements, with no material misstatements having been identified.

The Entity consistently fulfils its tax and social security obligations, having no outstanding debts, and obtained the legal certificates required as evidence of its consistent fulfilment.

Paço de Sousa, 3rd April 2023

Statutory Auditor no. 293

Member of the Portuguese Statutory Auditors Association under no. 293
Quinta da Salgadinha – Rua Nova da Salgadinha, 198
4560-406 PAÇO DE SOUSA
Tel. 91 997 46 46 – E-mail: mteixeiracardoso@gmail.com

responsibility and transparency

LIPOR's Integrated Report mirrors its Commitment in terms of Responsibility and Transparency towards All of its Interested Parties



SUSTAINABILITY INFORMATION

7.1 GRI CONTENT INDEX



CONTENT INDEX ESSENTIALS SERVICE

2023




LIPOR has reported in accordance with the GRI Standards for the period from 1 January 2022 to 31 December 2022.

For the Content Index – Essentials Service, GRI Services reviewed that the GRI content index is presented clearly and in a manner consistent with the Standards, and that the references for disclosures 2-1 to 2-5, 3-1 and 3-2 are aligned with the appropriate sections in the body of the report.

GRI Content Index							
GRI Standard	Disclosure	Location	Omission			External Assurance	SDGs
			Omitted Requirement(s)	Reason	Explanation		
GRI 2: Conteúdos Gerais 2021							
A organização e suas práticas de relato							
2-1	Organisational details	Page 7 We Stand by Transparency Page 175 Back Cover				●	
2-2	Entities included in the organisation’s sustainability reporting	Page 7 We Stand by Transparency Page 86 and 88 Rendering of Accounts and Financial Statements				●	
2-3	Reporting period, frequency and contact point	Pages 7 and 8 We Stand by Transparency				●	
2-4	Restatements of information	Page 7 We Stand by Transparency				●	
2-5	External assurance	Page 8 We Stand by Transparency				●	



GRI Standard	Disclosure	Location	Omission			External Assurance	SDGs
			Omitted Requirement(s)	Reason	Explanation		
Atividades e Colaboradores							
2-6	Activities, value chain and other business relationships	Page 7 We Stand by Transparency Page 12 LIPOR Ecosystem Page 23 Business Model Page 52 We Put People First Pages 64 We Move towards Zero Impact on the Planet				●	
2-7	Employees	Page 162 ESG Topics Page 165 Methodological Notes				●	
2-8	Workers who are not employees	Page 43 We Put People First Page 165 Methodological Notes				●	
Governança							
2-9	Governance structure and composition	Page 84 Governance Page 164 ESG Topics				●	
2-10	Nomination and selection of the highest governance body	Page 84 Governance				●	
2-11	Chair of the highest governance body	Page 84 Governance				●	
2-12	Role of the highest governance body in overseeing the management of impacts	Page 84 Governance				●	
2-13	Delegation of responsibility for managing impacts	Page 84 Governance				●	
2-14	Role of the highest governance body in sustainability reporting	Page 8 We Stand by Transparency				●	
2-15	Conflicts of interest	Page 84 Governance				●	
2-16	Communication of critical concerns	Page 84 Governance				●	
2-17	Collective knowledge of the highest governance body	Page 28 Strategic Vision				●	
2-18	Evaluation of the performance of the highest governance body	Page 84 Governance				●	


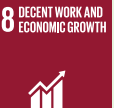


GRI Standard	Disclosure	Location	Omission			External Assurance	SDGs
			Omitted Requirement(s)	Reason	Explanation		
2-19	Remuneration policies	Page 84 Governance				●	
2-20	Process to determine remuneration	Page 84 Governance				●	
2-21	Annual total compensation ratio	Page 164 ESG Topics				●	
Strategy, policies and practices							
2-22	Statement on sustainable development strategy	Page 6 Message from the Chairman				●	
2-23	Policy commitments	Page 19 Commitments				●	
2-24	Embedding policy commitments	Page 19 Commitments				●	
2-25	Processes to remediate negative impacts	Page 33 Dialogue with the Interested Parties				●	
2-26	Mechanisms for seeking advice and raising concerns	Page 21 Commitments				●	
2-27	Compliance with laws and regulations	Page 164 ESG Topics				●	
2-28	Membership associations	Page 18 LIPOR Ecosystem				●	
Interested parties engagement							
2-29	Approach to interested parties engagement	Page 29 and 30 Dialogue with the Interested Parties				●	
2-30	Collective bargaining agreements	Page 46 We Put People First				●	
GRI 3: Material Topics 2021							
The organisation and its reporting practices							
3-1	Process to determine material topics	Page 30 Dialogue with the Interested Parties				●	
3-2	List of material topics	Page 33 Dialogue with the Interested Parties				●	

GRI Standard	Disclosure	Location	Omission			External Assurance	SDGs
			Omitted Requirement(s)	Reason	Explanation		
LIPOR Material Topic: Financial Performance of the Organisation							
GRI 3: Material Topics 2021							
3-3	Management of material topics	The GRI Topic “Economic Performance” relates to the “Financial Performance of the Organisation” topic identified as material to LIPOR (see page 29 Dialogue with the Interested Parties). The impacts in relation to this topic may occur both in operations and the value chain. Financial information is audited independently. LIPOR monitors indicators linked to this topic, using economic and financial analysis tools and management control reports, and presents them in this Integrated Report.					  
GRI 201: Economic Performance 2016							
201-1	Direct economic value generated and distributed	Page 73 We Want to be a Leading Brand in the Global Market					
201-2	Financial implications and other risks and opportunities due to climate change	Page 39 Risk Management Page 66 We Move towards Zero Impact on the Planet					

GRI Standard	Disclosure	Location	Omission			External Assurance	SDGs
			Omitted Requirement(s)	Reason	Explanation		
LIPOR Material Topic: Ethics and Integrity							
GRI 3: Material Topics 2021							
3-3	Management of material topics	The GRI topic “Anti-corruption” relates to the “Ethics and Integrity” topic identified as material to LIPOR (see page 29 Dialogue with the Interested Parties). The impacts in relation to this topic may occur both in operations and the value chain. LIPOR monitors indicators linked to this topic with its Corruption Risk and Related Offences Management Plan, and presents them in this Integrated Report.				●	
GRI 205: Anti-corruption 2016							
205-1	Operations assessed for risks related to corruption	Page 37 Risk Management				●	
205-2	Communication and training about anti-corruption policies and procedures	Page 38 Risk Management Page 164 ESG Topics				●	
205-3	Confirmed incidents of corruption and actions taken	Page 38 Risk Management				●	



GRI Standard	Disclosure	Location	Omission			External Assurance	SDGs
			Omitted Requirement(s)	Reason	Explanation		
LIPOR Material Topic: Circularity and Transformation of Waste into New Resources							
GRI 3: Material Topics 2021							
3-3	Management of material topics	The GRI topics “Materials” and “Waste” relate to the “Circularity and Transformation of Waste into New Resources” topic identified as material to LIPOR (see page 29 Dialogue with the Interested Parties). The impacts in relation to this topic may occur both in operations and the value chain. LIPOR has a certified Environmental Management System and monitors indicators linked to this topic, reporting them to the Official Authority through the SILIAMB platform and in this Integrated Report.					 
GRI 301: Materials 2016							
301-1	Materials used	Page 60 We Move towards Zero Impact on the Planet Page 155 ESG Topics Page 165 Methodological Notes					

GRI Standard	Disclosure	Location	Omission			External Assurance	SDGs
			Omitted Requirement(s)	Reason	Explanation		
LIPOR Material Topic: Energy Transition and Climate Change							
GRI 3: Material Topics 2021							
3-3	Management of material topics	The GRI topics “Emissions” and “Energy” relate to the “Energy Transition and Climate Change” topic identified as material to LIPOR (see page 29 Dialogue with the Interested Parties). The impacts in relation to this topic may occur both in operations and the value chain. LIPOR has a certified Energy Management System and monitors indicators linked to this topic within the scope of its 4M Strategy, presenting them in this Integrated Report.					   
GRI 302: Energy 2016							
302-1	Energy consumption within the organisation	Page 156 ESG Topics Page 165 Methodological Notes					



GRI Standard	Disclosure	Location	Omission			External Assurance	SDGs
			Omitted Requirement(s)	Reason	Explanation		
302-2	Energy consumption outside of the organisation	Page 157, 158 and 159 ESG Topics Page 165 Methodological Notes				●	
302-3	Energy intensity	Page 157 ESG Topics				●	

GRI Standard	Disclosure	Location	Omission			External Assurance	SDGs
			Omitted Requirement(s)	Reason	Explanation		
302-4	Reduction of energy consumption	Page 67 We Move towards Zero Impact on the Planet				●	






GRI Standard	Disclosure	Location	Omission			External Assurance	SDGs
			Omitted Requirement(s)	Reason	Explanation		

Not LIPOR Material Topic

GRI 303: Water and Effluents 2018

303-1	Interactions with water as a shared resource	Page 65 We Move towards Zero Impact on the Planet				●	
303-2	Management of water discharge-related impacts	Page 65 We Move towards Zero Impact on the Planet				●	

GRI Standard	Disclosure	Location	Omission			External Assurance	SDGs
			Omitted Requirement(s)	Reason	Explanation		
LIPOR Material Topic: Biodiversity							
GRI 3: Material Topics 2021							
3-3	Management of material topics	The GRI topic “Biodiversity” relates to the “Biodiversity” topic identified as material to LIPOR (see page 29 Dialogue with the Interested Parties). The impacts in relation to this topic may occur in operations. LIPOR monitors indicators linked to this topic with its Biodiversity Programme, and presents them in this Integrated Report.					
GRI 304: Biodiversity 2016							
304-3	Habitats protected or restored	Page 68 We Move towards Zero Impact on the Planet					

GRI Standard	Disclosure	Location	Omission			External Assurance	SDGs
			Omitted Requirement(s)	Reason	Explanation		
LIPOR Material Topic: Energy Transition and Climate Change							
GRI 3: Material Topics 2021							
3-3	Management of material topics	The GRI topics “Emissions” and “Energy” relate to the “Energy Transition and Climate Change” topic identified as material to LIPOR (see page 29 Dialogue with the Interested Parties). The impacts in relation to this topic may occur both in operations and the value chain. LIPOR has an External Monitoring Programme associated with the Energy Recovery Plant and monitors indicators linked to this topic within the scope of its 4M Strategy, presenting them in this Integrated Report.					    
GRI 305: Emissions 2016							
305-1	Direct (Scope 1) greenhouse gas emissions	Page 158 and 159 ESG Topics Page 166 Methodological Notes					

GRI Standard	Disclosure	Location	Omission			External Assurance	SDGs
			Omitted Requirement(s)	Reason	Explanation		
305-2	Energy indirect (Scope 2) greenhouse gas emissions	Page 158 and 159 ESG Topics Page 166 Methodological Notes					








GRI Standard	Disclosure	Location	Omission			External Assurance	SDGs
			Omitted Requirement(s)	Reason	Explanation		
305-3	Other indirect (Scope 3) greenhouse gas emissions	Page 158 and 159 ESG Topics Page 166 Methodological Notes				●	
305-4	GHG emissions intensity	Page 67 We Move towards Zero Impact on the Planet				●	

GRI Standard	Disclosure	Location	Omission			External Assurance	SDGs
			Omitted Requirement(s)	Reason	Explanation		
305-5	Reduction of greenhouse gas emissions	Page 67 We Move towards Zero Impact on the Planet				●	

GRI Standard	Disclosure	Location	Omission			External Assurance	SDGs
			Omitted Requirement(s)	Reason	Explanation		

LIPOR Material Topic: Circularity and Transformation of Waste into New Resources

GRI 3: Material Topics 2021


3-3	Management of material topics	The GRI topics “Materials” and “Waste” relate to the “Circularity and Transformation of Waste into New Resources” topic identified as material to LIPOR (see page 29 Dialogue with the Interested Parties). The impacts in relation to this topic may occur both in operations and the value chain. LIPOR has a certified Environmental Management System and monitors indicators linked to this topic, reporting them to the Official Authority through the SILIAMB platform and in this Integrated Report.				●	    
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GRI Standard	Disclosure	Location	Omission			External Assurance	SDGs
			Omitted Requirement(s)	Reason	Explanation		
GRI 306: Waste 2020							
306-1	Waste generation and significant waste-related impacts	Page 58 We Move towards Zero Impact on the Planet				●	
306-2	Management of significant waste-related impacts	Page 58 We Move towards Zero Impact on the Planet				●	
306-3	Waste generated	Page 160 ESG Topics				●	
306-4	Waste diverted from disposal	Page 160 ESG Topics				●	
306-5	Waste directed to disposal	Page 160 ESG Topics				●	

GRI Standard	Disclosure	Location	Omission			External Assurance	SDGs
			Omitted Requirement(s)	Reason	Explanation		



LIPOR Material Topic: Employee Development and Well-Being





GRI 3: Material Topics 2021




3-3	Management of material topics	The GRI topic “Employment” relates to the “Employee Development and Well-Being” topic identified as material to LIPOR (see page 29 Dialogue with the Interested Parties). The impacts in relation to this topic may occur both in operations and the value chain. LIPOR has a certified Social Accountability Management System and monitors indicators linked to this topic, presenting them in this Integrated Report.				●	
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GRI 401: Employment 2016


401-1	New employee hires and employee turnover	Page 161 ESG Topics Page 166 Methodological Notes				●	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Pages 45 and 47 We Put People First				●	


GRI Standard	Disclosure	Location	Omission			External Assurance	SDGs
			Omitted Requirement(s)	Reason	Explanation		
LIPOR Material Topic: Health and Safety							
GRI 3: Material Topics 2021							
3-3	Management of material topics	The GRI topic “Occupational Health and Safety” relates to the “Health and Safety” topic identified as material to LIPOR (see page 29 Dialogue with the Interested Parties). The impacts in relation to this topic may occur both in operations and the value chain. LIPOR has a certified Occupational Health and Safety Management System and monitors indicators linked to this topic, presenting them in this Integrated Report.				●	 
GRI 403: Occupational Health and Safety 2018							
403-1	Occupational health and safety management system	Page 48 We Put People First				●	
403-2	Hazard identification, risk assessment, and incident investigation	Page 49 We Put People First				●	
403-3	Occupational health services	Page 50 We Put People First				●	
403-4	Worker participation, consultation, and communication on occupational health and safety	Page 51 We Put People First				●	
403-5	Worker training on occupational health and safety	Page 51 We Put People First				●	
403-6	Promotion of worker health	Page 51 We Put People First				●	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Page 49 We Put People First				●	
403-9	Work-related injuries	Page 50 We Put People First Page 163 ESG Topics Page 166 Methodological Notes				●	
403-10	Work-related ill health	Page 163 ESG Topics				●	

GRI Standard	Disclosure	Location	Omission			External Assurance	SDGs
			Omitted Requirement(s)	Reason	Explanation		
LIPOR Material Topic: Talent Attraction and Retention							
GRI 3: Material Topics 2021							
3-3	Management of material topics	The GRI topic “Training and Education” relates to the “Talent Attraction and Retention” topic identified as material to LIPOR (see page 29 Dialogue with the Interested Parties). The impacts in relation to this topic may occur both in operations and the value chain. LIPOR has a certified Social Accountability Management System and monitors indicators linked to this topic, presenting them in this Integrated Report.					   
GRI 404: Training and Education 2016							
404-1	Average hours of training per year per employee	Page 43 We Put People First Page 161 ESG Topics				●	
404-2	Programs for upgrading employee skills and transition assistance programs	Page 43 We Put People First				●	
404-3	Percentage of employees receiving regular performance and career development reviews by gender	Page 44 We Put People First				●	


GRI Standard	Disclosure	Location	Omission			External Assurance	SDGs
			Omitted Requirement(s)	Reason	Explanation		
LIPOR Material Topic: Human Rights and Diversity							
GRI 3: Material Topics 2021							
3-3	Management of material topics	The GRI topic “Diversity and Equal Opportunity” relates to the “Human Rights and Diversity” topic identified as material to LIPOR (see page 29 Dialogue with the Interested Parties). The impacts in relation to this topic may occur both in operations and the value chain. LIPOR has a certified Social Accountability Management System and monitors indicators linked to this topic, presenting them in this Integrated Report.					  
GRI 405: Diversity and Equal Opportunity 2016							
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 45 We Put People First					
405-2	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	Page 44 We Put People First Page 163 ESG Topics					


GRI Standard	Disclosure	Location	Omission			External Assurance	SDGs
			Omitted Requirement(s)	Reason	Explanation		
LIPOR Material Topic: Sustainable Value Chain							
GRI 3: Material Topics 2021							
3-3	Management of material topics	The GRI topic “Supplier Social Assessment” relates to the “Sustainable Value Chain” topic identified as material to LIPOR (see page 29 Dialogue with the Interested Parties). The impacts in relation to this topic may occur both in operations and the value chain. LIPOR has a certified Social Accountability Management System, promotes semi-annual supplier assessment and monitors indicators linked to this topic, presenting them in this Integrated Report.				●	  
GRI 414: Supplier Social Assessment 2016							
414-1	Percentage of new suppliers that were screened using labour practices criteria	Page 53 We Put People First				●	
414-2	Significant actual and potential negative impacts for labour practices in the supply chain and actions taken	Page 52 We Put People First				●	

GRI Standard	Disclosure	Location	Omission			External Assurance	SDGs
			Omitted Requirement(s)	Reason	Explanation		
LIPOR Material Topic: Product and Service Quality and Reliability							
GRI 3: Material Topics 2021							
3-3	Management of material topics	The GRI topic “Customer Health and Safety” relates to the “Product and Service Quality and Reliability” topic identified as material to LIPOR (see page 29 Dialogue with the Interested Parties). The impacts in relation to this topic may occur both in operations and the value chain. LIPOR has a certified Quality Management System, promotes semi-annual customer satisfaction surveys and monitors indicators linked to this topic, presenting them in this Integrated Report.				●	
GRI 416: Customer Health and Safety 2016							
416-1	Assessment of the health and safety impacts of product and service categories	Page 64 We Move towards Zero Impact on the Planet				●	
416-2	Incidents of non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of products and services	Page 162 ESG Table				●	

GRI Standard	Disclosure	Location	Omission			External Assurance	SDGs
			Omitted Requirement(s)	Reason	Explanation		
LIPOR Material Topic: Communication, Environmental Education and Training							
GRI 3: Material Topics 2021							
3-3	Management of material topics	The “Communication, Environmental Education and Training” topic was identified as material to LIPOR (see page 29 Dialogue with the Interested Parties). The impacts in relation to this topic may occur both in operations and the value chain. LIPOR monitors indicators linked to this topic with its Communication, Environmental Education and Training Plan, and presents them in this Integrated Report.				●	
L1	Population reached with environmental education and awareness actions	Page 54 We Put People First Page 166 Methodological Notes				●	

GRI Standard	Disclosure	Location	Omission			External Assurance	SDGs
			Omitted Requirement(s)	Reason	Explanation		
LIPOR Material Topic: New Business Models and Opportunities							
GRI 3: Material Topics 2021							
3-3	Management of material topics	The “New Business Models and Opportunities” topic was identified as material to LIPOR (see page 29 Dialogue with the Interested Parties). The impacts in relation to this topic may occur both in operations and the value chain. LIPOR has a certified Research, Development and Innovation Management System and monitors indicators linked to this topic, presenting them in this Integrated Report.				●	
L2	Innovation Scoring	Page 77 We Want to be a Leading Brand in the Global Market				●	
L3	No. of approved proposals and preliminary studies/projects	Page 81 We Want to be a Leading Brand in the Global Market				●	

GRI Standard	Disclosure	Location	Omission			External Assurance	SDGs
			Omitted Requirement(s)	Reason	Explanation		
LIPOR Material Topic: Impact on the Community							
GRI 3: Material Topics 2021							
3-3	Management of material topics	The “Impact on the Community” topic was identified as material to LIPOR (see page 29 Dialogue with the Interested Parties). The impacts in relation to this topic may occur both in operations and the value chain. LIPOR has a certified Social Accountability Management System and monitors indicators linked to this topic, presenting them in this Integrated Report.				●	
L4	Social accountability perceived	Page 55 We Put People First				●	

GRI Standard	Disclosure	Location	Omission			External Assurance	SDGs
			Omitted Requirement(s)	Reason	Explanation		
LIPOR Material Topic: Reputation and Brand Management							
GRI 3: Material Topics 2021							
3-3	Management of material topics	The “Reputation and Brand Management” topic was identified as material to LIPOR (see page 29 Dialogue with the Interested Parties). The impacts in relation to this topic may occur both in operations and the value chain. LIPOR monitors indicators linked to this topic and presents them in this Integrated Report.				●	
L5	Level of connection to the LIPOR brand	Page 72 We Want to be a Leading Brand in the Global Market				●	

7.2 ESG TOPICS

ENVIRONMENTAL

Sorting Plant (301-1)

Materials	2020	2021	2022
Wire (t)	46	50	40

Composting Plant (301-1)

Materials	2020	2021	2022
Wood (t)	62.8	60.374	70.781
Plastics (t)	28.6	22.4	26.509
Paper and Cardboard (t)	0.008	0.007	0.010

Energy Recovery Plant (301-1)

Use of Reagents	2020	2021	2022
Hydrated Lime (t)	4,428.60	3,861.4	3,664.3
Urea (t)	1,557.20	1,510.2	1,500.6
Activated Charcoal (t)	178.2	154.8	146.7
Caustic Soda (t)	22.9	17.7	19.98
Hydrochloric Acid (t)	29.7	22.7	25.98

CVE's Auxiliary Landfill (301-1)

Reagents for the WWTP	2020	2021	2022
Sulphuric Acid (t)	2,201.10	2.901	4.682
Acetic Acid (t)	0	1.055	0.022
Soda (t)	11,760.00	1.302	3.137
HMP (t)	16	0.101	0.101
ULTRASIL 25 (t)	0	0.021	0.006
ULTRASIL 75 (t)	0	0.011	0.009

LIPOR – In general (301-1)

Stationery	2020	2021	2022
White Paper (kg)	210.19	1,665.48	490.91
White Stationery (kg)	132.11	53.59	51.79
Total White (kg)	342.30	1,719.07	542.7
Recycled Paper (kg)	2,437.81	0	1,640.91
Recycled Stationery (kg)	0	50.95	145.04
Total Recycled (kg)	2,437.81	50.95	1,785.95
Total (kg)	2,780.11	1,770.02	2,328.65

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

Facility	Source (GJ)	2020	2021	2022
Composting Plant				
	Natural gas	2,292.90	1,785.25	4,186.75
	Fuel (diesel)	3,071.54	3,048.72	3,130.24
	Electricity	15,686.03	17,246.56	17,882.78
Energy Recovery Plant				
	Natural gas	601	9,713	763.07
	Fuel (diesel)	123.95	182.28	216.91
	Electricity	431.10	2,136.12	664.26
Landfill				
	Fuel (diesel)	0.00	0.00	0.00
	Electricity	870.43	688.22	857.27
Closed Landfills (Ermesinde and Matosinhos)				
	Matosinhos – Electricity	0.00	0.00	0.00
	Ermesinde – Electricity	318.27	317.81	302.03
LIPOR (in general)				
	Electricity	3,689.50	3,933.86	4,060.74
	Natural gas	576.92	778.24	572.90
	Fuel (diesel)	4,510.99	4,573.46	4,346.84
	Fuel (gasoline)	48.30	68.53	82.34
Other locations				
	Electricity	0	904.79	803.56
Total		32,220.59	45 377,10	37 054,71

Energy consumption outside of the Organisation (302-2)

GJ	2020	2021	2022
Scope 3 – Energy	182 522	173 115	183 086
C.03 – Energy and fuels	46 131	59 036	59 444
C.04 – Transportation (upstream)	123 002	101 323	110 963
C.06 – Business travels	236	118	772
C.07 – Employee commuting	5 137	5 363	5 389
C.09 – Transportation (downstream)	8 016	7 276	6 517
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.

Energy Intensity (302-3)

	2020	2021	2022
Total energy consumption (GJ)	32,220.59	45,377.10	37,054.71
Treated waste (t)	557,937.97	543,335.73	539,985.34
Energy intensity (GJ/t)	0.06	0.08	0.07

Total LIPOR GHG Emissions - 3M Targets (305-1, 305-2, 305-3)

Values in t CO₂e	2006	2020	2021	2022	Δ%20-22	Δ%2006-22
Scope 1 - Direct Emissions	380 467	282 988	253 167	263 770	4,2%	-30,7%
Waste Treatment and Recovery	379 090	282 207	251 868	262 865	4,4%	-30,7%
Technical Confinement	227 934	103 437	97 320	91 416	-6,1%	-59,9%
Organic Recovery (CVO)	4 257	6 722	7 426	8 237	10,9%	93,5%
Energy Recovery (CVE)	146 899	172 048	147 122	163 213	10,9%	11,1%
Fuel consumption in the facilities	807	202	682	308	-54,8%	-61,8%
Natural Gas	807	193	668	292	-56,3%	-63,8%
Sorting Plant (RMM)	4,3	0	0	0	0	0
Composting Plant (CVO)	33	130	101	237	134,5%	613,9%
Energy Recovery Plant (CVE)	762	34	551	43	-92,1%	-94,3%
Lipor in general	8	29	16	12	-28,2%	45,2%
Diesel (CVE)	n.d.	9.2	13.5	16,1	19,0%	0
Transportation and Mobility	570	579	617	596	-3,5%	4,5%
Self-owned Fleet	314	189	198	167	-15,9%	-47,0%
Mobile Machinery	256	390	420	429	2,4%	67,7%

continue

Total LIPOR GHG Emissions - 3M Targets (305-1, 305-2, 305-3)

Values in t CO ₂ e	2006	2020	2021	2022	Δ%20-22	Δ%2006-22
Scope 2 - Indirect Emissions (Market-based)	1 749	1 749	1 070	1 176	9,9%	-32,8%
Sorting Plant (RMM)	230	0	0	0		100%
Composing Plant (CVO)	1 117	1 749	1 070	1 176	9,9%	-5,2%
Energy Recovery Plant (CVE)	0	0	0	0		
Technical Confinement (CT)	0	0	0	0		
Lipor in general	401	0	0	0		100%
Others	0	0	0	0		
Scope 2 - Indirect Emissions (Location Based)	1 749	1 749	1 070	1 176	9,9%	-32,8%
Scope 3 - Other Indirect Emissions	47	77 305	79 968	78 815	-1,4%	26,2%
C.01 – Purchased goods and services	0	30,7	32,1	64,3	100,5%	49,8%
C.02 – Acquired assets	0	835,9	138	383	177,7%	2096,8%
C.03 – Energy and fuels	0	459,0	576	568	-1,4%	-44,2%
C.04 – Transportation (upstream)	0	8 349	7 140	7 820	9,5%	10,7%
C.05 – Waste and wastewater	0	18,4	19,7	48,7	146,7%	100,0%
C.06 – Business travels	47	17,3	8,8	55,8	531,2%	7,2%
C.07 – Employee commuting	0	369	385	387	0,7%	30,6%
C.09 – Transportation (downstream)	0	546	496	444	-10,4%	-12,8%
C.10 – Processing of intermediate products	0	64 595	69 096	67 101	-2,9%	30,8%
C.11 – Use of goods and services	0	2 085	2 077	1 944	-6,4%	-10,2%
Upstream Chain		10 079	8 299	9 326	12,4%	9,5%
Downstream Chain		67 226	71 669	69 489	-3,0%	28,8%
Scope 3 - Other Indirect Emissions		77 305	79 968	78 815	-1,4%	26,2%

Rejected waste from operational processes (306-3, 306-4, 306-5)

Rejected waste from the Sorting Plant	2020	2021	2022
Flat Materials Line – Paper and Card-board (t)	0.00	0.00	0.00
Bulky Items Line – Packaging (t)	1,654.64	1,630.89	1,692.96
Fines (t)	1,440.20	1,462.63	1,386.78
Pre-Sorting (t)	523.92	667.24	730.89
Total (t)	3,618.76	3,760.76	3,810.63

Destination – Energy Recovery Plant

Rejected waste from the Energy Recovery Plant	2020	2021	2022
Inert ashes (t)	0.00	0.00	0.00
Fly ashes (t)	14,336.66	12,701.00	12,705.46
Slag (t)	81,868.36	77,579.35	77,188.66

Waste produced by the system

Waste produced by the system

	2020	2021	2022	Perigosidade
Mineral oils (kg)	8,938.00	13,811.00	9,762.00	yes
Oily water (kg)	22,600.00	34,640.00	41,640.00	yes
Total (kg)	31,538.00	48,451.00	51,402.00	
Cooking oil (kg)	10,942.00	1,708.83	849.79	no
Sawdust and oily rags (kg)	213.00	81.00	160.00	yes
Contaminated packaging* (kg)	990.00	1,081.00	1,282.00	yes
Small batteries (kg)	8,120.00	9,119.00	7,093.00	yes
Batteries (kg)	1,400.00	1,970.00	570.00	yes
Syringes (kg)	79.80	59.85	41.75	yes
Fluorescent lamps (kg)	15,005.00	22,585.00	12,960.00	yes
Other municipal waste and similar waste (kg)	127.75	164.00	35.00	no
Ink cartridges and toners (kg)	14,308.00	23,368.00	15,200.00	yes
Tyres (kg)	890.00	1,220.00	0.00	no
Inert materials	211,020.00	223,020.00	217,240.00	no
Total (kg)	263,095.55	284,376.68	232,440.00	

* Including unidentified, corrosive and harmful fluids, inks and varnishes.

Destino - Empresas licenciadas para Valorização/ Tratamento

Iron scrap (t)	6,783.18	5,771.70	5,183.22	no
Total (t)	6,783.18	5,771.70	5,183.22	no

Destination – Recycling

SOCIAL

Average training hours per year per Employee (404-1)

		2022		Total
		Male	Female	
Training Hours				
	Managers	527.00	773.50	1,300.50
	Senior Technicians	2,920.00	5,330.50	8,250.50
	Technical Assistants	1,076.50	568.50	1,645.00
	Operational Assistants	269.00	16.50	285.50
	Total Training Hours	4,792.50	6,689.00	11,481.50
Employees				
	Managers	8.00	7.00	15.00
	Senior Technicians	34.00	67.00	101.00
	Technical Assistants	30.00	9.00	39.00
	Operational Assistants	82.00	4.00	86.00
	Total Employees	154.00	87.00	241.00
Training Hours per Employee				
	Managers	65.88	110.50	86.70
	Senior Technicians	85.88	79.56	81.69
	Technical Assistants	35.88	63.17	42.18
	Operational Assistants	3.28	4.13	3.32
	Total	31.12	76.89	47.64

* Only LIPOR Employees

New hires and Employee Turnover (401-1)

	2022			Total	By Gender	
	< 30 years	30-50 years	> 50 yeras		Male	Female
Entries	5	16	4	25	14	11
Exits	7	8	5	20	10	10
No. of Employees	6	131	73	210	135	75
Employee Turn-over	2.86%	5.71%	2.14%	10.71%	5.71%	5.00%
New hire rate	2.38%	7.62%	1.90%	11.90%	6.67%	5.24%

NOTE: All Lipor's Employees are located in Porto Region.

Information on Employees and other Workers (2-7, 2,8)										
		2020			2021			2022		
Direct Employees	Permanent Staff	Male	Female	Total	Male	Female	Total	Male	Female	Total
	Self-employed Workers	0	0	0	0	0	0	0	0	210
Supervised Workers	Trainees	3	0	3	0	0	0	0	0	0
	“Vida-Emprego” (Life-Employment) Project	0	0	0	0	0	0	0	0	0
	CEI (Employ-ment-Inclusion Contract)	0	0	0	0	0	0	0	0	0
	Total	3	0	3	0	0	0	0	0	0
	Total	3	0	3	0	0	0	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	137	66	203	131	74	205	135	75	210

416-2: During 2022, there was no non-compliance with regulations or voluntary codes concerning the health and safety impacts of products and services.

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

2022	LIPOR Employees		Supervised Workers	
	Male	Female	Male	Female
No. of fatal accidents	0	0	0	0
No. of severe accidents	1	0	0	0
No. of non-severe accidents	8	1	0	0
Total no. of accidents (except fatal accidents)	9	1	0	0
No. of hours worked	318,609			
Fatal accidents rate (%)	0	0	0	0
Severe accidents rate (except fatal accidents)	0	0	0	0
Frequency (Tf)	15.69	0	0	0
Severity (Tg)	744	0	0	0
Sick leave days	237	0	0	0
Occupational diseases	0	0	0	0
Occupational diseases rate	0,000%	0	0	0

Average Salaries(405-2)

Professional category	Female	Male	Ratio (F/M)
Operational Assistants	705,00	716,42	0,98
Technical Assistants	888,28	791,30	1,12
Head of Division	2645,28	2645,28	1,00
Technical Coordinator	1163,82	1163,82	1,00
Department Directors	3023,18	3023,18	1,00
Operational General Manager		1163,82	
Operational Supervisor		919,47	
IT Specialist Degree 1 Level 1		1459,12	
IT Specialist Degree 1 Level 2	1667,55	1945,49	0,86
Unit Manager	2049,71	2049,71	1,00
Senior Technicians	1342,73	1324,49	1,01



GOVERNANCE

2-27: In 2022, no fine was imposed on LIPOR due to violation of laws and norms.

LIPOR's Management comprises the following members: (2-9)

	Male	Female	TOTAL
Intermunicipal Assembly	13	11	24
Board of Directors	3	5	8

Annual total compensation ratio: (2-21)

Median annual total compensation for the Organisation's highest-paid individual	€3,778.97
Median total compensation for all employees, excluding the highest-paid individual	€1,122.35
Proportion of total annual compensation	3,4
Maximum compensation variation	0,9
Average compensation variation	2,21
Proportion of compensation variation	0,4

GRI 205-2 - Anti-corruption - Communication and training about anti-corruption policies and procedures

	2022
Total number of individuals of the governance body	5 ⁽¹⁾
Total number of employees	210
Total number of governance bodies that anti-corruption policies and procedures have been communicated	5
Total number of employees that anti-corruption policies and procedures have been communicated	210
Percentage of governance bodies that anti-corruption policies and procedures have been communicated	100%
Percentage of employees that anti-corruption policies and procedures have been communicated	100%
Total number of governance bodies that have received training on anti-corruption	4
Total number of employees that have received training on anti-corruption	75
Percentage of governance bodies that have received training on anti-corruption	80%
Percentage of employees that have received training on anti-corruption	36%

(1) 4 elements of Direction + CEO

GRI 2-27 - Compliance with laws and regulations

	2022
Total number of significant instances of non-compliance with laws and regulations for which fines were incurred	0
Total number of significant instances of non-compliance with laws and regulations for which non-monetary sanctions were incurred	0
Total number of fines for instances of non-compliance with laws and regulations	0
Monetary value of fines for instances of non-compliance with laws and regulations	0
Description of the significant instances of non-compliance	***
Description of how it has determined significant instances of non-compliance	***

7.3 METHODOLOGICAL NOTES

These methodological notes state the limits and bases for calculating the mentioned GRI topics. (2-7, 2-8)

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 indicator, we've taken into consideration natural gas, gasoline and diesel consumption of the entire facility (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: <https://www.lipor.pt/pt/proteger/4m/carbono-e-energia/>

306-2

The reported data were based on waste directly managed 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, student worker status, blood donation, union trades and family leave. Vacation leaves and days off are also not included. In terms of hours worked, we've only considered workable days (excluding the vacation days the Employee is entitled to); regarding the absenteeism rate and Severity and Frequency rates, we've added overtime hours actually worked. These rates do not include minor injuries (workplace accidents without sick leave days).

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

Fatal accidents rate (%) = (No. of fatal accidents/No. of hours worked) x 1,000,000

Severe accidents rate (except fatal accidents) (%) = (No. of severe accidents (except fatal accidents)/No. of hours worked) x 1,000,000

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

L1

Comprises all people who took part in direct awareness and education activities promoted by LIPOR, including: technical and educational visits, educational actions, door-to-door actions, training actions/courses and Adventure Park visitors.

7.4 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 2022 ("Report"), for the year ended in December 31, 2022, 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 2022, 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 2022, 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 information applied, in the sustainability information included in the Integrated Report 2022, the GRI Standards guidelines, 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;
- (iii) Testing, on a sampling basis, the efficiency of processes and systems in place for collection, consolidation, validation and reporting of the performance information previously mentioned, through calculations and validation of reported data;
- (iv) Confirmation that operational units follow the instructions on collection, consolidation, validation and reporting of performance information;
- (v) Execution of substantive procedures, on a sampling basis, in order to collect evidence of the reported information;
- (vi) Comparison of financial and economic data included in the sustainability information with the audited by the external auditor, in the scope of the legal review of Company's financial statements for the year ended in December 31, 2022;
- (vii) Verification that the sustainability information included in the Report complies with the requirements of GRI Guidelines, GRI Standards version.

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 (ISQC-1) 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 2022, for the year ended in December 31, 2022, was not prepared, in all material respects, in accordance with GRI Standards requirements and with the instructions and criteria disclosed in the Report and that Lipor has not applied, in the sustainability information included in the Integrated Report 2022, the GRI Standards guidelines

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 2022.

June 2, 2023

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

António Brochado Correia, R.O.C.

(This is a translation, not to be signed)

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Membro da CRC sob o N.ºIFC 506 628 752, Capital Social Euros 334 000
Inscrita na lista das Sociedades de Revisores Oficiais de Contas sob o nº 193 e na CMVM sob o nº 20161485

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8

GLOSSARY

ACRONYMS & ABBREVIATIONS

CO₂: Carbon dioxide

GHG: Greenhouse Gases

MW: Municipal Waste

PERSU: Strategic Plan for Municipal Waste

SDGs: Sustainable Development Goals

DEFINITIONS

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. (Source: RGGR)

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.

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.

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.

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.

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

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

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.

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.

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

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

Double materiality: Aims to demonstrate how risks and opportunities can be material from both a financial and an impact perspective, i.e., information or issues that are environmentally and socially relevant can have financial consequences, in the present or the future.

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.

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

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.

Goals: Measurable objectives intended to be reached – quantifiable targets (i.e., the goal is expressed by a number) with clear deadlines.
Green waste: Waste from garden cleaning and maintenance operations, namely trimmings, branches, grass and weeds.

Greenhouse Gases: Gases that contribute to the greenhouse effect by absorbing infra-red radiation.

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

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.

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.

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 aspects of value creation.

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.

Interested Parties or Stakeholders: Groups or individuals whose interests are or can be affected by an organisation's business activities, such as employees, suppliers, local communities, business partners. (Source: GRI)

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

Material Topics: Topics that represent the organisation's most significant impacts on the economy, the environment and people, including impacts on their human rights. (Source: GRI)

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

Municipal waste:

i) Unsorted and selective collection household waste, including paper and

cardboard, glass, metal, plastics, biowaste, wood, textiles, packaging, waste electrical and electronic equipment, waste batteries and accumulators, as well as bulky waste, including mattresses and furniture;

ii) unsorted and selective collection waste from other sources, if similar to household waste in its nature and composition. (Source: RGGR)

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

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

Performance: The Organisation's achievements concerning its strategic objectives, and its outcomes in terms of its effect on the capitals.

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: 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. (Source: RGGR)

Recovery: Any waste treatment operation that mainly results in waste serving a useful purpose, with or without transformation, by replacing other materials that would otherwise have been used for a specific end, or waste being prepared to that end, in the plant or the wider economy. (RGGR)

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. (Source: RGGR)

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

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

Selective collection: Collection where a waste stream is kept separately by type and nature so as to facilitate a specific treatment. (Source: RGGR)

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.

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

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

Supplier: Person or entity that provides services or goods.

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

Topic: Economic, environmental or social issue.

Treatment: Any waste recovery or disposal operation, including previous preparation for recovery or disposal. (Source: RGGR)

Value chain: Full range of the organisation's upstream and downstream activities, which encompass the full life cycle of a product or service, from its conception to its end use. (Source: GRI)

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

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.

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.

Waste Management Hierarchy: Priority order for waste management and prevention laws and policies: (i) prevention; (ii) preparation for reuse; (iii) recycling; (iv) other recovery; (v) disposal.

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. (RGGR)

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. (Source: RGGR)

Waste: Any substance or object the holder discards, intends to discard or is required to discard. (Source: RGGR)





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