



Arthropods (Meadow pipit)  
It is about 14.5 cm long and builds its nest in the ground.  
It is frequently seen at LIPOR's Adventure Park

The preservation of biodiversity  
is the only way to ensure the existence  
of our own species.

2014



# SUSTAINABILITY REPORT

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## MESSAGE FROM THE CHAIRMAN OF LIPOR'S BOARD OF DIRECTORS

*An Organisation that has already celebrated 32 anniversaries, that has experienced different Environmental policy cycles at a national and global level, that has consolidated a governance practice which is considered exemplary due to its results can only be confident in the future, as its foundations are solid, coherent and based on recognised principles and values.*



At LIPOR, when we talk about Strategy, Operations, relationship with Stakeholders, Human Capital, the sense of Sustainability is always present. Sustainability is not restricted to theory, or statements of intent, or even promotional campaigns. It is evident in the important role it has played in LIPOR's journey until the present day and in the importance we place on it to our future growth and harmonious development.

*In 2014, LIPOR started to review its Strategic Plan 2015-2020, in which it has already consensually established three major strategic axes for our future:*

- *approaching waste as a resource;*
- *Research, Development and Innovation;*
- *Internationalisation.*

*For our Organisation, Sustainability is not just a matter of proper waste management according to the correct hierarchy defined by the European Union.*

As stated in LIPOR's Strategic Plan (PEL) 2015-2020, "... (the PEL) was conceived in compliance with the principles that characterise Circular Economy, but with LIPOR's very own vision that does not give in to occasional drifts and follows proven practices that it has been successfully applying in the past years in the region..."

Furthermore, "... a sustainable waste management model for 2020, a year of changes, demands more interaction with Municipalities and their waste collection models, more and better dialogue with the Community, with Citizens, who should be more responsible regarding consumption, more active in waste production prevention, but also more responsible regarding a proper waste recovery and material reuse..."

LIPOR's bodies and Top Management distinguish themselves for considering the fulfilment of law, regulations and standards to be a dogma, with no room for yield or derogation. LIPOR's certification in accordance with the ISO 9001, ISO 14001, OSHAS 18011, ISO 50001, SA 8000 and NP4457:2007 standards, with regular audits, is an evident proof of our commitment towards the Organisation's continuous improvement, which has placed us on a level of EXCELLENCE worthy of note.

After stating the Organisation's main strategic guidelines, it is important to mention that, to fulfil our Mission, we definitely focus on waste production Prevention, which is a fundamental issue in Portugal's and the European Union's environmental policies, promote multimaterial and organic waste recovery, energy recovery of waste that isn't sorted at its source (by the Citizens), all this in compliance with applicable standards and procedures and resorting to the best technologies available. In this context, it should be mentioned that, as a result of these strategies and actions, in 2014 LIPOR only disposed of in Landfill 4.5% of its waste.

It is also important to state what differentiates our Organisation from all others in its Sector.

We would say it is the way we act. Any assessment will conclude that Sustainability is the Organisation's main motto and is reflected in the integration of the economic, environmental and social components into our business model.

In this context, and also bearing in mind LIPOR's corporate philosophy that approaches waste as a resource, it makes sense to incorporate Circular Economy in our strategy. The "LIPOR's vision towards Circular Economy" project is thus considered a decisive step to promote this theme at a national and international level.

Our commitments are to transform waste into a resource, implement prevention policies, abolish waste disposal in landfills, ensure high quality recycling and consolidate the principle of participation and responsibility by all those involved in the value chain of waste management.

Based on LIPOR's specifically defined strategy, we can say that citizens' consumption tendency was a determinant factor for a slight difference between the waste volumes we had estimated and those that we've actually received, in 2014.

At an operational level, 2014 was marked by the remodelling and layout reformulation of LIPOR's Sorting Plant and the conclusion of all major maintenance works at the Energy Recovery Plant, in Maia.

We also faced the refusal of approval of the New Intermunicipal Landfill Project for Póvoa de Varzim by the Court of Auditors, which will force us to rethink this project and implement an Emergency Plan that will safeguard us in case of technical problems and ensure a certain quality level and the satisfaction of our customers and the citizens we serve.

Bearing in mind these operational contingencies, 2014 was, in an economic point of view, a quite positive year, with the enhancement of our Net Income and operating cash flow.

Moreover, the publication of PERSU 2020 (Strategic Plan for Municipal Waste), whose aim is to cause significant change in waste management in Portugal, has stimulated LIPOR's aim and decision to strongly reinforce cooperation with the associated City Councils, with the purpose of fulfilling targets and objectives that cannot be achieved without active participation from Local Authorities.

Although the year 2014 was marked by the privatisation process of EGF, Empresa Geral do Fomento, SA, the State-owned holding that manages about 65% of waste produced in Portugal, this didn't influence our performance at all.

*LIPOR's challenge in the next years is primarily to achieve the Goals established in PERSU 2020, in brief:*

- *To focus more on waste production Prevention, decreasing production and per capita figures;*
- *To expand selective waste collection, thus reinforcing multimate-rial and organic recycling;*
- *To maintain the current levels of waste disposal in Landfills.*

*On the other hand, it is important to advance some of our most emblematic Projects, such as:*

- *"Academia LIPOR" (LIPOR Academy), now with its own facilities;*
- *LIPOR's International Project;*
- *The RDI Core, by further promoting our cooperation with Research Centres and Companies, so that we can apply for financing from the Horizon 2020 Programme;*

- *More and stronger cooperation with the associated City Councils in areas such as Municipal Waste Regulations, Tariff Systems or the Waste Observatory, a modern Statistical Information System.*

LIPOR is also developing "SMART WASTE PORTUGAL", a Waste Cluster that aims to foster the use of waste as a resource. We consider this Project to have high potential, not only for LIPOR, but also for the Environment Sector in Portugal.

At last, we leave a message of hope for the future, which will bring big challenges, but also extraordinary opportunities that LIPOR will definitely seize.

*Aires Pereira  
Chairman of the Board of Directors*



## BACKGROUND

*Since 2004, LIPOR has striven to publish its Sustainability Reports as an important communication instrument, thus divulging its Sustainability performance to its Stakeholders in a transparent and responsible way.*

As a way of continuously improving and making a difference, LIPOR has been elaborating an annual Sustainability Report with the purpose of raising the interest of more readers, getting them involved in its Strategy and providing information regarding the matters that interest them the most. The biggest challenge is, therefore, to exceed the expectations of Stakeholders, without neglecting the assumed Mission and Vision.

*Bearing these premises in mind, the theme chosen for this Report is **BIODIVERSITY**.*



With this choice, LIPOR wants to demonstrate its commitment to the development of strategies to minimise and counterbalance the impact its activity may have on ecosystems. In this way, the purpose of this report is to reflect the Organisation's concern for Biodiversity, as well as its commitment as an entity that promotes sustainable waste management solutions and respects local Communities and the surrounding environment.

By thinking on a global level, we aim at being a local example regarding the integration of Biodiversity and ecosystem services in our corporate practice.

This document contains several graphic elements that relate to the chosen theme. In addition to the full digital version of the Report, we also edited a short version, thus minimising the use of material resources. This communication strategy derives from the will to reach all Stakeholders, so that they can get detailed information on our performance in favour of Sustainability. We've also elaborated a gift with the purpose of surprising readers, as it is unexpected, and raising awareness of the Biodiversity issue.

## COMPLEMENTARY INFORMATION:

This is the 11th edition of LIPOR's Sustainability Report, which refers to the calendar year of 2014, and describes the results of its activity, namely the economic, environmental, social and operational performance of its industrial Units.

As in previous years, the Sustainability Report is edited along with the Report and Accounts, so the economic and financial information mentioned in this document should be complemented by consulting the Report and Accounts.

As usual, the Global Reporting Initiative (GRI) has confirmed that LIPOR's Sustainability Report was drawn up according to its Guidelines (GRI G3.1) and the A+ Application Level, which adds credibility to the report. On the other hand, the external verification by PwC ensures data reliability, reflects values like truth, transparency and confidence, and also demonstrates honesty, objectivity and clarity, principles to which LIPOR gives great importance and which it has always expressed in this type of documents.

This report also encompasses a group of methodologies that deal with improvement opportunities related to the Organisation's full adoption of the principles of the AA1000APS (2008) Standard: Inclusivity, Materiality and Responsiveness.

Based on the main principles established by GRI for the elaboration of a Sustainability Report, this document contains:

- coverage, explained from page 6 to 8;
- sustainability context, which is connected with the materiality analysis, thus being also approached from page 10 to 21 of this document;
- reference to Partners and Stakeholders, from page 15 to 17;
- the Materiality analysis, from page 18 to page 21.

Lastly, because success is a journey that requires perseverance in order to overcome the difficulties that emerge, and as this journey can only be undertaken in partnership, we should acknowledge the Organisation's Employees, who have shown dedication and given their best, so that LIPOR's Mission, goals and objectives can be fulfilled.

*Any opinions, suggestions and queries should be sent to:*

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## BRIEF PRESENTATION



**NAME:** *LIPOR – Serviço Intermunicipalizado de Gestão de Resíduos do Grande Porto (Intermunicipal Waste Management of Greater Porto)*

**HEADQUARTERS:** *Baguim do Monte, Gondomar*

**BUSINESS SCOPE:** *Management, recovery and treatment of Municipal Waste produced by the eight associated Municipalities*

**ASSOCIATED MUNICIPALITIES/  
GEOGRAPHIC AREA OF ACTIVITY:** *Espinho, Gondomar, Maia, Matosinhos, Porto, Póvoa de Varzim, Valongo and Vila do Conde*

**POPULATION SERVED:** *about 1,000,000 inhabitants*

**WASTE TREATMENT:** *about 500,000 tons/year*

### OPERATIONAL UNITS:

- (CT) Sorting Plant (Multimaterial Recycling)/Sorting Platforms
- CVO) Composting Plant (Organic Recycling)
- (CVE) Energy Recovery Plant
- Technical Confinement/(AS) Landfill

### EXTERNAL ENTITIES

#### OPERATION CONTRACTS:

- CVO (Hidurbe – Valoriza)
- CVE (Port' Ambiente)
- Landfill (Citrup)
- Biogas Unit [PA Residel – Otimização Energética de Resíduos S.A. (Ermesinde) | Painhas, S.A. (Matosinhos)]



## AWARDS

*Throughout 2014, the external recognition of LIPOR and its Strategy is evident in the awards received, as a result of the dedication, engagement and collective commitment of all those involved, specially the local Community that inspires LIPOR to work harder and better, always in search of Excellence.*

*LIPOR received several awards regarding the promotion of Sustainable Development:*

### INNOVATION AWARD FOR SUSTAINABILITY

In the Management category of the EBAE awards (European Business Awards for the Environment), the Organisation won 1<sup>st</sup> place with “LIPOR’s Sustainability Strategy”. The EBAE are an initiative of the European Commission with the purpose of recognising and promoting Companies that make a relevant contribution to sustainable development.

### EXCELLENCE AT WORK AWARD

LIPOR won 1<sup>st</sup> place in the medium business, Public Sector category of the Excellence at Work Award 2013. It consists of an organisational climate survey which rewards companies that have the best organisational climate and stand out as an example regarding the development of human capital in Portugal.

### MAYORDOMO DE ORO 2014 AWARD

In category 1 - “A more effective attitude towards sustainable development, circular economy, the fight against climate change, the use of resources and consumption as instruments for a sustainable world”, LIPOR received an award for the “LIPOR’s vision towards Circular Economy” project.

This Spanish award is granted by the Fundación para la Economía Circular (Foundation for Circular Economy) to Public or Private Companies that develop projects related to circular economy, sustainability and the environment.

### HONOURABLE MENTION IN THE PORTUGUESE-FRENCH TROPHIES

In the “Sustainable Development” category, LIPOR tried to show in its application its effort to promote sustainable development, more specifically, its performance regarding the fight against climate change and energy consumption.

### BEST LIFE ENVIRONMENT AWARD

The 10<sup>th</sup> edition of the LIFE Environment Awards granted LIPOR the Best LIFE Environment award for the “European Week for Waste Reduction” project, developed in partnership with the Brussels, Paris and Barcelona regions.

This award is granted by the European Union, which selected 25 projects that were considered the “Best of the Best Projects 2013” due to their importance and impact. This selection was based on several criteria, namely the projects’ short and long-term contribution in environmental, economic and social terms, innovation degree, relevance for the European policy and their cost/effectiveness ratio



## LIPOR'S VISION, MISSION AND VALUES



### MISSION

*To devise, adopt and implement sustainable waste management solutions, bearing in mind the needs of our partners and the communities we serve.*

### VISION

*Wherever we are, we want to be a reference brand within the environmental sector.*

### VALUES

*To be Ambitious and results-oriented.*

*To be Creative in the search for innovative and sustainable solutions.*

*To be Responsible within the scope of our activities.*

*To be Ethical in our Internal and External relationships.*

*To be a TEAM!*

## POLICY

In the scope of its sustainable management strategy and its Quality, Environment, Energy, Safety and Health, Social Accountability and Innovation policy, LIPOR has established that it will, in every activity, product and service, as well as in the relationship with all stakeholders:

- Assert the organisation's role as a reference in sustainable waste management, promoting circular economy and a process approach;
- Comply with all legal requirements and other requirements the Organisation adheres to;
- Prevent all forms of pollution, eliminate or reduce health and safety risks for employees and the surrounding community, and promote quality, bearing in mind the nature, scope, deriving accidents and potential environmental impact of its activities;
- Prevent work-related injuries and diseases, promote hygiene, safety and health, through a thorough analysis of its activities and deriving risks and the instruction, training and involvement of the employees;
- Promote the continuous improvement of innovation processes, thus reinforcing corporate knowledge, promoting an innovation and creativity culture and increasing the Organisation's worth;

- Ensure the stakeholders' satisfaction, establishing solid partnerships with suppliers through the integration of sustainable requirements into the purchase process, so that it has a positive impact on society and the economy and less impact on the environment;
- Systematically improve its energy performance by conceiving and implementing an energy efficiency culture and practices within the Organisation;
- Continuously meet the needs and expectations of the stakeholders and gradually increase their satisfaction and confidence in the Organisation;
- Promote the adoption of LIPOR's culture and values and continuously improve its action.

*Education, training, information and knowledge sharing are key factors for this Policy, which contribute to LIPOR's sustainability and success.*

## LIPOR ETHICS CODE

The Ethics Code is a particularly relevant part of LIPOR's Commitment, as it is intended to be a conduct guide for the Organisation and its Employees, which will live up to the specific demands placed on LIPOR as a public organisation that acts within the Community.

The Ethics Code helps to create, maintain and strengthen the Organisation's Culture, in terms of the exactness of its activity, the fulfilment of the commitments made and of its duty, and of a responsible action, in order to maintain and perfect its reputation and seriousness, as LIPOR aims to always conquer and reinforce the trust of all those who are connected with the Organisation, namely the population it serves.

 You can find LIPOR Ethics Code at:  
<http://www.lipor.pt/pt/a-lipor/quem-somos/o-governo-da-organizacao/>



## RESEARCH, DEVELOPMENT AND INNOVATION

*Given the increasing importance for LIPOR of the need to promote an innovation culture that will foster the creative and sustainable development of more productive solutions and products, in 2013, the Organisation's Board of Directors declared Innovation to be a strategic priority.*

LIPOR's RDI Core was created with the purpose of fostering and disseminating Innovation within the Organisation and, essentially, of creating means that would allow everyone to efficiently participate in the success of the Organisation's projects.

In 2014, we aimed at the consolidation of the defined strategy, through the promotion of internal knowledge in order to leverage innovation within the Organisation. It is worth highlighting that LIPOR was granted the definitive national patent no. 106819 for the PAYT project. Numerous actions were also implemented, for instance:

- 19 working meetings were held
- 8 articles were published
- 38 new ideas were presented
- 16 new ideas were approved
- 14 projects were presented

- 14 presentations/communication actions on RDI took place
- several trainings regarding "Creativity in Action" took place
- 8 applications to financing were elaborated
- approximately 23 hours of awareness-raising/training/clarification were held for members of the RDI Core
- approximately 3 hours of training actions on RDI were held for Employees



## INTERNATIONALISATION

*Within the scope of its Internationalisation Strategy, LIPOR has been strengthening its relations with several external Markets, seeking new business opportunities.*

The internationalisation of the LIPOR brand aims at the sale of services to foreign Countries, particularly External Markets in development that seek customised waste management solutions.

*LIPOR's value proposition to its international Customers is based on 4 main axes:*

- the value of the LIPOR Brand (trust in the services provided),
- comprehensive and unique solutions (offer of customised, made-to-measure solutions),
- commitment to the Projects (service quality guaranteed and acknowledged by several international standards),
- competences and know-how (project development with partnerships – network of well-known technological and services partners with valuable know-how).

*Some results obtained in 2014:*

- Participation in the EWIT Project (E-Waste Implementation Toolkit), within the scope of the application to Horizon 2020. Its purpose is to create a computer tool for waste electrical and electronic equipment management in large African cities. This project involves 24 participant partners and will last 24 months. The application to this project took place on 7<sup>th</sup> April 2014 and its implementation was approved on 9<sup>th</sup> September.
- The first TECHNICAL EXPERTS TRAINING WEEK (Exchange Experts Program) for Technicians from the NWMA (Hungarian National Waste Management Agency) took place from 30<sup>th</sup> June to 5<sup>th</sup> July. It was organised by LIPOR, in Portugal, with the purpose of demonstrating different

waste management solutions and allowing participants to discover experiences and projects on site.

- Signature of a COOPERATION PROTOCOL between LIPOR and NWMA, on 4<sup>th</sup> July, which defines a cooperation model according to the main interests, assets and competencies of both organisations. It comprises themes such as multimaterial, organic and energy recovery, awareness-raising and Community engagement, as well as Technicians and Competencies Exchange.
- LIPOR was one of the organisations selected to provide international training in Greece. 6 international trainers participated in the course organised by the ACR+ (Association of Cities and Regions for Recycling and Sustainable Resource Management), two of which were Portuguese and represented LIPOR. The financial course "Costs and cost recovery in municipal waste management" took place from 14<sup>th</sup> to 16<sup>th</sup> October, in Athens. This training was destined to participants from South Mediterranean countries.
- Participation in 4 Business Missions (Hungary, Angola, Romania and Macedonia);
- Reception of 6 International Delegations at LIPOR's facilities;
- Reinforcement of LIPOR partnerships, among others.



## CORPORATE GOVERNANCE

*Since its foundation, LIPOR - Intermunicipal Waste Management of Greater Porto - has always had the legal status of a Municipalities Association. It was founded in 1982 and its Statutes were granted on 12<sup>th</sup> November of the same year and published in the "Diário da República" (Portuguese Republic Official Gazette) on 10<sup>th</sup> December.*



Although initially only five Municipalities participated in the Association, in May 1985, the Municipalities of Matosinhos and Vila do Conde also joined in. Later, in February 1999, the Municipality of Póvoa de Varzim was also accepted as an Associate Member. So, presently, LIPOR has eight associated municipalities: Espinho, Gondomar, Maia, Matosinhos, Porto, Póvoa de Varzim, Valongo and Vila do Conde.

LIPOR is a public law legal person and, according to its Statutes (Article 2, no. 1), its purpose is the recycling, recovery, treatment and final use of solid waste delivered by the associated Municipalities, as well as to manage, maintain and develop the infrastructures needed for this purpose.

According to the Statutes, LIPOR's bodies are the Intermunicipal Assembly and the Board of Directors.

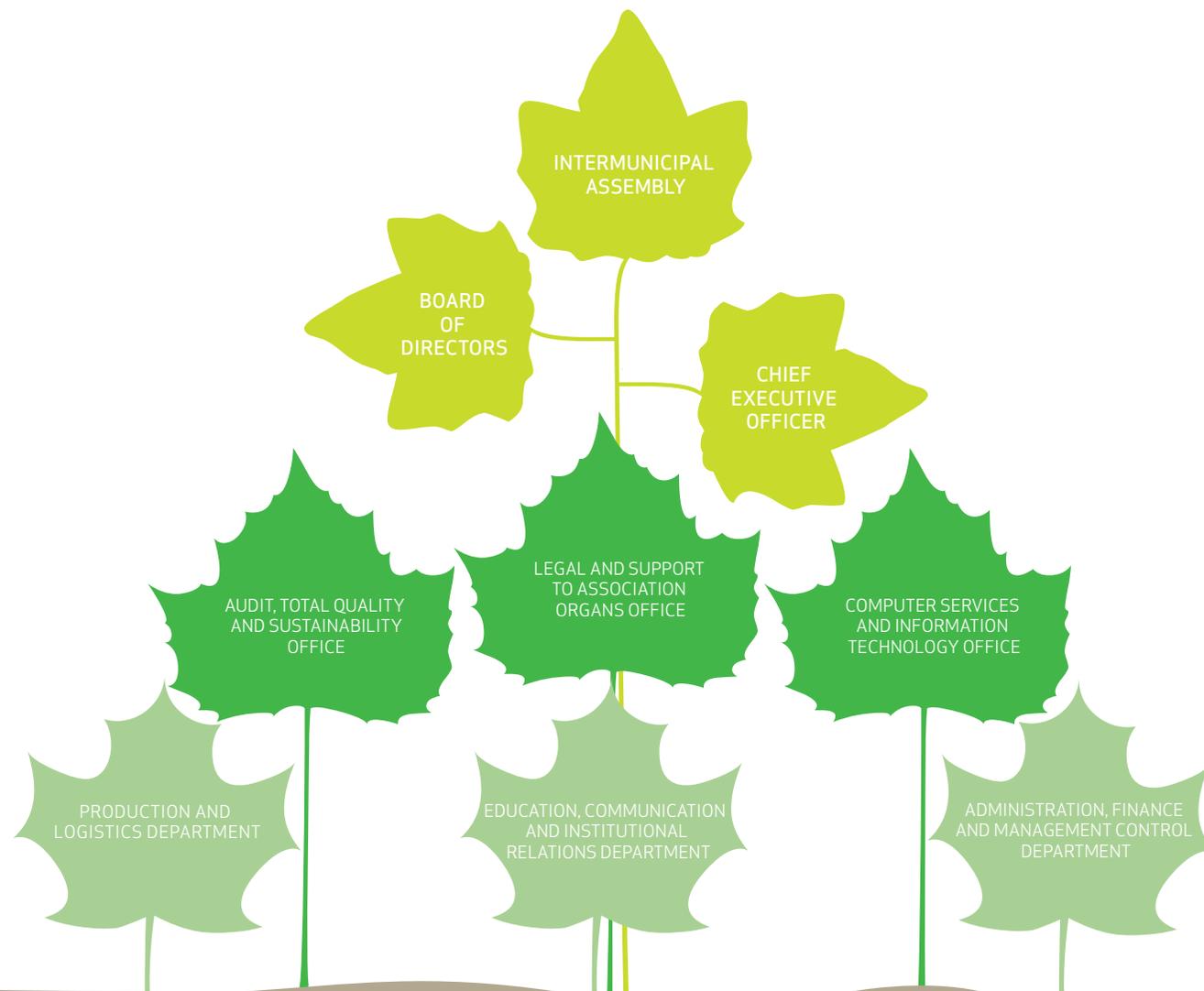
The Intermunicipal Assembly is LIPOR's deliberative body and it is formed by the Mayor and two City Councilmen from each associated Municipality, with a total of twenty four members. It approves the Association's Budget, Activities Plans, Reports, Balance Sheet and Accounts, among other competencies,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

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

Following local elections that took place on 29<sup>th</sup> September 2013, the new members of LIPOR's bodies (Intermunicipal Assembly and Board of Directors) took office on 6<sup>th</sup> December 2013. The current Chairman of the Board of Directors is Eng.<sup>o</sup> Aires Henrique Couto Pereira, who is also the Mayor of the City Council of Póvoa de Varzim.

For more information:

<http://www.lipor.pt/pt/a-lipor/quem-somos/o-governo-da-organizacao/>



## ORGANIGRAM

The current Organigram that corresponds to the Macrostructure approved by LIPOR's bodies is as follows:

OPERATIONS, MAINTENANCE AND CONSTRUCTION DIVISION

ORGANIC RECOVERY DIVISION

RECYCLING AND MULTIMATERIAL RECOVERY DIVISION

ENERGY RECOVERY AND TECHNICAL CONFINEMENT DIVISION

ACCOUNTING, FINANCE AND MANAGEMENT CONTROL DIVISION

HUMAN RESOURCES AND TRAINING DIVISION

PURCHASING AND SUPPLY DIVISION



## STAKEHOLDERS



*Bearing in mind that Stakeholders are all agents that directly or indirectly influence or are influenced by the Organisation, LIPOR considers important to maintain an open communication channel for the exchange of ideas that will contribute to the improvement of its performance and position as a sustainable organisation.*

In order to reinforce adherence to the principles of the AA1000APS (2008) standard, LIPOR makes constant efforts to ensure an open, transparent relationship based on trust with its various Stakeholders from the several sectors. Only such beneficial relationships and the involvement with all Stakeholders will allow LIPOR to be aware of the existing problems, provide an even better service, promote and implement successful projects that meet the expectations of those who cooperate with LIPOR and of the people it serves on a daily basis.

The main involvement processes that support LIPOR's Sustainability Strategy, such as the mapping, prioritisation and review of consultation and involvement mechanisms with the Stakeholders, are continuously implemented and are part of the Organisation's functional processes, i.e., they are reviewed every two years, in order to ensure their proper adaptation to organisational and business changes.

In 2014, LIPOR conducted a new Stakeholders consultation process, entitled "Fórum Multi-stakeholder" (Multi-stakeholder Forum), which encompassed 130 entities/institutions that were considered the most relevant, according to their positioning within the quadrant that combines "Some influence" and "High influence/Formal power" with "High dependence" in the Influence/Dependence Matrix:



This event was organised mainly due to the need to:

- identify the most evident and important issues regarding Sustainability, with the purpose of developing action strategies;
- assess participants' perception with regard to the company's Social Responsibility;
- characterise participants' involvement in the definition of LIPOR's Strategy;
- appraise the Stakeholders' knowledge regarding RDI projects and their assessment.

63 Stakeholders participated in this forum which, in an interactive way, has given them the possibility to express their opinion on different issues regarding the Organisation's daily performance and, thus, to contribute to the identification of improvement areas, which may lead LIPOR to excellence and success.

## UNIVERSE

Customers (7,9%)  
 Employees (22,2%)  
 Community (23,8%)  
 Suppliers (27,0%)  
 Municipalities (17,5%)  
 The media (1,6%)

This interaction between LIPOR and its Stakeholders provides information about their perception, expectations and needs regarding the Organisation's practices, positioning and values. The analysis of their perception allows it to assess the level of involvement of its target audience. A higher level of Stakeholder involvement will promote synergies, the sharing of experiences and strengthen partnerships, thus adjusting the Organisation's Mission and Strategy to the society.

To sum up, all this work aims at improving and reinforcing LIPOR's external and internal communication, thus asserting its active presence in the market and ensuring closer proximity to its Stakeholders.

Meanwhile, in accordance with the defined schedule, in 2014, LIPOR updated its Stakeholders list and, consequently, reviewed their position in the Influence/Dependence Matrix.

The identification of the most important Stakeholders for LIPOR was based on criteria such as importance, relevance, influence and concern regarding the sector's main issues.

DEPENDENCE OF THE STAKEHOLDER IN THE ORGANISATION (or project, or business line...)	STAKEHOLDER'S INFLUENCE IN THE ORGANIZATION (or project, or business line...)	
	Some influence	High influence Formal power
High dependence the Stakeholders have no choice	Associated Municipalities Other service customers Product customers Suppliers	Employees Plant Operators General population Regulatory entities / Authorities



DEPENDENCE OF THE STAKEHOLDER IN THE ORGANIZATION (or project, or business line...)	STAKEHOLDER'S INFLUENCE IN THE ORGANIZATION (or project, or business line...)			
	No influence	Reduced influence	Some influence	High influence / Format power
High dependence the Stakeholders have no choice			Associated municipalities Product customers Service customers Suppliers Universities, Technology Centres, Research Centres	Regulatory Authorities Employees Managing Entities Plant Operators General Population International customers
Low dependence the Stakeholders have a wide range of choices	Trade Unions	International associations National associations Insurance companies Service Providers from the associated Municipalities within the Waste sector	Educational Institutions Opinion Leaders, Authorities Monitoring Committees Other Waste Management Systems Parish Councils NGOs The Media	Partners (within the scope of Internationalisation) Board of Directors Financial Institutions

- **Fair treatment:** to honour the commitments made to these Stakeholders. Keep them satisfied within the limits of a balanced cost-benefit ratio.
- **Threat or strategic opportunity:** to promote the involvement of Stakeholders, in order to understand their needs/expectations and develop solutions.
- **Low priority:** to provide access to the Organisation's main communication channels.
- **To maintain participation and information:** to ensure balance between the concerns of highly influential Stakeholders and people affected by the decisions.

The main change that resulted from the revision of this process was the inclusion of new partners which are important for LIPOR's Internationalisation Strategy, as well as its Innovation Strategy, such as: International associations, International customers, Partners (within the scope of Internationalisation) and Universities | Technology Centres | Research Centres.



## MATERIALITY ANALYSIS



### LIPOR AIMS AT HAVING A POSITIVE IMPACT ON THE REGION WITH ITS WORK!

LIPOR's Stakeholders are decisive when it comes to the Organisation's working strategy. Its daily management includes the development of actions that will fulfil their expectations and involve them in strategic decisions focused on common interests and businesses, always within win-win partnerships.

LIPOR's adherence to the AA1000APS (2008) Standard in 2010 implied more involvement with Stakeholders regarding the identification, perception and ability to respond to the most relevant issues and concerns regarding Sustainability, showing that this involvement is a basic part of its Strategy and of the way it runs its business.

The wish to always be receptive to the needs and concerns of its several partners makes LIPOR use several methods/tools to promote strong lasting relationships with its partners.

It is important to mention that, within the scope of the fulfilment of the SA 8000 standard, LIPOR has an internal multidisciplinary work group, the Stakeholders Group, that focuses on the promotion of communication and involvement with Stakeholders.

As previously mentioned, in 2014, LIPOR has reviewed the identification and prioritisation of important aspects (materiality analysis), in order to balance its communication strategy and also assess the orientation of its strategy and Sustainability practice.

So, as the Inclusivity principle is much more than just a partner involvement process, LIPOR has invited its strategic Stakeholders to a "Multi-stakeholder Forum", with the purpose of getting their views on relevant issues of LIPOR's Strategy, whether regarding the way it runs its business, or regarding the impact it has on its surrounding environment.

It should be noted that throughout this consultation process we were able to identify the perceptions and expectations of each Stakeholder group. From the thorough information processing of the answers provided by the Stakeholders in the consultation process resulted the following main conclusions.

## MAIN RESULTS OF THE MULTISTAKEHOLDER FORUM

*57% of Stakeholders participated in any project/action/initiative promoted by LIPOR*

*62% of Stakeholders think it is extremely important that LIPOR promotes the Stakeholders' involvement in the Organisation's business/activity guidance*

*64% think it is important or extremely important that LIPOR incorporates the Stakeholders' opinion in the initiatives it promotes*

*70% are satisfied or very satisfied with the way LIPOR incorporates their opinion in those initiatives*

*76% of Stakeholders intend to contribute more actively to the definition and planning of the initiatives promoted by LIPOR*

*78% consider LIPOR to be a Socially Responsible Organisation*

*83% of Stakeholders would like to be more actively involved in LIPOR's business/activity guidance*

## STRATEGIC LEVEL

*Which are the most materially relevant themes?*

- Environmental Education and Awareness (19%)
- Increase of the amount of materials received with potential for multimaterial and organic recovery (14%)
- Product and service quality (10%)
- Working conditions at LIPOR (10%)
- Institutional Communication (30%)
- Increase of the amount of materials received with potential for multimaterial and organic recovery (13%)
- Recognition of the LIPOR Brand (13%)

*Which do you think LIPOR has better worked on?*

- Environmental Education and Awareness (19%)
- Increase of the amount of materials received with potential for multimaterial and organic recovery (18%)
- RDI initiatives (13%)
- Institutional Communication (34%)
- Increase of the amount of materials received with potential for multimaterial and organic recovery (13%)
- Recognition of the LIPOR Brand (13%)

*And which do you think LIPOR has developed the worst?*

- Sustainability Commitment and Strategy (29%)
- Competencies and know-how (13%)
- Product and service quality (11%)
- Product and service quality (21%)
- Sustainability Commitment and Strategy (18%)
- Community Development (13%)

### NOTE:

According to the AA1000APS (2008) standard, it is not sufficient to just listen to the Stakeholders' expectations; it is also necessary to take them into account in the Organisation's strategic planning and to demonstrate through concrete actions that the demands of the several Stakeholder sectors will be met.

Therefore, every year, LIPOR strives to implement several actions/projects that reflect this commitment. So, this Report presents the work developed by the Organisation in this area, in order to respond to all Stakeholders in an assertive way.

## COMMUNICATION AND DISSEMINATION LEVEL

Bearing in mind the results obtained and the fact that communication with the various Stakeholders is an important tool for the adjustment of the Organisation's business priorities, LIPOR has been implementing a variety of involvement and consultation mechanisms, in order to incorporate the Stakeholders' concerns into its socially responsible management model, without disregarding its economic and environmental aspect.

In this context, the contributions that result from the consultation process are analysed and discussed in Top Management meetings, with the purpose of elaborating a Communication Plan that will fulfil the Stakeholders' expectations.

Therefore, every year the table that comprises all consultation and involvement mechanisms used for the several Stakeholders groups is revised with the purpose of identifying possible gaps or redundancies among them, setting in motion corrective or improvement actions as a consequence of this analysis and, lastly, of contributing to more and better interaction with Stakeholders, by continuously improving the communication channels. This work is presented in the table "Consultation Mechanisms, their main cause and the consequent effect". (S01)

## CONSULTATION MECHANISMS, THEIR MAIN CAUSE AND THE CONSEQUENT EFFECT (S01)

CAUSE	STAKEHOLDERS	COMMUNICATION AND INVOLVEMENT MECHANISMS	FREQUENCY	EFFECT
To promote a transparent organisational communication through knowledge sharing	CUSTOMERS	Customer Satisfaction Survey	Annual	To assertively respond to Customers' expectations, aspirations and needs
		Strategic Partnerships	Throughout the year	
		Customer Portal [access through LIPOR portal in an area reserved for Customers and Suppliers]	Throughout the year	
		LIPOR Portal	Daily	
		Seminars/Workshops	Throughout the year	
To provide essential and/or additional knowledge regarding the professional activity	EMPLOYEES	Technical Visits	Throughout the year	Enhancement of individual competencies and development of motivation mechanisms
		Training in different areas	Throughout the year	
		Legal Advice	Throughout the year	
		Ethics Code	Available in the communication tools throughout the year	
		Internal Notices	Throughout the year	
To inform about rules/procedures regarding working relationships	EMPLOYEES	Welcome Guide	Epon entry employee	To underpin the organisational culture
		Directives	Throughout the year	
		Promotion of Internal Initiatives and Events	Throughout the year	
		Working Time Regulations	Available in the communication tools throughout the year	
		Plenary Meetings about LIPOR's Strategy	Throughout the year	
To disseminate internally events, initiatives and change processes promoted by LIPOR, namely regarding the reporting of concerns, including situations associated with Human Rights	EMPLOYEES	Change Agents	Throughout the year Monthly Meetings	Employees with better knowledge of the Organisation's activity
		Internal Journal	Monthly	
		LIPOR Intranet	Daily	
		Corporate TV	Daily	
To promote social well-being and a better quality of life for local Communities	EMPLOYEES / COMMUNITY	Supports and Sponsorship	Throughout the year	To disseminate good corporate and social responsibility practices
		"Operação Tampinhas" (Bottle Caps Operation)	Campaign - Throughout the year	
		Social Responsibility Partnerships	Equipment delivery event (1/year)	
		Semente - Associação de Voluntários LIPOR (LIPOR Volunteers Association)	Throughout the year and specific Initiatives Plan	

## CONSULTATION MECHANISMS, THEIR MAIN CAUSE AND THE CONSEQUENT EFFECT (S01)

CAUSE	STAKEHOLDERS	COMMUNICATION AND INVOLVEMENT MECHANISMS	FREQUENCY	EFFECT
To encourage cooperation between LIPOR and its Suppliers	SUPPLIERS	Supplier Evaluation	Biannually (2/year)	To establish medium/long-term commitment: joint responsibility
		Suppliers Conduct Code	Available in the communication tools throughout the year Sent to every new Supplier	
		Supplier Portal [access through LIPOR portal in an area reserved for Customers and Suppliers] LIPOR Portal	Daily	
To raise awareness among ordinary citizens of the municipal waste issue, as well as inform them about LIPOR's main activity as an organisation responsible for the management, recovery and treatment of municipal waste produced in Greater Porto	MULTI-STAKEHOLDER	Holidays Camps	4/year throughout the year	To drive change in Citizens' attitudes and behaviour, making them more environmentally and socially responsible
		Sustainable Talks	Throughout the year	
		Horta da Formiga Courses	Throughout the year Specific Training Plan	
		Horta da Formiga - Home Composting Centre	Throughout the year	
		LIPOR Generation + Adventure Park	Daily From May to September - Tuesdays and Thursdays for Organised Groups	
		Green Saturdays	Open entry on weekends 2/year	
		European Week for Waste Reduction	Annual	
		Seminars/Workshops	Throughout the year	
		Group/technical visits	Throughout the year	
		To disseminate projects and initiatives promoted by LIPOR, internally and externally	MULTI-STAKEHOLDER	
E-mail signatures	Throughout the year			
e.Marketings	Throughout the year			
e.News in Portuguese and English	Weekly			
e.News Waste Management	Monthly			
LIPOR Portal	Daily			
Social Networks: LIPOR Facebook; "Parque Aventura" Facebook; "Horta da Formiga" Facebook; LinkedIn	Daily			
Corporate TV	Daily			

## IMPLEMENTATION OF A PAYT SYSTEM IN A PILOT AREA

In July 2014, LIPOR and Maiambiente, a Municipal Environment Company of the Municipality of Maia, started the field implementation of the PAYT (Pay As You Throw) Pilot Project.

The project's main aim is to promote Waste Prevention, Sustainable Consumption, Multimaterial Recycling and Recovery through a system that will ensure financial sustainability and equity.

To this purpose, and in order to provide solutions for the different types of housing, Intelligent Eco-containers (Cyclea and Molok) were placed on Public Roads, as well as in Waste Compartments of apartment buildings. These equipments enable user identification and their association with the waste they produce, thus making it possible to monitor the process and define awareness and information actions for each target audience.

The integration of intelligent PAYT solutions and of the "Ecoponto em Casa" (Eco-container at Home) project promotes Optimisation and Efficiency, allowing us to expect a reduction in operational costs and the maximisation of waste prevention and recycling.

Simultaneously, we are developing, together with ERSAR (Water and Waste Services Regulation Authority), a PAYT tariff model that will comply with the guidelines defined by the Regulation Authority and that will induce citizens to adopt more and better environmental practices

## ENVIRONMENTAL EDUCATION AND AWARENESS

Citizens' involvement and participation in the LIPOR project are essential so that the Organisation can fulfil its mission to promote the proper recovery and treatment of waste, always based on differentiation, creation of value and active participation in the development of the Society.

In order to promote these practices, LIPOR develops several activities within the Community, which are part of the PEIA (Environmental Education and Intervention Programme). This programme consists of three areas of intervention: "LIPOR Educa" (Educates), "LIPOR Informa" (Informs) and "LIPOR Interage" (Interacts).

## ENVIRONMENTAL EDUCATION AND AWARENESS LIPOR EDUCA (EDUCATES)

"LIPOR Educa" is a reflection of the strong pedagogical and educational component of LIPOR's activity. To impart knowledge and promote action is the main objective of this area of intervention, in order to motivate Citizens to an increasingly active behaviour towards the environment.

This area is being developed through the promotion of PLG+ - "Projeto LIPOR Geração +" (LIPOR Generation + Project), which is destined for educational and social institutions and receives institutional support from the APA (Portuguese Environment Agency) and the Ministry of Education.

The first development year of PLG+ comprised three main stages. The first stage was the **Diagnosis** stage, which provided reliable data, essential for the development of the project. It was then followed by a period of strong investment in **Training** for the employees of the institutions involved in the project, so that to ensure their commitment. After these two macro stages, in the last trimester of 2014 there was a clear evolution in terms of **Intervention**.

In 2014, 606 activities were developed, involving **9,842 participants**. It is also important to mention that, since the beginning of the project and until the end of 2014, the number of institutions that didn't sort waste has decreased significantly. By the end of the year, **142 Institutions** were already enrolled in the project, of which about 85% are Schools, 7% are Associations, 2% are Colleges and 6% are other institutions such as Social Centres, Learning Centres or Environmental Organisations.

This project has indeed had great impact on the Community, essentially regarding the Municipal Waste issue, thus ensuring the best conditions for the promotion of Multimaterial Recycling.





## ORGANISATIONAL PERFORMANCE



### ORGANISATIONAL OBJECTIVES

#### OBJECTIVES 2014

To obtain an external customer satisfaction index of **4.3** (on a scale of **0 to 5**) **100%**

Level of execution regarding the Quality, Environmental, Safety and Hygiene Management System **88%**

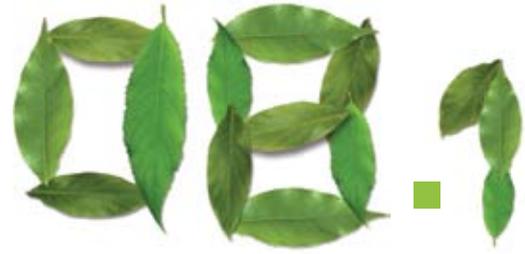
Level of execution of the "Geração +" (Generation +) Project **79,2%**

#### OBJECTIVES 2015

Level of Connection to the **LIPOR** Brand – Opinion Barometer

To obtain an external customer satisfaction index of **4.4** (on a scale of **0 to 5**)

To achieve a level of execution of **90%** regarding the WBS of the "LIPOR Geração +" project



# ECONOMIC PERFORMANCE



After three years of national economic contraction, Portugal was able to grow again in 2014. The results of the registered activity seem to confirm that reality. Private consumption played a very important role in economic recovery, surely influenced by the increased confidence of families and the rise in employment.

The whole LIPOR system has evolved in a sustainable way, with regard to all types of recovery - multimaterial, organic and energy recovery - and the controlled and proper disposal of waste in technical confinement. Waste disposal at the landfill is reduced to the necessary minimum, as it is regarded as the last resort for waste treatment, thus ensuring the fulfilment of the national and European waste management strategy.

In spite of the economic recovery and the Organisation's efforts, revenues and income didn't manage to keep up with this development, as shown in the following table:

#### WASTE FORWARDING ACCORDING TO FINAL DESTINATION (t)

FINAL DESTINATION	2012	2013	2014	Δ%14/13	% Weight
Multimaterial Recycling	44 098	44 163	44 754	1,34%	8,96%
Organic Recovery	44 062	44 306	47 169	6,46%	9,45%
Energy Recovery	391 623	384 873	385 972	0,29%	77,29%
Technical Confinement	1 254	33	21 497	64E03%	4,30%
<b>Total</b>	<b>481 038</b>	<b>473 376</b>	<b>499 392</b>	<b>5,50%</b>	<b>100,00%</b>

Regarding the Operating Costs, LIPOR continued to strive for the optimisation of its processes and, consequently, cost reduction.

#### DIRECT ECONOMIC VALUE GENERATED (EC1)

REVENUES (EUROS - €)	2012	2013	2014
Sales and Provision of Services	34 554 157	35 141 117	33 415 651
Supplementary Income	220 796	287 093	226 754
Transfers and subsidies obtained	5 972 872	5 990 394	6 250 319
Interests from Deposits	664 250	1 746 719	1 208 319
Cash Discounts obtained	261	1 540	0
<b>Total</b>	<b>41 412 336</b>	<b>43 166 864</b>	<b>41 101 043</b>

To that purpose, in October 2014, it resumed a continuous improvement project which was started in 2010, the KAIZEN LIPOR project. In order to promote the Organisation's development and ensure its competitiveness, LIPOR created an internal work group whose mission is to foster a wastage reduction culture in all areas, which will consequently promote process efficiency and cost reduction. It is also important to mention that LIPOR achieved very significant cost reductions in all remaining items.

## ECONOMIC VALUE DISTRIBUTED (EC1)

OPERATING COSTS (€)	2012	2013	2014
External Services and Supplies	33 318 125	31 017 276	28 435 593
Salaries and employee benefits	3 661 477	4 133 968	3 810 279
Payments to capital providers	4 403 169	3 952 602	3 647 754
Payments to the Government	65 936	39 129	48 555
Community Investments:	103 120	224 872	49 509
Environmental Awareness	43 394	118 402	38 798
Prevention Projects	9 550	7 115	1 025
Home Composting and Organic Farming Projects	7 792	70 750	8 321
Adventure Park (Landfill of Ermesinde)	42 383	28 606	1 365
<b>Total</b>	<b>41 551 827</b>	<b>39 367 847</b>	<b>35 991 690</b>

Another important factor regarding Supplier selection and procurement is related to LIPOR being a public entity. As a Public Law Legal Person, it must not favour certain Suppliers to the detriment of others. It must follow the rules of a specific legal framework regarding public procurement, approved by Decree-Law no. 18/2008 of 31 July, which approves the Public Procurement Code (CCP), creating a homogeneous set of rules regarding public pre-contractual procedures, ensuring equality, competition, impartiality, proportionality, transparency and advertising principles.

As LIPOR's main activity has a regional scope, it usually works with national Suppliers. In 2014, 81.6% of total payments were done to those national Suppliers. As far as costs related to foreign Suppliers are concerned, they include interest payment and loan amortisation to Banks, namely the European Investment Bank (EIB), which still represents a significant part of these costs. (EC6)

As far as assistance received from Government is concerned, given the Organisation's legal background, LIPOR's main item is "contributions to investments" (Transfers and Subsidies) from the associated Municipalities.

SUPPLIER COSTS (€)	2012	2013	2014
International	9 562 766	8 944 061	8 959 812,87
National	40 539 113	36 639 558	39 875 259,95
<b>Total</b>	<b>50 101 880</b>	<b>45 583 619</b>	<b>48 835 072,82</b>

## SIGNIFICANT FINANCIAL ASSISTANCE RECEIVED FROM GOVERNMENT (EC4)

ENTITY (€)	2012	2013	2014
AN PROALV (Portuguese National Agency for the Management of Lifelong Learning Programme)	--	13 600	--
Executive Board of PNAEE (Portuguese National Action Plan for Energy Efficiency)	--	--	4 167
Cohesion Fund	2 265 757	1 742 391	1 423 700
Life Project	86 504	--	47 567
PAYT Project	--	3 594	--
RLAB Project	--	5 103	--
Building SPP Project	--	8 761	2 932
Sociedade Ponto Verde	--	10 414	19 336
Transfers and Subsidies:	5 866 471	5 949 033	6 176 319
IEFP - Institute for Employment and Vocational Training	8 639	--	--
POPH - Operational Programme for Human Potential	7 245	--	--
Contributions to Investments	5 850 588	5 949 033	6 176 319
<b>Total</b>	<b>8 218 732</b>	<b>7 732 896</b>	<b>7 674 020</b>

*It is important to highlight that LIPOR's economic objectives aren't decoupled from its social and environmental concerns. For that reason, it intensifies its efforts to promote initiatives that will reinforce its commitment to incorporate social and environmental concerns into the economic component, thus creating value in its daily operations and in cooperation with the Stakeholders.*

Based on this premise, LIPOR has adopted a strong Social Responsibility policy and committed itself to operate every day in accordance with Sustainable Development principles, with respect for current and future generations, thus preserving the environment and aiming at economic prosperity.

In this context, LIPOR's Strategy encompasses the involvement of local Communities in its activity and the contribution to their development through a variety of initiatives, such as sponsorship or donations, cooperation and participation in local initiatives within several areas, such as education, culture and sports, as depicted in the following table:

#### COMMUNITY INVESTMENTS (EC8)

AREAS	2014	
	€ excl./VAT	€ incl./VAT
Environmental Awareness	38 798	45 993
Prevention Projects	1 025	1 620
Home Composting and Organic Farming Projects	8 321	10 201
Adventure Park	1 365	1 679
<b>Total</b>	<b>49 509</b>	<b>59 494</b>
Supports and Sponsorship		60
Use of the Auditoriums		2 times, free of charge

In 2014, LIPOR provided support to 60 entities, within the scope of several initiatives and projects, as it is its priority to provide support to Institutions (entities) located in its associated Municipalities. In exceptional cases and where appropriate, LIPOR may, however, aid institutions outside its area of intervention.

*It prioritises projects and initiatives of a cultural, scientific, environmental, artistic and sports nature and which correspond to LIPOR's strategic objectives bearing in mind:*

- adequacy to the Ethics Code and Sustainability Principles;
- project and action value and relevance to the Community;
- reinforcement of the LIPOR brand, aiming at the contribution to Community development;
- implementation of partnerships and protocols.

In order to promote an involvement with the local Community based on total transparency, since 2008, LIPOR has been establishing Guidelines to regulate the granting of assistance (available at: <http://www.lipor.pt/pt/sustentabilidade-e-responsabilidade-social/projetos-de-responsabilidade-social/apoios-e-patrocinios/>, "Responsabilidade Social: Diretrizes para a atribuição de Apoios e Patrocínios"). The purpose of this documentation is to facilitate contact and assistance requests, by giving clear instructions about who can become a partner and how sponsorship is approved. LIPOR's involvement usually consists of its participation in projects as a partner or the provision of goods and services.

Within the scope of LIPOR's Strategy and its involvement with all Stakeholders, LIPOR also allows free use of its Auditoriums, one in the Administration Building and another in the Composting Plant, with capacity for 82 and 221 people, respectively. Both auditoriums are prepared to host a wide variety of events and are equipped with several auxiliary infrastructures, thus being an ideal solution for those who are looking for a versatile and high quality venue.



## ECOSHOP CARD

### DID YOU KNOW THAT ...

By the end of 2014, there were 769 card users, having each user used its card 38 times, on average, and made about 186 material deliveries annually, amounting to an average of 559 kg of waste per capita, which were voluntarily disposed of at the participating drop-off sites.

The DECRI (Education, Communication and Institutional Relations Department) is responsible for the management of support and sponsorship requests, although the final decision regarding the granting of assistance also depends on the Board of Directors or LIPOR's CEO.

Another socially relevant matter is salaries, which are annually defined by legal instrument. In 2014, the Guaranteed Minimum Monthly Pay (minimum wage) was defined in the "Diário da República" by Decree-Law no. 144/2014 of 30 September, and set at €505.00. LIPOR naturally complies with this provision. (EC5)

RATIO OF STANDARD ENTRY LEVEL WAGE COMPARED TO LOCAL MINIMUM WAGE AT SIGNIFICANT OPERATIONAL UNITS	2014	
	M	F
Guaranteed Minimum Monthly Pay	505,00 €	505,00 €
Lowest Standard Entry Level Wage	505,00 €	505,00 €
Ratio	1,00	1,00

As a Municipalities Association, LIPOR follows the Public Employment framework, regulated by the Employment Contract in Public Service, Law no. 59/2008 of 11 September (and respective updates) and the Contractual Ties, Career and Remuneration Scheme for Employees in Public Service in the Direct and Indirect Government Administration, Law no. 12-A/2008 of 27 February (and respective updates).

As far as the Top Management is concerned, namely the Board of Directors, it is formed by a representative appointed by the members of each City Council, in LIPOR's Intermunicipal Assembly. Ultimately, this procedure results from free democratic elections, narrowing down the possibilities for the selection of Directors, thus preventing any type of influence in their selection. The CEO is appointed by the Board of Directors. (EC7)

## OBJECTIVES 2014

To keep on Reducing the Organisation's Costs **100%**

To achieve a level of execution of 80% regarding the strategic BSC of the Organisation **88%**

To achieve a level of execution of 80% regarding the BSC of the Research, Development and Innovation (RDI) Management System **67,5%**

## OBJECTIVES 2015

Not to exceed the Organisation's Costs in **2014**

To achieve a recyclable material amount of **41 kg/inhabitant/year**

To achieve a level of execution of **100%** regarding the Kaizen Action Plan for the Organisation



## ENVIRONMENTAL PERFORMANCE

*LIPOR's activity focuses on the management, treatment and recovery of municipal waste produced in the eight associated Municipalities. Being aware of its responsibility within the waste sector, LIPOR considers essential to fully integrate environmental issues in its business strategy, as an inherent part of its commitment towards sustainable development.*



## ENERGY

Globally, in 2014 there was an increase of 4.0% in total (direct and indirect) energy consumption in LIPOR's several units.

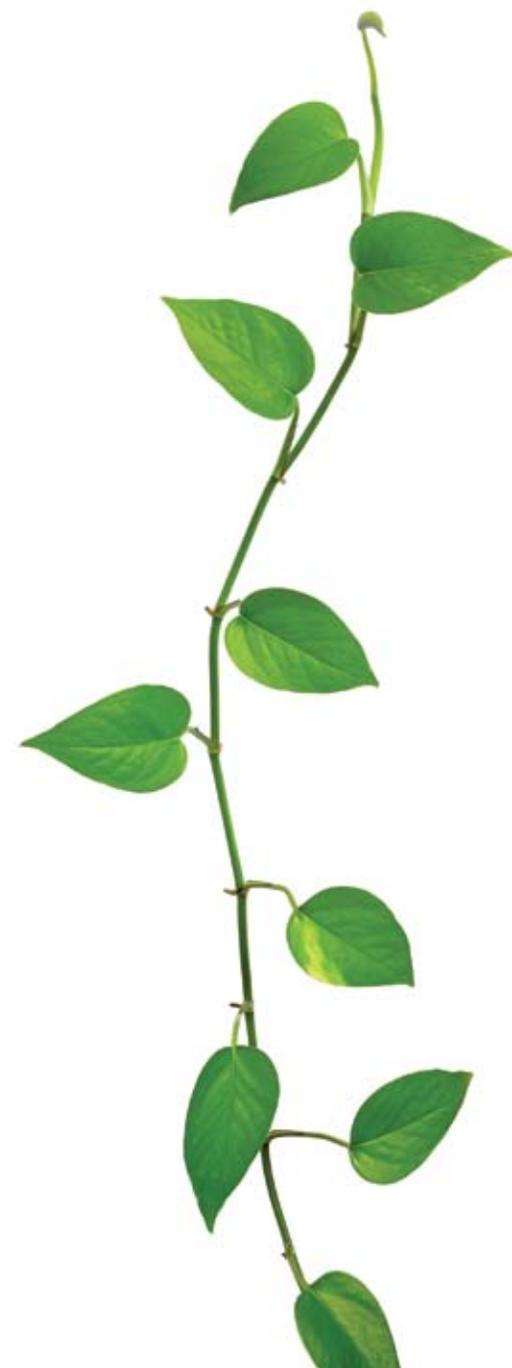
This consumption increase is partly due to the 5.5% increase in the amount of waste received. However, a detailed analysis reveals that the consumption tendency is not similar in all units. For instance, while total direct energy consumption (natural gas and diesel) decreased 9.4%, total electricity consumption has increased 13.7%.

### DIRECT ENERGY CONSUMPTION BY PRIMARY ENERGY SOURCE (EN3)

FACILITY	SOURCE	CONSUMPTION (GJ)		
		2012	2013	2014
Composting Plant	Natural gas	1 526	2 064	1 883
	Fuel (diesel)	3 438	3 338	2 808
Energy Recovery Plant	Natural gas	4 921	4 853	3 656
	Fuel (diesel)	172	44	0,55
Landfill	Fuel (diesel)	932	708	1 580
	Natural gas	256	199	240
LIPOR (Baguim do Monte)	Fuel (diesel)	4 651	4 500	4 127
	Fuel (gasoline)	202	157	69
<b>Total</b>		<b>16 098</b>	<b>15 863</b>	<b>14 364</b>

### INDIRECT ENERGY CONSUMPTION (EN4)

ELECTRICITY CONSUMPTION (GJ)	2012	2013	2014
Composting Plant	15 461	14 793	15 939
Energy Recovery Plant	1 469	659	2 990
Landfill of Maia	1 237	1 072	1 135
Biogas Unit (Ermesinde)	613	629	591
Biogas Unit (Matosinhos)	174	183	132
LIPOR (Baguim do Monte)	4 527	4 612	4 170
<b>Total</b>	<b>23 481</b>	<b>21 947</b>	<b>24 957</b>



*These tendencies are a consequence of the specific characteristics of each operational unit, so it is important to carry out an individual analysis of energy consumption per unit:*

### *LIPOR (Baguim do Monte)*

During 2014, LIPOR committed itself to the implementation of the NP EN 50001:2012 - Energy Management System standard, with the purpose of implementing necessary systems and processes that will improve energy performance, including energy efficiency, energy use and consumption.

With this work, the Organisation deepened its knowledge on how energy is consumed within the unit and on the associated costs, thus obtaining an overview of the energetic situation of each process.

This insight allows the implementation of measures that will promote the proper use of the energy provided, before contemplating any other investment or energy recovery process. With the implementation of the NP EN 50001:2012 - Energy Management System standard, LIPOR basically reflects its commitment towards energy efficiency issues.

In addition, LIPOR implemented several procedural changes and measures, which enabled a decrease in electricity and direct energy (diesel and natural gas) consumption of 9.6% and 8.6% respectively. The main procedural changes and measures that were implemented are described below:

- The packaging sorting process was thoroughly remodelled, with the installation of new equipment (plastic film suction, “bag opener”, ballistic separator) and the replacement of the HVAC System and the baling press by more energetically efficient equipments;
- Reduction of internal transport (diesel vehicles): by concentrating plastic and metal packaging sorting in the Sorting Plant, it was possible to suppress material processing in the Pre-sorting and Multi-purpose lines. This procedural change resulted in the reduction of internal transport of materials, which included the weighing of all loads on the weighbridges at the entrance area. Additionally, it was also possible to reduce the amount of mobile machinery reserved for packaging sorting, as feeding is now ensured by a single machine. These changes, in addition to others, have greatly contributed to the decrease in diesel consumption in the current year;
- Elimination of the use of compressed air in the packaging sorting process: based on a suggestion from an Employee, the remodelling of the Sorting Plant included the implementation of a new rolling material sorting method. This allowed the reduction of waiting periods in between cycles, thus making it possible to simultaneously sort several materials. With this new method, the use of compressed air to activate the partitions is no longer needed. In addition to the procedural improvement, the implementation of this change resulted in a reduction in energy consumption of about 4,500 kW/year;
- Replacement of existing lighting systems by more efficient systems: replacement of T8 fluorescent lamps with ferromagnetic ballasts by T5 lamps with electronic ballasts in the sorting cabins of the Sorting Plant, in administrative offices, in the break room and in halls. (EN5)

### *Composting Plant*

Although the Composting Plant registered an increase of 6.46% in the amount of waste received, energy consumption only increased 2.2%. This result reflects the efforts made to control the unit's energy consumption, particularly regarding the fans of the 18 sections that comprise the biofilter of the Composting Plant.

### *Energy Recovery Plant*

Regarding the Energy Recovery Plant, 2014 is marked by its long technical shutdown for preventive maintenance purposes, more specifically, for servicing needed due to the turbo-generator set having reached 100,000 operating hours. Due to this shutdown in October and November, it was necessary to import electrical energy, which led to a significant increase in electrical consumption (+354%) in comparison with the previous year.

### *Technical Confinement*

Due to the Energy Recovery Plant shutdown, some waste had to be diverted to the Landfill, which resulted in a higher workload in waste conditioning for mobile machinery, thus causing a significant increase (+123%) in diesel consumption.

## CLIMATE CHANGE

*The 2M – less waste, less carbon Strategy represents LIPOR's approach to climate change, its voluntary response to the challenges this issue poses to the development of its activity. It is based on three areas of intervention:*

- **Area 1:** *To be aware and disseminate its emissions profile and assess the potential for avoided emissions;*
- **Area 2:** *To reduce its emissions and compensate the inevitable emissions;*
- **Area 3:** *To mobilise citizens and partners for the reduction of waste and carbon emissions.*

Within the scope of its strategic objectives and with the purpose of contributing to the fulfilment of climate policy objectives defined for the European Union, Portugal and Porto's Region, LIPOR has committed itself to reduce its emissions by 12% (2012), 16% (2016) and 20% (2020), as compared to 2006.

### COMMITMENT 12-16-20

YEAR	TOTAL EMISSIONS AS COMPARED TO 2006	EMISSIONS PER CAPITA
2012	- 12 %	356 kg CO <sub>2</sub> e/inhab.year
2016	- 16 %	340 Kg CO <sub>2</sub> e/inhab.year
2020	- 20 %	324 Kg CO <sub>2</sub> e/inhab.year

Given this ambitious commitment and the priority given to the urgent need to mitigate the negative impacts of climate change and also to create alternatives that will ensure well-being and national economic prosperity, LIPOR created an internal multidisciplinary work group – the Zero Carbon Group – which defines strategies to mitigate the Organisation's GHG emissions and encourages certain behaviours within the Community.

In 2014, the Zero Carbon Group continued to meet in order to define LIPOR's strategy regarding this issue, by analysing and defining actions and solutions to approach the matter in a systematic way. Below we describe some examples of initiatives developed by the Zero Carbon Group, aiming at the reduction of GHG emissions, based on an energy efficiency policy and on additional measures, taking it beyond the emissions for which the Organisation is directly responsible:

### CARBON FOOTPRINT CALCULATION

LIPOR still makes this calculation based on the figures of the previous year, i.e., the results by the end of 2014.

In comparison with the reference year 2006, in 2014 there was a 16.3% reduction in GHG emissions.

The following tables show the results achieved regarding LIPOR's Carbon Footprint and its greenhouse gas (GHG) emissions (EN16 e EN17):

VALUES IN tCO <sub>2</sub> e	REFERENCE YEAR (2006)	2012	2013	2014	Δ 13-14
<b>Scope 1 Direct Emissions</b>	<b>401 011</b>	<b>351 295</b>	<b>337 204</b>	<b>334 799</b>	<b>-0,7%</b>
MSW Treatment/Recovery	399 635	350 233	336 173	333 890	-0,7%
Fuel consumption in the facilities	805	398	404	290	-28,1%
Transport and Mobility	570	664	628	619	-1,4%
<b>Scope 2 Indirect Emissions (electricity)</b>	<b>1 749</b>	<b>2 490</b>	<b>2 254</b>	<b>2 355</b>	<b>+4,5%</b>
Composting Plant (CVO)	1 117	1 703	1 637	1 721	+5,0%
Energy Recovery Plant (CVE)	0,00	943	26	102	+291%
Technical Confinement (CT)	0,00	200	138	138	0%
LIPOR (Baguim do Monte)	401	493	454	394	-13%
<b>Scope 3 Other Indirect Emissions</b>	<b>47</b>	<b>362</b>	<b>388</b>	<b>160</b>	<b>-58,6%</b>
Work Travels	47	41	68	28	-58,0%
Third parties' fleet (slag and scrap transportation)	ND	320	320	132	-58,7%
<b>Total LIPOR GHG Emissions</b>	<b>402 807</b>	<b>354 146</b>	<b>339 846</b>	<b>338 314</b>	<b>-0,8%</b>

During 2014, LIPOR generated 338 314 tCO<sub>2</sub>e, which represents a reduction of 0.8% (- 2,667 tCO<sub>2</sub>e), in comparison with the previous year. In comparison with the reference year (2006), there was a reduction of 16.3% (-65,628 tCO<sub>2</sub>e), which is in accordance with the goal set for 2016 within the scope of the 2M - less waste, less carbon Strategy. This decrease in emissions results from the Organisation's commitment to minimise waste disposal in landfill and to recover biogas produced in the closed landfills.

An attentive analysis reveals that 99.3% of LIPOR's GHG emissions correspond to scope 1 – Direct Emissions, particularly from the Energy Recovery Plant and Technical Confinement. If we compare the units' direct emissions in 2006 and 2014, there was a reduction of 36.1% (69,211 tCO<sub>2</sub>e) in emissions from technical confinement, which has decisively contributed to the fulfilment of the goals defined in the 2M - less waste, less carbon Strategy.

VALUES IN tCO <sub>2</sub> e	REFERENCE YEAR (2006)	2012	2013	2014	Δ 13-14
<b>Scope 1 Direct Emissions</b>	<b>401 011</b>	<b>351 295</b>	<b>337 204</b>	<b>334 799</b>	<b>-0,7%</b>
MSW Treatment/Recovery	399 635	350 233	336 173	333 890	-0,7%
Technical Confinement	191 464	136 169	126 448	122 253	-3,3%
Organic Recovery (CVO)	4 393	7 799	7 842	8 349	+6,5%
Energy Recovery (CVE)	203 778	206 265	201 882	203 288	+0,7%

Scope 2 – Indirect Emissions (Electricity) this increase in emissions is less than the significant increase in electricity consumption that reached 6.9 GWh in 2014 (+ 13.7%). A relevant factor for this was the high hydroelectric capability in 2013/2014, which resulted in low emission factors for the several suppliers.

Scope 3 - Other Indirect Emissions decreased significantly due to the decrease in air travel by LIPOR Employees and to the forwarding of slag and scrap to closer final destinations.

VALUES IN tCO <sub>2</sub> e	REFERENCE YEAR (2006)	2012	2013	2014	Δ 13-14
<b>Scope 3 Other Indirect Emissions</b>	<b>47</b>	<b>362</b>	<b>388</b>	<b>160</b>	<b>-58,6%</b>
Work Travels	47	42	68	28	-58,8%
Train	0,4	0,5	0,5	0,9	+80,0%
Aeroplane	47	35	66	26	-60,6%
Passenger car (rental)	N.D.	0,1	0,9	0,9	+8%
Bus/Coach (rental)	N.D.	5,7	0,2	0,2	+15%
Third parties' fleet (slag and scrap transportation)	N.D.	320	320	132	-58,7%

Being initially focused on the organisation's own operations, GHG Protocol methodologies have evolved to include all emissions generated throughout the companies' value chain and the life cycle of the goods and services they provide. In accordance with the guidelines of the GHG Protocol Value Chain Standard, in 2013, LIPOR decided to broaden its inventory and elaborated an implementation schedule for the several activities that its value chain encompasses.

*In the Sustainability Report 2013, LIPOR started to report emissions associated with waste collection and transport. In 2014, LIPOR's inventory was extended to cover (direct and subcontracted) Employee commuting, as well as recyclable material and compost forwarding to their final destination.*

*That being said, in 2014, emissions from waste collection by LIPOR's associated Municipalities amounted to 6,883 tCO<sub>2</sub>, which corresponds to a 22.9% increase in comparison with the previous year. The following results were obtained:*

- a specific emission of 15 kg tCO<sub>2</sub>e;
- a specific consumption of 6 l/t (diesel);
- each ton of waste travelled on average 11 km.

This emission increase is associated with a higher reliability of activity data collected by the Municipalities, following a first year with incomplete data collection.

This was the first year that commuting was considered. A mobility questionnaire to all LIPOR Employees and main suppliers provided data to quantify emissions and determine mobility profiles for each of LIPOR's facilities (Baguim do Monte and Maia). In total, approximately 150 tCO<sub>2</sub>e were emitted, with the following distribution:

SCOPE 3 TRAVELS	GHG EMISSIONS Baguim do Monte	GHG EMISSIONS Crestins-Maia
Means	Amount (tCO <sub>2</sub> e)	Amount (tCO <sub>2</sub> e)
Car - Driver - Gasoline	26,6	5,8
Car - Driver - Diesel	42,8	45,9
Motorcycle - Driver - Gasoline	1,1	0,0
Car - Lift	20,0	1,8
Bus	3,0	0,4
Train	2,5	0,0
Underground railway	0,0	0,1
Bicycle	0,0	0,0
On foot	0,0	0,0
<b>Total</b>	<b>96,12</b>	<b>53,97</b>
	<b>150,09</b>	

Regarding recyclable material and compost transport, a total of 363 tCO<sub>2</sub>e were calculated, 302 tCO<sub>2</sub>e of which correspond to recyclable material transport and 61 tCO<sub>2</sub>e to compost transport. (EN29)

As these activities weren't taken into account by LIPOR in the definition of the reduction goals of the 2M - less waste, less carbon Strategy, these emissions are not considered when it comes to the assessment of the fulfilment of these goals

## GREENHOUSE GAS (GHG) EMISSIONS OFFSETTING

**194 tCO<sub>2</sub>eq of emissions associated with LIPOR's fleet (2013)** were offset. These emissions were offset through a project developed in the Sofala Province (Mozambique), whose purpose is to contribute to the recovery of local economy through the establishment of agriculture and environmentally responsible food production in a pilot area with 35,000 hectares, around Gorongosa National Park.

Communities were involved in the rehabilitation of their forests and the introduction of new sustainable agricultural practices, such as the cultivation of new crops next to nitrogen fixing trees. These new practices have a significant impact on chestnut, cashew and fruit crops and provide healthy livelihoods to about 2,000 families. Hundreds of farmers were hired as guards for the new forests and receive income from the sale of carbon credits.

*This project is noteworthy as it was the first project in the world to be validated by the second edition of the CCBA standard, receiving the gold level in all three evaluation areas: Climate, Community and Biodiversity.*

*In this context, and in accordance with the requirements of the Zero Carbon methodology, LIPOR has also monitored and quantified the GHG emissions that resulted from the "Circular Economy Seminar" event, ensuring the offsetting of 3.88 tCO<sub>2</sub>eq through national forest projects monitored by Ponto Verde Serviços.*

## PUBLISHING OF NEWS AND ARTICLES IN SPECIALISED MEDIA AND PARTICIPATION IN SEMINARS AND CONFERENCES TO DISSEMINATE AND RAISE AWARENESS OF THE GHG EMISSIONS ISSUE (EN18)

To conclude, this work, which is innovative at the national level and is based on the best methodologies developed internationally for the waste sector, provided additional information to LIPOR and made it possible for it to become a national leader within the sector, in terms of the approach to climate change, paving the way for an actual differentiation of its activities.

## WATER

*Being fully aware that it is necessary to manage hydric resources use in an efficient and sustainable way, LIPOR has committed itself to continue decreasing abstracted water consumption regarding what is established in the abstraction licences.*

The following tables show the results of water consumption monitoring within LIPOR: (EN8)

CONSUMPTION OF WATER FROM THE PUBLIC NETWORK (m <sup>3</sup> ) (EN8)	2012	2013	2014
Energy Recovery Plant	248 201	265 323	208 619
Landfill of Maia	2 600	2 336	2 201
Composting Plant	16 363	17 661	11 667
LIPOR (Baguim do Monte)	3 059	3 920	3 164
	<b>270 223</b>	<b>289 240</b>	<b>225 651</b>

CONSUMPTION OF ABSTRACTED WATER (m <sup>3</sup> ) (EN8)	2012	2013	2014
Energy Recovery Plant	8 195	10 093	13 046
Composting Plant	12 518	12 101	13 725
LIPOR (Baguim do Monte)	19 874	41 486	26 457
	<b>40 586</b>	<b>63 680</b>	<b>53 228</b>

*During 2014, consumption of water from the public network and from groundwater abstraction decreased 21%. This significant reduction in water consumption is due to the following facts:*

- 2-month shutdown of the Energy Recovery Plant;
- more control of water consumption in LIPOR's facilities in Baguim do Monte and detection/repair of a fault in the consumption monitoring system;
- a mild summer which resulted in less need for water for productive processes.

Due to the decrease in consumption of water from groundwater abstraction, in 2014, there were no noncompliances regarding the amounts of abstracted water with regard to the limits established in the several licences. In contrast, LIPOR only used 43% of the total maximum amounts of water established in its several licences. (EN9)



**YES, IT GOES TO THE  
YELLOW CONTAINER**  
DID YOU KNOW THAT ...

LIPOR has joined forces with Tetra Pak in the "Sim, é no Amarelo" (Yes, it goes to the Yellow container) campaign, with the purpose of enlightening the population regarding the proper packaging recycling procedure.

## BIODIVERSITY

As mentioned in other indicators, **LIPOR** strives to perform its activities in a way that won't cause significant impacts, considering biodiversity a strategic and guiding foundation within the Organisation.

Biodiversity and ecosystem services are being continuously degraded due to several factors. Companies play a highly relevant role regarding ecosystems, as they directly depend on the natural services the ecosystems provide and, at the same time, cause their destruction.

For **LIPOR**, it has been essential to change the model and create new management tendencies based on a cooperative culture towards biodiversity and the ecosystem services it provides. In this context, **LIPOR** is developing a strategy for the promotion of biodiversity in the Greater Porto region, which includes 2 action components:

### APPLICATION AND AWARENESS COMPONENT

In order to promote biodiversity in the spaces it manages, LIPOR strives to use good maintenance and management practices in its green spaces, so that they become sustainable. These good practices include an invasive plants eradication plan, space design and maintenance in a way that will avoid/reduce irrigation, the promotion of plant species that are suited to the local climate and soil conditions, the promotion of plant diversity that will provide shelter and food to insects, reptiles, amphibians and birds, among others.

In order to promote these good practices in the eight associated municipalities, LIPOR has been implementing several awareness-raising, information and training actions, to broaden the dissemination of these issues and make citizens and companies aware of the advantages, of what can be done and how.

Furthermore, LIPOR has also been developing several projects that promote and apply these good practices:

**"Horta à Porta" (Kitchen Garden at your Door):** creation of urban kitchen gardens that use organic farming methods, promoting crop diversity, using plants suited to local conditions and not using synthetic chemicals.

**"Terra à Terra" (Earth to Earth):** dissemination of home composting and the use of compost instead of chemical fertilisers, thus improving soil structure and life.

**"Jardim ao Natural" (Garden in Natural Style):** dissemination of good practices in institutional, private or public green spaces.

These three projects are implemented in partnership with several entities, so LIPOR's investment is low as compared to their impact. The main investments relate to training and project management, provision of plastic composters and wood shelters, as well as educational materials for project communication (manuals, flyers and brochures).

### RESEARCH AND DEVELOPMENT COMPONENT

Through the Research and Development Component, LIPOR aims at assessing the impact of its activities on biodiversity and developing an action plan that will comprise minimisation strategies and/or actions to compensate those impacts.

The following projects put this component into practice:

**Characterisation and Diagnosis Study,** general characterisation of the environmental and ecological conditions of the areas managed by LIPOR, through a detailed biotope mapping. This study is being developed by the CIBIO-UP, the Research Centre in Biodiversity and Genetic Resources of University of Porto;

**Assessment of the Environmental Quality in Closed Municipal Waste Disposal Areas,** its purpose is to assess the environmental impact of the selected

study areas (landfill of Ermesinde and landfill of Póvoa de Varzim), thus providing information that will lead to the implementation of new assessment and monitoring practices for former waste dumps. This assessment is being developed by the IMAR-UC, the Centre for Sea and Environment of University of Coimbra;

**Tinto River Project,** it aims at the definition of a joint action in order to register and confirm contamination areas, monitor the evolution of water quality, support any technically and scientifically necessary interventions to recover the river, restore the river's ecosystem and define its future sustainable use. This Project is being developed in cooperation with the Municipalities of Valongo, Maia, Gondomar and Porto, Águas de Gondomar, SA, Águas do Porto, University Fernando Pessoa and the APA (Portuguese Environment Agency). (EN14)

For more information:  
<http://www.lipor.pt/pt/sustentabilidade-e-responsabilidade-social/biodiversidade/>



Considering biodiversity a strategic axis for the territory's social, economic and environmental sustainability, LIPOR, together with the associated Municipalities, has striven to act as a catalyst for change, by developing a variety of policies, programmes and actions that promote and stimulate progress within LIPOR's area of intervention towards a more sustainable future.



In this context, LIPOR has defined a Waste Prevention Strategy which aims at indirectly contributing to the protection of the environment and the promotion of resource efficiency, by inducing good practices within local Communities. (EN26)

#### *"Terra à Terra" (Earth to Earth)*

**Objective:** This project's purpose is to promote home composting in houses with garden, through training, process implementation and monitoring.

**Results:** Until 2014, 8,292 composters had been implemented (including composters in permanent housing, institutions, schools, community composters, and vermicomposters, built and bought composters). The composters which are currently being used correspond to a potential reduction of 3,086 tons/year of biowaste. So far, 14,834 people received training on home composting, which has contributed to the dissemination of information about this process and its advantages.

#### *"Horta à Porta" project (Kitchen Garden at your Door)*

**Objective:** The purpose of the "Horta à Porta" project is to restructure green spaces and make them productive, raising awareness amongst the population of good environmental, agricultural and social practices. In practical terms, the aim is to provide plots and training to individuals who wish to practice composting and organic farming.

**Results:** In 2014, 7 kitchen gardens were created, with a total of 10,360 square metres. The project currently comprises 42 kitchen gardens, 1,172 plots and 6.31 hectares.

#### *"Jardim ao Natural" project (Garden in Natural Style)*

**Objective:** This project's purpose is to raise awareness of sustainable green space (gardens, kitchen gardens, orchards...) maintenance, without pesticides, i.e., to increase organic farming areas.

**Results:** By the end of 2014, 1,218 "Natural Garden" commitment charters had been signed.

#### *Horta da Formiga Training*

With its annual training plan, the "Horta da Formiga" - Home Composting Centre aims at providing information and training on good agricultural practices to the population, promoting composting, organic farming and food quality and fighting against food waste.

This diversified training plan comprises sustainable culinary, gardening and organic farming.

*In 2014, 45 training courses were held and 1 037 people participated in training on organic waste prevention.*

#### *Activities developed throughout 2014:*

- 2<sup>nd</sup> "Conversas da Terra" (Earth Talks) Meeting for our trainees, with a workshop for children
- introduction of new courses: Green space maintenance and Advanced course in Mushroom cultivation
- ecological constructions
- culinary and Organic Farming courses/workshop de velas
- candle workshop

📖 For more information:  
<http://www.lipor.pt/pt/educacao-ambiental/horta-da-formiga/> (EN13)

## EFFLUENTS

*LIPOR has always adopted a preventive approach regarding effluents, in order to reduce as much as possible their impact on the surrounding environment, namely on watercourses. The effluents that result from each operational process are thus treated according to their specificities and forwarded to the most proper final destination.*

Regarding the facilities in Baguim do Monte, the effluents produced are considered similar to domestic effluents and, as such, they are forwarded to the municipal collector of Gondomar. As far as the Energy Recovery Plant in Maia (LIPOR II) is concerned, the main effluent results from leachates from the Landfill, which require a more complex wastewater treatment system. So, the Wastewater Treatment Plant (WWTP) of the Landfill of Maia, next to the Energy Recovery Plant, has been implementing a Biological Treatment System, which is complemented by a tertiary treatment process by Reverse Osmosis, which results in high quality treated water that can be even used, for instance, for washing and irrigation.

It should also be noted that the effluent treated at the WWTP of the Landfill of Maia is discharged into the Leça River, in compliance with the parameters established in the discharge permit and the amount of water processed in this WWTP, with the following data:

WATER PROCESSED AT THE WWTP OF THE LANDFILL OF MAIA (EN21)	2012	2013	2014
Treated water (m <sup>3</sup> )	9 524	10 236	10 301
Water output WWTP (m <sup>3</sup> )	6 763	7 056	6 900
Effluent treated externally (m <sup>3</sup> )	8 153	10 681	18 820
Wash water (m <sup>3</sup> )	120	114	121
Effluent discharged into natural watercourse (m <sup>3</sup> )	6 643	6 904	6 779

In order to ensure the fulfilment of legal provisions regarding wastewater treatment, we've adopted the campaign methodology that allows us to rigorously assess the main effluent parameters, as defined in the facility's Environmental Permit. In addition and as a way to reinforce this procedure, LIPOR has been implementing an External Monitoring Plan for the Energy Recovery Plant, through which all the corresponding parameters are controlled and analysed. (EN21)



### BIRTHDAY GIFT

#### DID YOU KNOW THAT...

On the day of LIPOR's 32<sup>nd</sup> anniversary, two lambs were born at Horta da Formiga.

## WASTE

*As waste is a key issue for LIPOR, the Organisation is completely in tune with the main guidelines of the European Commission, namely regarding the promotion of Prevention as the preferred way to cope with high waste production.*

In fact, waste is approached as a resource and its management should take into account the most proper way of recovery. However, LIPOR's activity also involves the production of waste, which is managed in a way that ensures its forwarding to the proper final destination according to its specificities.

National and European guidelines state several important principles that should guide sustainable waste management:

- Waste Management Hierarchy (waste management options are ranked according to their priority - prevention, preparing for reuse, multimaterial and organic recovery, other types of recovery (energy recovery) and, lastly, landfill);
- European Recycling Society (to promote recycling, by only forwarding to other treatment methods materials with no multimaterial recovery potential);
- The waste sector as an area with great business and employment potential (in EU, waste management has created a market which employs 2 million people and generates 145 billion euros per year).

Every year, LIPOR treats about 500,000 tons of municipal waste – MW – that are produced by about 1 million inhabitants. However, it is important to highlight that, within the scope of the GRI indicators, only the waste sent to other entities for treatment is taken into account.

The waste produced within the scope of LIPOR's activities is managed internally through recycling, composting and energy recovery processes, and is approached as a resource or raw material, not being included in this indicator.



The waste from operational processes, classified as hazardous or not hazardous, which wasn't recovered or treated within LIPOR's Integrated Waste Management System, is described below: (EN22)

#### WASTE PRODUCED BY THE LIPOR SYSTEM (EN22)

DESTINATION	WASTE	2012	2013	2014	HAZARDOUS
Companies licensed for Recovery/Treatment	Mineral Oils (litres)	10 800	11 700	10 700	yes
	Oily Water (litres)	12 000	21 500	11 300	yes
	<b>Total (litres)</b>	<b>22 800</b>	<b>33 200</b>	<b>22 000</b>	
	Cooking Oil (kg)	3 450	1 705	966	no
	Sawdust and oily rags (kg)	40	100	129	yes
	Contaminated packaging* (kg)	2 620	2 121	1 698	yes
	Small batteries (kg)	11 900	7 000	5 800	yes
	Batteries (kg)	4 440	4 580	2 570	yes
	Syringes (kg)	79	80	56	yes
	Other municipal waste and similar waste (kg)	77	167	166	no
	Ink Cartridges and Toners (kg)	140	740	5 100	yes
	Tyres (kg)	3 180	1 560	0	no
	Construction and Demolition Waste (kg)	0	0	17 560	no
<b>Total (kg)</b>	<b>25 926</b>	<b>18 053</b>	<b>34 044</b>		
Recycling	Iron Scrap (tons)	5 667	5 535	4 751	no
	<b>Total (tons)</b>	<b>5 667</b>	<b>5 535</b>	<b>4 751</b>	



## OBJECTIVES 2014

To reduce LIPOR's total consumption (facilities in Baguim do Monte and LIPOR's direct responsibility) **100%**

To achieve a level of execution of 80% regarding the "Ação 2020" (Action 2020) Project **100%**

To provide training on composting to 14 100 people **100%**

To involve 21 Restaurants in the "Dose Certa" (Right Serving) project **100%**

## OBJECTIVES 2015

To achieve a **2% reduction** in LIPOR's energy consumption (facilities in Baguim do Monte and LIPOR's direct responsibility)

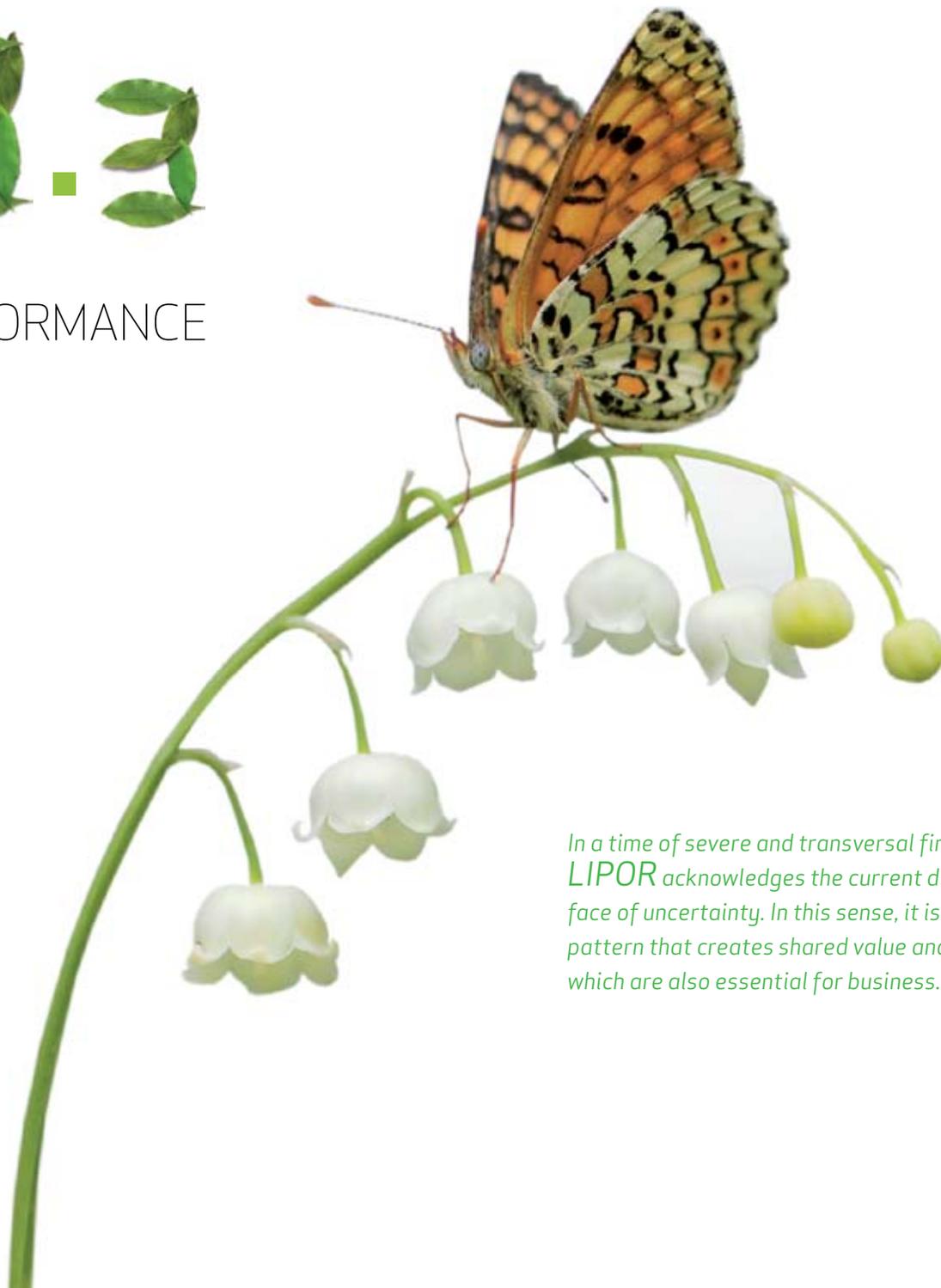
To achieve a **16% reduction** in LIPOR's GHG emissions regarding the year 2006

To reach **10,800** people with Environmental Education and Awareness actions

To reach **15,440** trainees on composting



## SOCIAL PERFORMANCE



*In a time of severe and transversal financial crises and economic instability, LIPOR acknowledges the current difficulties, but refuses to give up in the face of uncertainty. In this sense, it is still committed to ensure a development pattern that creates shared value and significantly benefits local Communities, which are also essential for business.*

LIPOR considers its commitment to Social Responsibility a valuable contribution to the consolidation of competitive advantages and, consequently, to Community development, the enhancement of social cohesion and a fairer Society. This means that economic, environmental and social pillars are part of its Vision, Mission and Values.

*These new ways of working, which take into account the need to think globally and, at the same time, to act locally within local Communities, lead us to sustainable growth and evolution. And this is what underlies LIPOR's investment in the social component.*

## LABOUR PRACTICES INDICATORS

According to their contractual ties to the Organisation, by the end of 2014, LIPOR's Employees were distributed in the following way (LA1):

TYPE OF RELATION WITH LIPOR	TYPE OF CONTRACT	2012			2013			2014		
		M	F	TOTAL	M	F	TOTAL	M	F	TOTAL
Direct employees	Permanent Staff	158	58	<b>216</b>	156	57	<b>213</b>	150	56	<b>206</b>
Supervised Employees	CEI - Employment-Inclusion Contract	14	0	<b>14</b>	18	0	<b>18</b>	10	1	<b>11</b>

In 2014, LIPOR had 206 direct Employees who have an Employment Contract in Public Service for an Indefinite Period, thus being part of the Organisation's permanent staff. This strategy aims at motivating Employees and aligning their productivity with the Organisation's performance.

Both direct and supervised Employees worked full time. (LA1)

It is important to mention that the supervised Employees are placed under a contract with a service company, which is contracted by LIPOR and, consequently, responsible for ensuring their benefits.

Nevertheless, within the scope of the SA 8000 Standard certification and according to the Principle of Equality, LIPOR also takes Supervised Employees into account in the Social Responsibility visits and gives them the opportunity to express their views on several issues regarding their employment relation, among others. These employees are also invited to participate in general meetings regarding the Organisation's Strategy, Objectives and Performance Communication. LIPOR also strives to ensure that all benefits awarded to its Employees are extended to service providers. (LA3)

It should be noted that, as a result of Employee satisfaction with their working conditions, by the end of 2014, LIPOR had once again a low employee turnover of 3.40%, caused by the retirement of 7 Employees. It is worth mentioning that LIPOR's Team is very dynamic much due to its young age structure. (LA2)

### TOTAL NUMBER OF EMPLOYEES AND EMPLOYEE TURNOVER BY AGE GROUP, GENDER AND REGION (LA2)

	PERMANENT EMPLOYEES										BY GENDER		
	18-24 years	25-29 years	30-34 years	35-39 years	40-44 years	45-49 years	50-54 years	55-59 years	60-64 years	> 65 years	TOTAL	M	F
Entries	0	0	0	0	0	0	0	0	0	0	<b>0</b>	0	0
Exits	0	0	0	0	0	0	0	7	0	0	<b>7</b>	6	1
No. of Employees	0	18	35	42	35	22	27	21	6	0	<b>206</b>	150	56
<b>Employee Turnover</b>	-	<b>0,0%</b>	<b>0,0%</b>	<b>0,0%</b>	<b>0,0%</b>	<b>0,0%</b>	<b>0,0%</b>	<b>33,3%</b>	<b>0,0%</b>	-	<b>3,4%</b>	<b>4,0%</b>	<b>1,7%</b>

## OCCUPATIONAL HEALTH AND SAFETY & SOCIAL RESPONSIBILITY

*Occupational Health and Safety issues are an essential foundation of LIPOR's culture. For that reason, both workplace accidents and occupational diseases prevention and risk prevention are part of the Organisation's objectives.*

The Occupational Health and Safety Management System is monitored through performance indicators which are established and annually reviewed by the Management Team, aiming at the achievement of results which show continuous improvement.

In this context, LIPOR has an Occupational Health and Safety (OHS) Committee, which is considered an effective participation and dialogue instrument for all those concerned about Employee safety, hygiene and health issues and the working environment. This Committee comprises Employee representatives for OHS and Management representatives for OHS.

In addition, as we acknowledge that workplace dialogue is a key component of Social Responsibility, and in order to ensure the Employees' right to easily communicate with the Organisation's Top Management, through a representative, regarding issues related to the SA 8000 standard, there is also an Employee Representative for SA 8000 and an internal group called "Change Agents".

To sum up, LIPOR commits itself to being a socially responsible Organisation, assigning to competent and motivated people specific roles associated with the safeguarding of Occupational Health and Safety conditions, and thus actively contributing to the Employees' well-being. (LA6)

LIPOR also has a collaboration agreement with a company that provides the services of an Occupational Physician (Dra. Albina Azevedo) in its facilities. This allows us to anticipate and take action in some risk cases and to screen for serious diseases. In 2014, several visits to workplaces were made in order to check the working conditions and, if necessary, make improvements bearing in mind the physical and mental ability of employees to perform their duties.

Every week, a General Practitioner (Dr. Vasco Santos) and a Nurse (Enf.ª Vânia Andrade) go to LIPOR's facilities to help Employees who need medical assistance, thus contributing to the decrease in absenteeism and increase in satisfaction and productivity, and giving access to curative medicine.

Furthermore, given the demands and problems caused by the current economic context, LIPOR decided that it would be important to hire Psychology services. Psychology sessions provide psychotherapy and/or counselling in order to enhance personal resources and promote the Employees' psychological and relational well-being, helping them to overcome possible situations of psychological discomfort.

Regarding severe occupational diseases, some additional initiatives were implemented to minimise them; for instance, regarding biological risks, the washing of uniforms used by Operational Assistants is performed by an internal laundry service, in order to ensure a higher level of sanitisation. A Workplace Gymnastics programme (coach Pedro Silva) is also offered, consisting of 15 minutes of exercise, twice a week, in administrative and operating areas, before each shift.

Nevertheless, as raising awareness of safety in general may reduce workplace accidents, LIPOR organises a significant number of training actions regarding occupational disease prevention.



During 2014, the following trainings on Occupational Hygiene and Safety took place, still restricted to LIPOR's direct Employees:

- Risk Assessment;
- Fire Brigades;
- Driving and manoeuvring Lift Platforms;
- Ergonomics;
- Advanced manoeuvring training;
- Training for mobile machinery operators;
- Training on the Decree-Law no. 50/2005;
- Integration and training regarding Health, Hygiene and Safety for new Employees under the CEI - IEFPP programme;
- Manual Handling of Loads;
- Prevention and identification of explosive devices;
- Emergency procedures;
- Fire Safety;
- Basic Life Support and First Aid. (LA8)

LIPOR doesn't have a formal disease assistance programme for Employees or their relatives, as its Employees were given the chance to benefit from ADSE (Directorate General for Social Protection of Civil Servants and Contractual Staff).

PROGRAMME BENEFICIARIES	EDUCATION/TRAINING	COUNSELLING	SCREENING	RISK PREVENTION/ CONTROL	TREATMENT
Employees	World Food Day; all Employees received an apple and a flyer about healthy eating			Occupational Physician	
	À conversa com a Enfermeira" (Talking with the Nurse) actions: <ul style="list-style-type: none"> <li>• Hand washing</li> <li>• Hypertension</li> <li>• Mycoses</li> <li>• Healthy life styles</li> <li>• Alcohol</li> </ul>	Occupational Physician	Vaccination and hepatitis markers when prompted by the Occupational Physician	Occupational Hygiene and Safety Technicians	General Practitioner and Nursing
	Daily provision of fruit to all Employees				
	Several protocols with external Entities (insurance, school books, travelling, gyms, podiatrists, pharmacies, optical stores, dentists, childcare facilities, fuel, etc.)				Workplace Gymnastics
Employees' relatives	No	No	No	No	No
Community	Within the initiatives promoted at Adventure Park: <ul style="list-style-type: none"> <li>• Healthy cooking workshop</li> <li>• "Outdoor Cooking" workshop</li> <li>• Health</li> </ul>	No	No	No	No

## “TOLERÂNCIA ZERO AO RISCO” (ZERO TOLERANCE TO RISK) PROJECT

*In 2008, within the scope of the implementation of the Social Responsibility Management System (SA 8000 Standard) at LIPOR, all the Organisation's activities were subjected to hazard identification and risk assessment. This assessment has been periodically updated by the Safety area of the GASQT Office, as a result of process modification, new activities, workplace accidents and other identified situations.*

By the end of 2013, as a consequence of the SIQAS (Integrated Quality, Environmental and Safety System) internal audit, LIPOR changed its hazard identification and risk assessment methodology. In addition to this new methodology, which implied the modification of risk levels and the introduction of corrective measures approved in the Safety Work Plan, the importance of an interconnection and cooperation between Occupational Hygiene and Safety internal services and Occupational Medicine external services became evident. The risk reassessment defined in the project was performed in accordance with the “Management Procedure – Hazard Identification and Risk Assessment”, also taking into account the processes defined in LIPOR's Value Chain and the interconnection with workplaces/areas.

Throughout 2014, the implementation of the “Tolerância Zero ao Risco” project implied the identification of all activities associated with each area/process, the identification of all associated hazards, and subsequent risk assessment and definition of control measures, in addition to the already existing measures.

The implementation of the new methodology resulted in the following risk levels distribution:



According to the current legislation (Law no. 59/2008, Annex II, point 2 of article 133), LIPOR's activities are not considered high risk activities. Within the scope of the OHSAS 18001 (Occupational Health and Safety Management Systems) and SA 8000 certifications, LIPOR has identified all risks associated with the operations performed in the organisation and continuously strives to control them. (LA8)

However, in spite of all the work developed in this area and the strong investment in training/awareness-raising, as part of LIPOR's safety rules, workplace accidents still take place. (LA7)

	DIRECT EMPLOYEES		SUPERVISED EMPLOYEES		TOTAL
	MEN	WOMEN	MEN	WOMEN	
	150	56	10	1	217
Frequency (Tf)	146,45	10,89	0	0	104,04
Severity (Tg)	3 739	28	0	0	2 658
Occupational diseases	0	0	0	0	0
Fatal Accidents	0	0	0	0	0

*In 2014, according to the GRI criteria, there was an absenteeism rate of 7.5%, i.e., the absenteeism rate regarding LIPOR's direct Employees has once again slightly increased in comparison with the previous year, with a rate of 3,9%.*

As far as the absenteeism rate of supervised Employees is concerned, its figures have also increased from 2.1% in 2013 to 5.0% in 2014, as shown in the following tables: (LA7)

DIRECT EMPLOYEES	MEN	WOMEN	TOTAL
Absenteeism rate	15,3%	11,5%	14,2%
GRI Calculation *	3,8%	8,9%	7,5%

SUPERVISED EMPLOYEES	MEN	WOMEN	TOTAL
Absenteeism rate	14,8%	0,9%	14,3%
GRI Calculation *	5,2%	0,0%	5,0%

\* see the Methodological Notes at the attachment

Although LIPOR regards Occupational Health and Safety issues as delicate issues, there has been no need up until now to make formal agreements with Trade Unions.

A lot of work has been done in this area, within the scope of the NP 4397/OHSAS 18001:2007 Standards Certifications, through which issues regarding Occupational Health and Safety are approached with great care. (LA9)



## “OPERAÇÃO TAMPINHAS”

### DID YOU KNOW THAT...

During the ninth stage of “Operação Tampinhas” (Bottle Caps Operation), a total of 61 tons of bottle caps were collected, which represents about €45,000 of revenue, and 60 (individual/collective) entities were supported.

## TRAINING AND EDUCATION

*LIPOR gives great importance to the Employees' well-being and professional growth, as a project's success or failure is closely linked to the motivation and commitment of the Employees involved in it. In other words, an Employee who is motivated to obtain new knowledge is in constant development and more prepared to face change with dedication and effort, thus contributing to a higher quality of the services provided.*

In 2014, 4,860 training hours were provided to Employees, which represents a significant increase in comparison with the previous year.

### AVERAGE TRAINING HOURS PER YEAR, BY EMPLOYEE CATEGORY AND GENDER (LA10)

		MALE	FEMALE	TOTAL
Training Hours	Managers	109	487	596
	Senior Technicians	462	964	1 426
	Technical Assistants	688	506	1 193
	Operational Assistants	1 624	22	1 646
	<b>Total</b>	<b>2 883</b>	<b>1 978</b>	<b>4 860</b>
Employees	Managers	3	8	11
	Senior Technicians	11	25	36
	Technical Assistants	21	19	40
	Operational Assistants	115	4	119
	<b>Total</b>	<b>150</b>	<b>56</b>	<b>206</b>
Training Hours per Employee	Managers	36	61	54
	Senior Technicians	42	39	40
	Technical Assistants	33	27	30
	Operational Assistants	14	5	14
	<b>Total</b>	<b>19</b>	<b>35</b>	<b>24</b>

Although LIPOR strongly invests in Training and Employee competency improvement, there's no additional procedure besides the legal Career Management procedure, mainly because LIPOR is subject to the Career Scheme for Employees in Public Service. So, Career Management follows the proper legal procedures (Law no. 12-A/2008 of 27 February).

In any case, there's an effort to promote the professional development of Employees, giving them the opportunity to assume new job positions or duties, through changes and internal competitions. (LA11)



## ENVIRONMENTAL EDUCATION AND AWARENESS LIPOR INFORMA (INFORMS)

“LIPOR Informa” provides training programmes mostly destined for very specific audiences. In 2014, it received applications from several entities, namely waste management companies, construction companies and several City Councils.

This area includes initiatives based on a strategy for the promotion of good environmental practices, largely focusing on the acquisition of competencies related to Waste and Sustainability. Within this area of intervention, it is worth highlighting the “**Academia LIPOR**” (LIPOR Academy) project.

Being aware of the scarce training offer regarding the Waste Sector in Portugal, in 2013, LIPOR obtained Certification as Training Entity by the CEFA – Fundação para os Estudos e Formação Autárquica (Foundation for Studies and Municipal Training).

In this context, the “**Academia LIPOR**” project encompasses diverse knowledge areas and includes courses/training actions in which advanced educational methods and equipments are used, with the specific purpose of meeting the market’s needs, thus promoting a deeper insight on the sector.

The first course organised by “**Academia LIPOR**”, which approached Waste Management and was held in the end of May 2014, gave rise to much curiosity and numerous queries from several target audiences. During 2014, 13 courses were held, amounting to 151 training hours and reaching 165 trainees.

## LIPOR INTERAGE (INTERACTS)

“**LIPOR Interage**” includes a variety of actions and projects that promote a close relationship with citizens and aim at raising awareness of environmental issues. From the several activities that this area encompasses, we highlight “**Parque Aventura**” (Adventure Park).

The “**Adventure Park**” project is based on the Organisation’s policy and has significantly contributed to the reinforcement of the LIPOR Brand, promoting its integration into the surrounding society. This integration is reflected by the thousands of people that have visited the park throughout its four opening periods.

The “Adventure Park” is a recreational space for leisure and training, open to the Citizens of the Metropolitan Area of Porto, particularly the surrounding Communities, which offers several infrastructures such as a Playground, an Extreme Park with equipment for the practice of adventure sports, walking and cycling routes, among others.

LIPOR has created this park mainly to raise awareness amongst the population of the importance of physical activity, a healthy diet, respect for the environment, biodiversity and social activities. At a regional level, there’s no other venue with such an environmental and social value, so it must be preserved, monitored and innovated.

91,683 people have already visited the Park since its opening. In 2014, the Park received 35,817 visitors and 228 activities were held there.



## EQUALITY OF OPPORTUNITY

Equality of opportunity is regarded by LIPOR as being essential to create a positive working environment and promote unity among Employees. As such, all policies that guide the Organisation's action defend this principle on a daily basis, regardless of gender, age, race, religion, disabilities and/or sexual preference, and this stance is also incorporated in the Ethics Code.

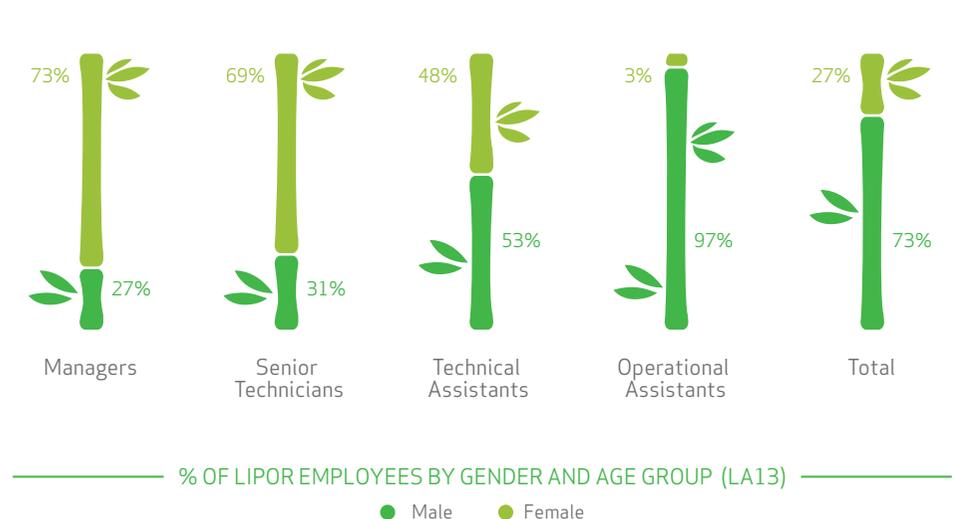
The following tables show the composition of LIPOR's human resources, which reflects the equality practiced within the Organisation: (LA13)

### GENDER AND AGE GROUP OF LIPOR'S EMPLOYEES

				18-24 YEARS		25-29 YEARS		30-34 YEARS		35-39 YEARS		40-44 YEARS		45-49 YEARS		50-54 YEARS		55-59 YEARS		60-64 YEARS		> 65 YEARS	
	M	F	TOTAL	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F
Managers	3	8	11	0	0	0	0	0	0	0	1	1	6	0	1	1	0	0	0	1	0	0	0
Senior Technicians	11	25	36	0	0	0	0	2	8	6	10	2	7	0	0	0	0	1	0	0	0	0	0
Technical Assistants	21	19	40	0	0	0	2	8	3	8	7	1	2	1	1	2	0	1	3	0	1	0	0
Operational Assistants	115	4	119	0	0	16	0	14	0	8	2	16	0	18	1	24	0	16	0	3	1	0	0
<b>Total</b>	<b>150</b>	<b>56</b>	<b>206</b>	<b>0</b>	<b>0</b>	<b>16</b>	<b>2</b>	<b>24</b>	<b>11</b>	<b>22</b>	<b>20</b>	<b>20</b>	<b>15</b>	<b>19</b>	<b>3</b>	<b>27</b>	<b>0</b>	<b>18</b>	<b>3</b>	<b>4</b>	<b>2</b>	<b>0</b>	<b>0</b>

There's still a high number of men in the "Operational Assistants" category, while women prevail in other categories, such as "Managers" and "Senior Technicians". (LA13)

Being aware that Family is Society's fundamental element, LIPOR regards maternity and paternity as social values inherent to its Social Responsibility policy. (LA15)



	M	F	TOTAL
No. of Employees entitled to Maternity or Paternity leave	4	6	10
No. of Employees on Maternity or Paternity leave	2	0	2
No. of Employees who returned to work after taking a Maternity or Paternity leave	2	6	8
No. of Employees still working at LIPOR 12 months after the end of their Maternity or Paternity leave*	5	1	6
On Maternity or Paternity leave	0	2	2
Still working at LIPOR 12 months after the end of the Maternity or Paternity leave	1	5	6
Entitled to take Maternity or Paternity leave	6	4	10
Returned to work after taking a Maternity or Paternity leave	6	2	8

\* Calculation based on the 2013 database

## HUMAN RIGHTS PERFORMANCE INDICATORS

*Within the scope of the Social Responsibility Management certification (SA 8000 Standard), issues regarding the purchase of goods were properly addressed, being also associated with LIPOR's value chain.*

In this sense, LIPOR has defined a Conduct Code that urges its Suppliers to commit themselves to the inherent principles of the Organisation's Social Responsibility. All of LIPOR's current and potential Suppliers must commit to the Suppliers Conduct Code, by signing a "Statement of Commitment".

The Conduct Code and Statement of Commitment are sent when there's a €10,000 or higher supply or set of supplies. All Suppliers below this value are exempt.

When a Supplier reaches €10,000, a warning system of the computer application for Expenditure informs the Purchasing and Supply Division (DCA) accordingly.

The Supplier shall return to LIPOR the Statement of Commitment, duly signed and stamped, within the deadline defined when the statement is sent. The DCA is responsible for checking the database for suppliers/subcontractors which haven't met the deadline, and contacts them by telephone, and then in written form, asking them to send the statement.

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

2014 was the 3<sup>rd</sup> year of the 2<sup>nd</sup> certification cycle. This year's analysis revealed that 450 suppliers traded with LIPOR, 88 of which being associated with sales amounting to €10,000 or more. As a result, 46 Conduct Codes and corresponding Statements of Commitment were sent, having LIPOR received back all Statements of Commitment duly signed and stamped by the respective Suppliers and Subcontractors (100%). (HR1)

*A Supplier and Subcontractor Control Programme is developed every year, bearing in mind the classification given to suppliers based on the three following criteria:*

- ① provides services within LIPOR's scope of activity;
- ② provides services within LIPOR's facilities;
- ③ was assessed within the last supplier performance evaluation(s).

*After the allocation of these criteria and the classification of the Suppliers (A, B and C), the type of control to perform is defined:*

- Ⓐ classified with 3 criteria: subject to second-party audit (by an external entity);
- Ⓑ classified with 2 criteria: subject to self-diagnosis and/or visit;
- Ⓒ classified with 1 criterion: no action.



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

As far as audited Suppliers are concerned, LIPOR sends them the audit report, including results. LIPOR also performs a Supplier Performance Evaluation. In 2014 (1<sup>st</sup> semester and 2<sup>nd</sup> semester), 140 Suppliers were evaluated, which corresponds to 31.1% of all of LIPOR's Suppliers.

The following table shows the types of evaluation and the number of Suppliers involved in the Supplier and Subcontractor Control Programme. (HR2)

2014	
Second-party audits (Clece and Strong)	2
Visits (LIPOR facilities)	4
Meetings	7
<b>Total</b>	<b>13</b>

Within the scope of internal procedures and policies regarding Human Rights, LIPOR has promoted several internal training sessions on Sustainability, Social Responsibility (including the AA1000APS (2008) Standard) and the Ethics Code, which were attended by 220 Employees from LIPOR's several areas, including Clece and CEI (Employment-Inclusion Contract) Employees, thus corresponding to a participation rate of 95.7%. (HR3)

With the implementation of the SA 8000 standard, LIPOR has reinforced its mechanisms for the control and promotion of responsible and ethically correct labour conducts, regarding areas like non-discrimination, the rejection of child or forced and compulsory labour, equality of opportunity, occupational health, safety and hygiene, freedom of association and the right of collective bargaining, equality in remuneration and transparency in disciplinary proceedings.

In this context, LIPOR has internal mechanisms that allow any Employee to make an anonymous report or express any concern, namely through the "suggestion boxes" or the Employee Representative (Emanuel Maia), who acts as a pivotal element between Employees and the Management, for Social Responsibility issues.

In 2014, two complaints/concerns were presented by two anonymous Employees through the suggestion boxes, reporting discrimination in the inspection of the operational Employees' lockers. These reports resulted in a noncompliance within the scope of the external audit performed to the Social Responsibility Management System. As a consequence, LIPOR has implemented several corrective actions in order to prevent these situations from happening again. (HR4) (HR11)

According to the standard, LIPOR promotes and applies these mechanisms among its direct Employees, but also its Suppliers. Within the audits made in the past years to its main Suppliers, no noncompliances have been found, only improvement opportunities. It is also important to mention that one of LIPOR's main Suppliers, which operates one of its Units, also has the SA 8000 standard certification. So, we can conclude that 100% of LIPOR's operations have been subject to assessments and reviews regarding Human Rights. (HR10)



## EUROPEAN WEEK FOR WASTE REDUCTION

### DID YOU KNOW THAT...

During the European Week for Waste Reduction, LIPOR has registered more than **320 actions** in all its associated Municipalities, destined for different target audiences, and approaching several thematic intervention axes (Organic Waste, Recyclable Waste, Waste Electrical and Electronic Equipment, and Awareness).

## SOCIETY INDICATORS

### CORRUPTION

*The Social Responsibility policy adopted by LIPOR also includes the commitment to voluntarily define principles that ensure integrity, preventing corruption cases.*

Among many measures implemented to promote ethics and inhibit corruption, we can highlight the Ethics Code, known by all of LIPOR's Employees, which clearly states that corruption is not tolerated within the Organisation and that each person must adopt a proper behaviour, in order to reduce possible risks, including corruption risk, linked to the duties performed.

LIPOR's Board of Directors has approved the "Corruption Risk and Related Offences Management Plan", as a support mechanism for the management of anti-corruption measures, which is in accordance with the guidelines set by the Portuguese Corruption Prevention Council (CPC) (created by Law no. 54/2008 of 4 September). The Council has identified 4 areas as being more susceptible to corruption or a related offence:

- Public Procurement,
- Granting of Benefits,
- Human Resources and
- Financial Management.

The Organic Units included in the Plan are those that, bearing in mind LIPOR's Organigram and their tasks, established in the Internal Regulation, are directly linked to the 4 areas identified by the CPC, i.e.:

- Education, Communication and Institutional Relations Department
- Purchasing and Supply Division
- Operations, Maintenance and Construction Division (which is integrated in the Productions and Logistics Department)
- Human Resources and Training Division (which is integrated in the Administration, Finance and Management Control Department)
- Audit, Total Quality and Sustainability Office
- Association's Bodies Assistance and Legal Office

The risks related to corruption within the other Organic Units – Organic Recovery Division; Multimaterial Recycling Division; Energy Recovery and Technical Confinement Division (which are integrated in the Productions and Logistics Department and are operational areas) and the Computer Services and Information Technology Office – are verified and audited through other regulations, such as the Ethics Code. In fact, all Organic Units (100%) mentioned were subjected to risk evaluation regarding corruption.

49 risks were identified within the scope of LIPOR's "Corruption Risk and Related Offences Management Plan". As a result of the Annual Report, concrete measures were devised in order to eliminate or mitigate the identified risks.

The Annual Evaluation Report for the Corruption Risk and Related Offences Management Plan for 2014 was approved by LIPOR's Board of Directors, at its meeting on 9<sup>th</sup> February 2015, and was already sent to the Corruption Prevention Council, for information purposes.

In addition to these internal documents and mechanisms, it is also worth mentioning the European Code of Good Administrative Behaviour, as well as the Portuguese Disciplinary Statute for Employees in Public Service and the Legal System of Employment Contract in Public Service. (S02 e S04)

In the context of the previously described mechanisms, in 2014 no specific training actions on corruption were provided to LIPOR's Employees, however, this theme is approached in the training sessions regarding the Ethics Code and integrated in the Social Responsibility Management System, which approaches and explains these issues to all Employees. (S03)

## PUBLIC POLICIES

*A bold and multidisciplinary project like LIPOR cannot be developed without cooperation.*

*Based on this principle, LIPOR strongly invests in the cooperation and engagement with national and international entities and institutions. The conjoint efforts and sharing of experiences between several entities facilitate the fulfilment of the defined goals, increase our chances of success and allow us to respond more quickly.*

LIPOR is always aware of community developments in terms of environment, and particularly waste, thus developing an international approach that involves closer connections with Associations and Institutions and the participation in work groups, which advise the Central Government and the European Union regarding different themes related to Waste Management. The exchange of experiences contributes to the implementation of new projects.

In this context, LIPOR demonstrates its position regarding public policies through the national and international Associations it is part of, within the Waste sector. These Associations do not impose agreements, they strive for the promotion

and stimulation through legislation of relevant environmental issues and good practices within Waste Management. To find out the national and international Associations LIPOR is part of, within the

👉 **Waste sector, please visit the page:**  
<http://www.lipor.pt/pt/a-lipor/quem-somos/parcerias/> (S05)

Considering that LIPOR is a Municipalities Association and the members of the Board of Directors represent different political sectors and interests, it does not contribute to any parties or politicians, thus preserving its independence. That is, as a public entity, LIPOR is legally prohibited and does not make any financial and/or in kind contribution to political parties, politicians or related institutions. (S06)

Bearing in mind the Organisation's past, which implied big investments to recover environmental liabilities in the 90's, LIPOR takes special caution when implementing new infrastructures and using the existing ones, in order not to cause a significant impact on the surrounding Communities.

In this context, the thorough control of gas emissions (see EN20 – enclosed), liquid effluents (see EN21), noise and odour within the units has been a fundamental analysis parameter so that LIPOR can take measures to avoid or minimise impacts, reduce environmental damage and, consequently, reduce costs associated with its remediation or correction.

On the other hand, initiatives like the **Green Saturdays**, when LIPOR opens the doors of its units to the Community, and Adventure Park made it possible to establish a close relationship with the Local Community, thus facilitating communication between both parties.

*In 2013, the cooperation in the "Tinto River Project" reinforced the Biodiversity and Social Responsibility component of LIPOR's strategy, as this project implies the definition of measures to recover the river and its banks, and the participation of numerous local partners, including the Community.*

At LIPOR II, in Maia, the Energy Recovery Plant's operation is monitored by a Commission which is coordinated by the Portuguese Environment Agency (APA), and this work is supported by an External Monitoring Programme (PMExt) that assesses the environmental, psychosocial and public health situation in the surrounding area. There's also a local bodies Commission, including the Municipality of Maia itself, which monitors the project from the beginning.

It is, in fact, safe to conclude that LIPOR's current activity doesn't involve industrial operations and Communities with negative impacts, and the same applies to planned future operations, such as the new Landfill of Laúndos: the local accessibility improvement works were done even

before the beginning of the construction of the Landfill, a former waste dump was rehabilitated and an ultralight runway was built there, all legal obligations have been thoroughly fulfilled, and there's also been an effort to keep a close relationship with the local Community. Therefore, as operations show no significant negative impacts, there has been no need to implement specific prevention and mitigation measures. Nevertheless, LIPOR's strategy includes the adoption of management policies and practices aiming at environmental protection, transparency of action, and involvement and communication with its Stakeholders, as it is clear throughout this report.

It should also be noted that the concern for local Communities and the success of the work done are proven by the almost inexistence of complaints by the population and the high levels of recognition and approval of the work done by the Organisation revealed in several studies performed in the past years. There were, however, two complaints regarding the Energy Recovery Plant, reporting unpleasant odours.

Indeed, on the occasion of these complaints, several circumstances occurred that might have contributed to them as, due to its nature and activity, the Energy Recovery Plant (LIPOR II) is subject to very specific conditions that require shutdown periods for preventive maintenance purposes. In this context, after 15 years of operation, a longer (2-month) maintenance shutdown was necessary, resulting in more waste being disposed of in landfill than usual.

LIPOR has defined and implemented corrective measures regarding both complaints, in order to minimise the impact of this abnormal waste disposal in landfill. Nevertheless, it should be mentioned that the ISO 14001 certification includes the identification of significant environmental aspects and no significant impacts on local Communities have been reported. (S09 e S010)



## PRODUCT RESPONSIBILITY PERFORMANCE INDICATORS

### NUTRIMAIS

*Being focused on Excellence, LIPOR regards the quality of its products as a fundamental factor for differentiation, in order to maintain its business. Therefore, it is important to analyse all stages of the product life cycle, bearing in mind the possible environmental impact of the product in a certain stage of its life cycle.*

That being said, the product that requires such attention is the Nutrimais Compost, sold as powder or in granular form. This product is certified by the accrediting entity SATIVA for use as a factor of production in Organic Farming.

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

On the other hand, all parameters which are fundamental to the process are continuously controlled (humidity, oxygen, temperature), thus obtaining better results, but taking into account that the product life cycle is a natural process and, as such, difficult to change.

Bearing this in mind, improvements in the life cycle are not assessed, namely in production methods aiming at the reduction of its hazardous content, as it is already almost non-existent. (PR1)

As far as labelling is concerned, NUTRIMAIS Compost complies with all specifications of Order no. 1322/2006 of 24 November, namely the labelling instructions in Annex III, which stipulates the identification information that must be included in labels. In addition to the information conveyed in labels, LIPOR provides to its Customers an advice and prescription service regarding compost.

This way, in 2012, we managed to renew the marketing authorisation for the NUTRIMAIS fertilising matter, according to the legislation in effect. (PR3 e PR4)

During 2014, no noncompliances with legislation or the requirements of the mentioned standards were reported, regarding the impact of products and services on Consumer health and safety during their life cycle, by type of product and incident. (PR2)

In 2013, LIPOR has joined the “Portugal Sou Eu” (Portugal Is Me) project, thus associating this brand to the NUTRIMAIS product range. By doing so, LIPOR has associated itself to the movement to promote the “Portugal” brand and, in this particular case, to encourage national consumers to prefer products and brands that generate added value for the country, thus stimulating the national economy, reducing imports and raising the Portuguese self-esteem, as many high quality products are produced in Portugal.

The organic improvers produced by LIPOR (NUTRIMAIS - powder or granules and NUTRIMAIS for Organic Farming - powder or granules) are still sold directly to distributors and, occasionally, disseminated through specialised magazines. (PR6)

## CUSTOMER SATISFACTION ASSESSMENT

*Customer satisfaction is a factor that allows companies to stay on the market, by conquering their commercial partners and promoting their loyalty. Therefore, LIPOR still considers this aspect to be a success indicator, thus including once again its assessment in its objectives.*

The quality assessment of the products and services LIPOR provides through its several areas provides knowledge on tendencies and allows the definition of strategies that can fulfil the Customers’ needs and expectations, thus improving the critical aspects identified by them.

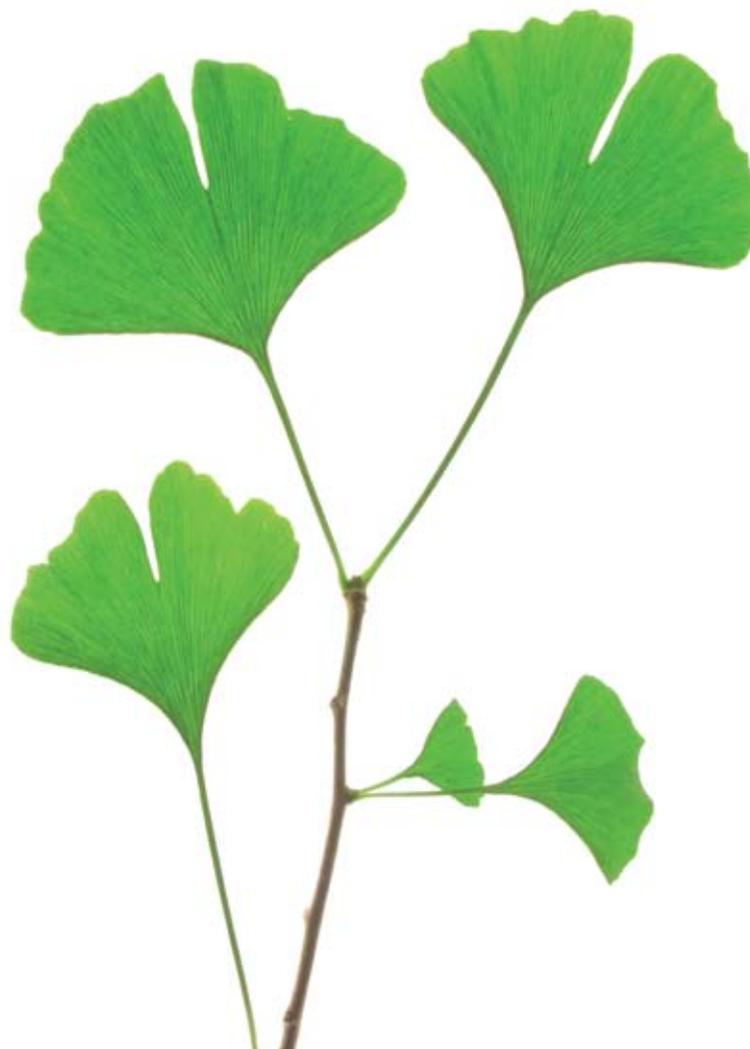
In this context, Customer satisfaction monitoring and actions to effectively handle dissatisfied Customers are still fundamental to reinforce these relationships.

So, following work done in previous years, in October 2014, the usual “Annual LIPOR Customer Satisfaction Assessment Survey” was performed by an external and independent entity, DOMP, through telephone interviews.

This study included the analysis of overall levels of Customer satisfaction, as well as the gathering of results by area of activity, using a tool based on the FM-SERVQUAL model. FM-SERVQUAL integrates the levels of Customer satisfaction and the coordination in one component of space, infrastructures, people and the Organisation itself. The study revealed an overall level of satisfaction of 4.52 (scale of 0 to 5), so Customer satisfaction increased as compared with 2013 (4.41). (PR5)

## COMPLAINTS

LIPOR's Complaints Centre, which is under the responsibility of the Audit, Total Quality and Sustainability Office (GASQT) for some years, received 25 complaints in 2014 (13 less than in 2013). From all reported situations, only two were considered actual complaints, resulting in the definition and implementation of corrective actions. All situations were analysed by the Complaints Centre and respective areas, in order to correct such situations or justify the action that caused the dissatisfaction. (PR5)



## OBJECTIVES 2014

To promote 30 volunteer actions from SEMENTE – LIPOR Volunteers Association, with LIPOR's support **100%**

To implement the “Zero Tolerance” project, with the purpose of updating hazard identification and risk assessment **64%**

To achieve an application rate regarding the Competency-based Management project **84%**

## OBJECTIVES 2015

To fully implement the “Safe Behaviour” safety project

To achieve a satisfaction index of **4.2** regarding Environmental Communication and Education activities

To achieve a level of execution of **80%** regarding the Internal Social Responsibility Plan



# COMPLEMENTARY INFORMATION





To the board of Directors of  
LIPOR – Serviço Inter municipalizado de Gestão de Resíduos do Grande Porto

**Independent assurance report  
of the Sustainability Report 2014  
(Free translation from the original in Portuguese)**

**Introduction**

In accordance with the request of the board of Directors of LIPOR – Serviço Inter municipalizado de Gestão de Resíduos do Grande Porto (LIPOR), we performed an independent assurance of the 'Sustainability Report 2014' (Report). Independent assurance was performed according to instructions and criteria established by LIPOR, as referred in the Report, and according to the principles and extent described in the Scope below.

**Responsibility**

LIPOR's Board of Directors is responsible for all the information presented in the Report, as well as for the assessment criteria and for the systems and processes supporting information collection, consolidation, validation and reporting. Our responsibility is to conclude on the adequacy of the information, based upon our independent assurance standards and agreed reference terms. We do not assume any responsibility over any purpose, people or organization.

**Scope**

Our procedures were planned and executed using the International Standard on Assurance Engagements 3000 (ISAE 3000) and having the Global Reporting Initiative, version 3.1 (GRI3.1) and AA1000APS Accountability Principles Standard 2008 as reference, in order to obtain a moderate level of assurance on both the performance information reported and the underlying processes and systems. The extent of our procedures, consisting of inquiries, analytical tests and some substantive work, was less significant than in a full audit. Therefore, the level of assurance provided is also lower. It was also considered the AA1000 Assurance Standard (2008), type 2 engagement, for a moderate level of assurance.

For the GRI3.1 and AA1000 Accountability Principles Standard (2008), our work consisted on the verification of the management's self-declaration on the application level of the GRI3.1 and level of adherence to the AA1000APS principles.

The following procedures were performed:

- (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) Identify the existence of internal management procedures leading to the implementation of economic, environmental and social policies;
- (iii) Testing the efficiency of process and systems in place for collection, consolidation, validation and reporting of the performance information previously mentioned;

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- (iv) Confirming, through visits to sites, that operational units follow the instructions on collection, consolidation, validation and reporting of performance indicators;
- (v) Executing substantive procedures, on a sampling basis, in order to collect sufficient evidence to validate reported information;
- (vi) Comparing financial and economic data with the audited by the external financial auditor to assess on the external validation of the information reported and;
- (vii) Assess the level of adherence to the principles of inclusivity, materiality and responsiveness set by AA1000APS, by analyzing the contents of the report and the internal stakeholder engagement plan in accordance with AA1000APS; and
- (viii) Confirming the existence of data and information required to reach level A of compliance with GRI3.1, self-declared by LIPOR on the Report.

**Confidentiality and Independence**

Internally, PwC SROC is governed by ethical and deontological rules of confidentiality and independence quite rigid. Thus, in all aspects of our collaboration, the Firm and its employees maintain strict confidentiality of information obtained in the performance of their duties and complete independence regarding the interests of LIPOR.

Additionally, we develop our work in line with standard ISAE 3000 independence requirements, including compliance with PwC's independence policies and code of ethics of the International Ethics Standards Board of Accountants (IESBA).

**Conclusions**

Based on our work described in this report, nothing has come to our attention that:

- Causes us to believe that internal control related to the collection, consolidation, validation and reporting of the performance information referred above is not effective, in all material respects. Based on our examination of the Report and Guidelines GRI3.1, with the assumptions included in the scope, we conclude that the Report includes the data and information required for the level A, according to GRI3.1;
- Causes us to believe that LIPOR does not apply, in material aspects, the principles of inclusivity, materiality and responsiveness, defined in the AA1000APS (2008) standard.

**Comments/Remarks**

According to AA1000APS (2008) standard, we present the main observations regarding the adherence of LIPOR to the principles of AA1000APS (2008) standard:

- Principle of inclusivity: LIPOR revised, in 2014, the stakeholder mapping and conducted a consultation process in terms of sustainability (called Multistakeholder Forum), which results were reported in the sustainability report. Additionally, LIPOR has several periodic and continuous communication/engagement mechanisms with its stakeholders, thus ensuring regular interaction with them. These mechanisms, as well as their periodicity, are publicly disclosed in the sustainability report. The main engagement processes that support the Sustainability Strategy of LIPOR, such as the mapping, prioritization and the review of the consultation and engagement mechanisms with stakeholders are carried out in a continuous manner and are subject to periodic reviews (biannual).



- Principle of materiality: LIPOR periodically reviews the materiality of sustainability issues in which focus its management and communication, using objective criteria and processes for the purpose. LIPOR conducted in 2014, a new stakeholder consultation, in order to assess the relevant sustainability issues, which results were disclosed to all stakeholders in the sustainability report.
- Principle of responsiveness: LIPOR seeks to address the information needs and concerns of its stakeholders and define sufficient mechanisms for this purpose. The adoption of international standards and guidelines of reference in its management and reporting of information ensures the comprehensiveness and relevance of sustainability information managed and communicated. It is recommended to maintain the current regular monitoring of the alignment of the sustainability report with the issues identified as relevant in this matter, in order to ensure an adequate adaptation to organizational changes and business.

Lisbon, May 29<sup>th</sup> 2015

PricewaterhouseCoopers & Associados, S.R.O.C., Lda.

Represented by

António Joaquim Brochado Correia, ROC



# SUMMARY OF THE CONTENTS OF GLOBAL REPORTING INITIATIVE GUIDELINES

*This Sustainability Report was elaborated according to the Global Reporting Initiative Guidelines (GRI G3.1).*



We will now present a Reference Table for GRI G3.1 Indicators, with reference to the pages where information regarding each indicator can be found.

REFERENCE	INDICATOR	Location or Report
<b>PROFILE</b>		
<b>STRATEGY AND ANALYSIS</b>		
1.1	Message from the Chairman of LIPOR's Board of Directors.	Message from the Chairman of LIPOR's Board of Directors - page 3
1.2	Key Impacts, Risks and Opportunities.	Message from the Chairman of LIPOR's Board of Directors - page 3 Materiality Analysis - page 18 Organisational Objectives - page 23
<b>ORGANISATIONAL PROFILE</b>		
2.1	Name of the organisation.	Brief Presentation - page 8
2.2	Primary brands, products and/or services.	Brief Presentation - page 8
2.3	Operational structure of the organisation, including main divisions, operational units, subsidiaries and joint ventures.	Brief Presentation - page 8 Corporate Governance - page 13 and LIPOR portal: <a href="http://www.lipor.pt/pt/a-lipor/quem-somos/o-governo-da-organizacao/">http://www.lipor.pt/pt/a-lipor/quem-somos/o-governo-da-organizacao/</a> Organigram - page 14
2.4	Location of the organisation's headquarters.	Brief Presentation - page 8
2.5	Número de países em que a organização opera e nome dos países em que as suas principais operações estão localizadas ou são especialmente relevantes para as questões de sustentabilidade cobertas pelo relatório.	Brief Presentation - page 8
2.6	Nature of ownership and legal form.	Corporate Governance - page 13 and LIPOR portal: <a href="http://www.lipor.pt/pt/a-lipor/quem-somos/o-governo-da-organizacao/">http://www.lipor.pt/pt/a-lipor/quem-somos/o-governo-da-organizacao/</a>
2.7	Markets served.	Brief Presentation - page 8
2.8	Scale of the organisation.	Brief Presentation - page 8
2.9	Significant changes during the reporting period regarding its size, structure or ownership.	Corporate Governance - page 13 and LIPOR portal: <a href="http://www.lipor.pt/pt/a-lipor/quem-somos/o-governo-da-organizacao/">http://www.lipor.pt/pt/a-lipor/quem-somos/o-governo-da-organizacao/</a>
2.10	Awards received in the reporting period.	Awards - page 9
<b>REPORT PARAMETERS</b>		
<b>REPORT PROFILE</b>		
3.1	Reporting period (e.g., fiscal or calendar year).	Background - page 6
3.2	Date of most recent previous report (if any).	Background - page 6
3.3	Reporting cycle (annual, biennial, etc.).	Background - page 6
3.4	Contact point for questions regarding the report or its contents.	Background - page 6
<b>REPORT SCOPE</b>		
3.5	Process for defining Report content.	Background - page 6 Materiality Analysis - page 18

REFERÊNCIA	INDICADOR	LOCALIZAÇÃO OU REPORTE														
3.6	Boundary of the Report.	Background – page 6 Brief Presentation – page 8														
3.7	Other specific limitations.	Background – page 6 Corporate Governance – page 13 and LIPOR portal: <a href="http://www.lipor.pt/pt/a-lipor/quem-somos/o-governo-da-organizacao/">http://www.lipor.pt/pt/a-lipor/quem-somos/o-governo-da-organizacao/</a>														
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, subcontracted operations and other organisations that can significantly affect comparability from period to period and/or between organisations.	Background – page 6 Brief Presentation – page 8														
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the indicators and other information in the report.	Except for some cases duly identified throughout the report, this information is available in the Methodological Notes – page 98														
3.10	Explanation of the nature and effect of any restatements of information provided in earlier reports and the reasons for such restatement.	Some exceptions duly identified throughout the Report.														
3.11	Significant changes from previous reporting periods in the scope, boundary or measurement methods applied in the report.	Stakeholders – page 15 Materiality Analysis – page 18 Methodological Notes – page 98														
<b>SUMMARY OF GRI CONTENTS</b>																
3.12	Table that identifies the location of the information conveyed in the Report according to GRI.	Summary of the Contents of Global Reporting Initiative (GRI) Guidelines – page 58														
<b>VERIFICATION</b>																
3.13	Policies and current practices regarding the external verification of the Report.	Background – page 6 Verification Report – page 57														
<b>GOVERNANCE, COMMITMENTS AND ENGAGEMENT</b>																
<b>GOVERNANCE</b>																
		Corporate Governance – page 13 and LIPOR portal: <a href="http://www.lipor.pt/pt/a-lipor/quem-somos/o-governo-da-organizacao/">http://www.lipor.pt/pt/a-lipor/quem-somos/o-governo-da-organizacao/</a>														
		<b>CONSTITUTION OF LIPOR'S MANAGEMENT:</b>														
4.1	Governance structure of the organisation, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organisational oversight.	<table border="1"> <thead> <tr> <th rowspan="2">Gender within the Management</th> <th colspan="2">2014</th> <th rowspan="2">Total</th> </tr> <tr> <th>Men</th> <th>Women</th> </tr> </thead> <tbody> <tr> <td>Intermunicipal Assembly</td> <td>19</td> <td>5</td> <td>24</td> </tr> <tr> <td>Board of Directors</td> <td>6</td> <td>2</td> <td>8</td> </tr> </tbody> </table> <p>The Board of Directors' members are also members of the Intermunicipal Assembly</p>	Gender within the Management	2014		Total	Men	Women	Intermunicipal Assembly	19	5	24	Board of Directors	6	2	8
Gender within the Management	2014			Total												
	Men	Women														
Intermunicipal Assembly	19	5	24													
Board of Directors	6	2	8													
4.2	Indication of whether the Chairman of the highest governance body is also an executive officer (and, if so, his or her function within the organisation's management and the reasons for this arrangement).	The Chairman of the Board of Directors is not the Executive Officer of the Organisation. The Board of Directors has delegated this function to the Chief Executive Officer.														
4.3	For organisations that have a unitary board structure, indication of the number of members of the highest governance body that are independent or non-executive members.	The members of LIPOR's Board of Directors are not independent, as they have direct interest in the Organisation. None of these Directors has an executive function, as they delegate the Organisation's daily tasks to the Chief Executive Officer.														
4.4	Mechanisms for shareholders and employees to provide recommendations to the highest governance body.	Corporate Governance – page 13 and LIPOR portal: <a href="http://www.lipor.pt/pt/a-lipor/quem-somos/o-governo-da-organizacao/">http://www.lipor.pt/pt/a-lipor/quem-somos/o-governo-da-organizacao/</a> The Stakeholders – page 15 Materiality Analysis – page 18														

REFERENCE	INDICATOR	LOCATION OR REPORT
4.5	Linkage between remuneration for members of the highest governance body, executive officers and other executives (including termination agreements) and the organisation's performance (including social and environmental performance).	Corporate Governance – page 13 and LIPOR portal: <a href="http://www.lipor.pt/pt/a-lipor/quem-somos/o-governo-da-organizacao/">http://www.lipor.pt/pt/a-lipor/quem-somos/o-governo-da-organizacao/</a>
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Corporate Governance – page 13 and LIPOR portal: <a href="http://www.lipor.pt/pt/a-lipor/quem-somos/o-governo-da-organizacao/">http://www.lipor.pt/pt/a-lipor/quem-somos/o-governo-da-organizacao/</a> LIPOR's Vision, Mission and Values and Ethics Code - page 10 Social Performance - Society Indicators (SO2) - page 52
4.7	Process for determining the constitution, qualifications and expertise of the members of the highest governance body, including any considerations regarding gender and other diversity indicators.	Corporate Governance – page 13 and LIPOR portal: <a href="http://www.lipor.pt/pt/a-lipor/quem-somos/o-governo-da-organizacao/">http://www.lipor.pt/pt/a-lipor/quem-somos/o-governo-da-organizacao/</a> As the process is political, there's no advantage in determining the qualifications and expertise of the members of the Board of Directors.
4.8	Internally developed statements of mission or values, conduct codes and principles relevant to economic, environmental and social performance and the status of their implementation.	LIPOR's Vision, Mission and Values and Ethics Code - page 10 Social Performance - Society Indicators - page 52
4.9	Procedures of the highest governance body for overseeing the organisation's identification and management of economic, environmental and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, conduct codes and principles.	Corporate Governance – page 13 and LIPOR portal: <a href="http://www.lipor.pt/pt/a-lipor/quem-somos/o-governo-da-organizacao/">http://www.lipor.pt/pt/a-lipor/quem-somos/o-governo-da-organizacao/</a>
4.10	Processes for self-evaluation of the highest governance body's own performance, particularly with respect to economic, environmental and social performance.	Corporate Governance – page 13 and LIPOR portal: <a href="http://www.lipor.pt/pt/a-lipor/quem-somos/o-governo-da-organizacao/">http://www.lipor.pt/pt/a-lipor/quem-somos/o-governo-da-organizacao/</a> Organisational Objectives - page 23
<b>COMMITMENTS TO EXTERNAL INITIATIVES</b>		
4.11	Explanation of whether and how the precautionary principle is addressed by the organisation.	Stakeholders – page 15 Materiality Analysis – page 18 Consultation mechanisms, their main cause and the consequent effect (SO1) - page 20
4.12	Externally developed economic, environmental and social charters, principles, or other initiatives to which the organisation subscribes or endorses.	LIPOR subscribes to the Aalborg Charter, the Charter of European Cities & Towns Towards Sustainability. This occurred within the scope of the promotion of the "Sustainable Future" project and the implementation of Local Agenda 21 processes in the Parishes within LIPOR's area of intervention.
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organisations.	Social Performance - Society Indicators (SO5) - page 53 Stakeholders – page 15 Consultation mechanisms, their main cause and the consequent effect (SO1) - page 20 or LIPOR portal: <a href="http://www.lipor.pt/pt/a-lipor/quem-somos/parcerias/">http://www.lipor.pt/pt/a-lipor/quem-somos/parcerias/</a>
<b>STAKEHOLDER INVOLVEMENT</b>		
4.14	Main stakeholders of the organisation.	Stakeholders – page 15 Materiality Analysis – page 18 Consultation mechanisms, their main cause and the consequent effect (SO1) - page 20
4.15	Basis for identification and selection of the main stakeholders.	Stakeholders – page 15 Materiality Analysis – page 18 Consultation mechanisms, their main cause and the consequent effect (SO1) - page 20
4.16	Approaches to stakeholder involvement, including frequency, by type of stakeholder.	Stakeholders – page 15 Materiality Analysis – page 18 Consultation mechanisms, their main cause and the consequent effect (SO1) - page 20
4.17	Key topics and concerns that have been raised by stakeholders as a result of their involvement, and how the organisation responds to those topics and concerns.	Materiality Analysis – page 18

# ECONOMIC INDICATORS

## ECONOMIC PERFORMANCE

KEY POINTS	APPROACH	COMMENTS
OBJECTIVES AND PERFORMANCE	<p>As a Municipalities Association, LIPOR's purpose is not to obtain profit, however, it has been developing a strategy to optimise its performance and decrease its dependence on the fees charged to Municipalities. In this context, it is worth mentioning the Kaizen Team project, which is being developed by internal technicians and involves the entire organisation, aiming at the improvement of operational efficiency, and the implementation of the ISO 50001 - Energy Management Standard in LIPOR's facilities in Baguim do Monte, under its direct responsibility, with the purpose of increasing energy efficiency.</p> <p>In order to ensure the Organisation's economic sustainability, there's a Balance Tariff that reflects the real costs of waste management.</p> <p>Each associated Municipality charges its citizens a Waste Fee, which is usually included in the water bill and allows municipal waste management according to national and European laws.</p> <p>In 2014, although Turnover decreased 4.9%, the Operating Cash Flow increased 14.0% in comparison with the previous year, which shows the Organisation's effort to optimise its operation. The Organisation's profits are invested in new infrastructures or equipment.</p> <p>An efficient cash flow management is essential to ensure economic balance.</p>	<p>Message from the Chairman of LIPOR's Board of Directors - page 3</p> <p>Economic Performance - page 24</p> <p>Economic Objectives - page 28</p> <p>Summary of the Contents of Global Reporting Initiative (GRI) Economic Indicators - page 58</p>
POLICY	<p>In spite of the economic constraints, LIPOR strives to promote employment at a local level, and its action has high impact on the development of the local community and of the region in which its facilities are located.</p> <p>In 2014, LIPOR maintained the certification of its Research, Development and Innovation Management System, according to the NP 4457 standard, which allows the management of several interfaces and interactions between scientific and technological knowledge, the organisation and its surroundings, aiming to:</p> <ul style="list-style-type: none"> <li>□ promote creativity, and foster and manage ideas and opportunities;</li> <li>□ efficiently monitor the organisation's interaction with the technological world, the market, the most recent innovations, patents, licences...;</li> <li>□ systematise RDI activities;</li> <li>□ make RDI project management more efficient and effective;</li> <li>□ adopt an RDI management model based on a policy and on objective management;</li> <li>□ in the past year, LIPOR has further invested in innovation and intends to use it as a management instrument.</li> </ul> <p>Due to its investment in innovation, the Organisation is considered a reference at a national and international level.</p>	<p>Brief Presentation - page 8</p> <p>LIPOR's Vision, Mission and Values - page 10</p>
ADDITIONAL INFORMATION	<p>LIPOR's constant effort to search for new solutions and optimise its internal processes led to the restructuring of the Sorting Plant in 2014. This was a fundamental project for the Organisation, as it allowed an increase in the productivity rate of the sorting operation, also raising the quality level of the final product. It also made possible a significant improvement of working conditions, ergonomics and thermal comfort.</p> <p>The Organisation's performance is still monitored using COGNOS, a Business Intelligence tool.</p>	

## ECONOMIC PERFORMANCE

INDICATOR		EXTERNAL VERIFICATION
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	Essential Verified
	Economic Performance - page 25 and 26	

INDICATOR		EXTERNAL VERIFICATION
EC2	Financial implications and other risks and opportunities for the organisation's activities due to climate change.	Essential Verified
	On 13 <sup>th</sup> April 2010, LIPOR publicly assumed a commitment to reduce its Carbon Footprint. This was a totally voluntary commitment, as the EU Emissions Trading System doesn't include the waste sector. When analysing this issue, LIPOR hasn't identified significant risks or opportunities for the Organisation, so there was no need to assess the financial implications and other risks and opportunities inherent to climate change.	

INDICATOR		EXTERNAL VERIFICATION
EC3	Coverage of the obligations regarding pension and benefit plans defined by the organisation.	Essential Verified
	LIPOR's Welfare System is covered by Social Security, so it doesn't have a specific Pension Plan for direct Employees, nor the obligations that such a plan would require.	

INDICATOR		EXTERNAL VERIFICATION
EC4	Significant financial assistance received from government.	Essential Verified
	Economic Performance - page 26	

## MARKET PRESENCE

INDICATOR		EXTERNAL VERIFICATION
EC5	Ratio of standard entry level wage compared to local minimum wage at significant operational units, by gender.	Additional Verified
	Economic Performance - page 28	

INDICATOR		EXTERNAL VERIFICATION	
EC6	Policies, practices and proportion of spending on locally-based suppliers at significant operational units.	Essential	Verified
Economic Performance - page 26			

INDICATOR		EXTERNAL VERIFICATION	
EC7	Procedures for local hiring and proportion of top management hired from the local community at significant operational units.	Essential	Verified
Economic Performance - page 28			

## INDIRECT ECONOMIC IMPACTS

INDICATOR		EXTERNAL VERIFICATION	
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in kind or pro bono engagement.	Essential	Verified
Economic Performance - page 27			

INDICATOR		EXTERNAL VERIFICATION	
EC9	Identification and description of significant indirect economic impacts, including the extent of those impacts.	Additional	Unverified
In 2014, no procedures were performed to identify indirect economic impacts.			

# ENVIRONMENTAL INDICATORS

## ENVIRONMENTAL PERFORMANCE

KEY POINTS	APPROACH	COMMENTS
	<p>LIPOR's Strategic Plan for Sustainable Waste Management 2007-2016 has guided all work performed by the Organisation. However, on 17<sup>th</sup> September, the Strategic Plan for Municipal Waste (PERSU 2020) was approved, through Order no. 187-A/2014, establishing a new vision, the objectives, global and specific goals for each Municipal Waste Management System, for 2014-2020, at a national level. Considering the ambitious levels of recycling and preparation for waste reuse that were established, LIPOR started to revise its Strategic Plan, in order to comply with this plan.</p>	Organisational Objectives - page 23
OBJECTIVES AND PERFORMANCE	<p>Within the scope of the legal framework LIPOR is subject to, the performance assessment of each Department and Office is based on a Framework for Assessment and Accountability (QUAR). So, the annual objectives defined for the Organisation are linked to the QUAR and are subject to regular assessment by the Management.</p> <p>The Management System inherently includes the aim to continuously improve the environmental performance and quality, as well as the safety and hygiene conditions in workplaces. Employees should also make a constant effort to safeguard this, as everyone involved is responsible for it, either directly or indirectly.</p> <p>The Integrated Quality, Environmental, Safety and Hygiene Management System (SIQAS) includes the establishment of annual objectives for each certified area. In general, the definition of objectives is based on the QUAR's objectives, the performance of the integrated system in the previous year and operational, procedural or legal changes that have an impact on the integrated system. According to the requirements of the Quality, Environmental, Safety and Hygiene standards, regular meetings are held with the Top Management, in order to keep track of the SIQAS objectives and analyse all relevant environmental issues, among others.</p> <p>Within the scope of its commitment to continuous improvement, in 2014, LIPOR has implemented the ISO 50001 - Energy Management standard.</p> <p>The Organisation's environmental performance is also monitored through the Global Reporting Initiative (GRI) indicators, the Water and Waste Services Regulation Authority (ERSAR), strategic objectives, among others.</p>	<p>The Strategic Plan for Sustainable Waste Management 2007-2016 is available at:  <a href="http://www.lipor.pt/fotos/editor2/pla-no_estrategico_2007_20016.pdf">http://www.lipor.pt/fotos/editor2/pla-no_estrategico_2007_20016.pdf</a></p> <p>Environmental Performance - page 29</p> <p>Environmental Objectives - page 40</p> <p>Summary of the Contents of Global Reporting Initiative Guidelines (GRI) - page 58</p>
POLICY	<p>LIPOR's Policy reflects its standards, the Board of Directors' commitment to ensure quality, pollution prevention, protection and defence of the environment, safety management, social responsibility and research, development and innovation.</p> <p>LIPOR strives every day to fulfil its Mission, Vision, Values and Quality, Environmental, Safety, Social Responsibility, Energy and Innovation Policy.</p>	<p>LIPOR's Quality, Environmental and Safety Policy is available at:  <a href="http://www.lipor.pt/pt/a-lipor/quem-somos/missao-visao-valores-e-politica/">http://www.lipor.pt/pt/a-lipor/quem-somos/missao-visao-valores-e-politica/</a></p> <p>LIPOR's Vision, Mission and Values - page 10</p>
ORGANISATIONAL RESPONSIBILITY	<p>The Chairman of LIPOR's Board of Directors has appointed the CEO (Dr. Fernando Leite) as the representative for the Management Systems, being supported by the Head of LIPOR's Audit, Total Quality and Sustainability Office (Eng.<sup>a</sup> Isabel Nogueira), in cooperation with the heads of LIPOR's remaining Departments, Offices and Divisions. Regarding the ISO 50001 - Energy Management standard, LIPOR has appointed Eng.<sup>o</sup> Pedro Oliveira to assist the CEO.</p>	<p>LIPOR's Organigram is available at page 14 or at:  <a href="http://www.lipor.pt/pt/a-lipor/quem-somos/organigrama/">http://www.lipor.pt/pt/a-lipor/quem-somos/organigrama/</a></p>
AWARENESS AND TRAINING	<p>The Awareness and Training area includes two well-defined areas: Training for employees and Environmental Education and Awareness for the general population.</p> <p>Regarding Employee Training, an Annual Training Plan is defined based on the assessment of the needs of the different areas and employees. The Training Plan includes specific training about environmental issues (e.g., legislation on waste), but also general issues. Environmental issues are also particularly relevant within the new employee welcoming process.</p> <p>Within the Environmental Education and Awareness area, LIPOR's action follows a Plan for Environmental Education - PEA - with the purpose of developing activities for the Community, based on three areas of intervention:</p> <ul style="list-style-type: none"> <li>□ LIPOR Educa (Educates): Actions and Initiatives intended to Schools;</li> <li>□ LIPOR (In)forma (Informs/Trains): Actions associated with training;</li> <li>□ LIPOR Interage (Interacts): Activities for the promotion of LIPOR's infrastructures within the Community.</li> </ul>	<p>For more information about the work done by DECRI, see LIPOR's web page at:  <a href="http://www.lipor.pt/pt/educacao-ambiental/">http://www.lipor.pt/pt/educacao-ambiental/</a></p>

# ENVIRONMENTAL INDICATORS

## ENVIRONMENTAL PERFORMANCE

KEY POINTS	APPROACH	COMMENTS
MONITORING AND FOLLOW-UP	<ul style="list-style-type: none"> <li>The work performed in 2014 enabled LIPOR to maintain its certifications regarding the Integrated Quality, Environmental, Safety and Hygiene, Social Responsibility and Innovation Management System (according to ISO 9001, ISO 14001, OHSAS 18001, SA 8000 and NP 4457 standards) and to implement the ISO 50001- Energy Management standard internally.</li> <li>These systems involve the definition of objectives, visit plans, (internal and external) audits, and reviews by the Top Management, aiming at a continuous system improvement.</li> </ul>	
ADDITIONAL INFORMATION	<ul style="list-style-type: none"> <li>In addition to the strict fulfilment of environmental legislation in effect applicable to the Organisation, an annual Environmental Diagnosis is performed in order to identify the main environmental risks (no new risks were identified in 2014) and improvement opportunities.</li> <li>LIPOR also has other specific work groups (Zero Carbon, Prevention, Innovation, Innovation Board and Strategic Reflection Group) that approach specific, transversal issues.</li> </ul>	<p>Environmental Performance – page 29</p> <p>The 2M Strategy case study is available in LIPOR's portal:</p> <p> <a href="http://www.lipor.pt/pt/sustentabilidade-e-responsabilidade-social/projetos-de-sustentabilidade/2m-menos-residuos-menos-carbono/">http://www.lipor.pt/pt/sustentabilidade-e-responsabilidade-social/projetos-de-sustentabilidade/2m-menos-residuos-menos-carbono/</a></p>

## MATERIALS

## INDICATOR

## EXTERNAL VERIFICATION

EN1	Materials used by weight or volume.	Verified
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Waste management involves the use of a wide range of materials.

The following tables show the materials used in each unit.

## ENERGY RECOVERY PLANT

USE OF REAGENTS	2012	2013	2014
Hydrated Lime (tons)	3 893	4 032	3 710
Urea (tons)	1 163	1 131	949
Activated Charcoal (tons)	181	207	199
Caustic Soda (tons)	27,6	22,9	17,7
HCl (tons)	38,7	38,4	23,6
Tripolyphosphate (tons) <sup>(1)</sup>	0,63	0,69	0,00
<b>RAW MATERIALS FOR PRODUCTION (TONS)</b>			
Unsorted waste	391 623	383 303	382 032

(1) The product is no longer needed due to a procedural change.

## AUXILIARY LANDFILL FOR CVE

REAGENTS OF THE WWTP	2012	2013	2014
Sulphuric Acid (tons)	7,13	8,23	7,44
Acetic Acid (tons)	7,04	8,23	6,43
Soda (tons)	37,9	37,2	19,2
Antifoam (litres)	259	248	347

## COMPOSTING PLANT

MATERIALS	2012	2013	2014
Wood (tons)	37,3	36,0	54,2
Plastic (tons)	22,7	23,3	26,2
Paper and cardboard (tons)	0,010	0,007	0,113
<b>RAW MATERIALS FOR PRODUCTION (TONS)</b>			
Sorted organic waste	44 062	44 219	47 169

## SORTING PLANT

MATERIALS	2012	2013	2014
Wire	116	20	15,1
<b>RAW MATERIALS FOR PRODUCTION (TONS)</b>			
Sorted recyclable materials	44 163	44 219	44 804

## LIPOR – BAGUIM DO MONTE

STATIONERY	2012	2013	2014
White Paper (kg)	730	795	838
White Stationery (kg)	15	17	159
<b>Total white</b>	<b>745</b>	<b>812</b>	<b>997</b>
Recycled Paper (kg)	1 961	2 396	2 241
Recycled Stationery (kg)	107	110	52
<b>Total recycled</b>	<b>2 068</b>	<b>2 506</b>	<b>2 293</b>

## INDICATOR

## EXTERNAL VERIFICATION

EN2	Percentage of recycled materials used.	Essential	Verified
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During 2014, the type of materials used didn't change, as there were no significant changes in the production process.

Due to the difficulty in registering and verifying the percentages of recycled material within the several materials used, we only took into consideration stationery material to calculate this indicator. So, we can conclude that 69.7% of stationery used at LIPOR consists of recycled material.

However, as it is clear from the data concerning the EN1 indicator, the use of stationery material represents a very small part of the total materials used at LIPOR.

## ENERGY

INDICATOR	EXTERNAL VERIFICATION
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EN3	Direct energy consumption by primary energy source.	Essencial	Verificado
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Environmental Performance – page 30

INDICATOR	EXTERNAL VERIFICATION
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EN4	Indirect energy consumption by primary source.	Essencial	Verificado
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Environmental Performance – page 30

In 2014, LIPOR registered the following energy consumption by primary source:

ENERGY CONSUMPTION BY SOURCE (GJ)	2012	2013	2014
<b>NON-RENEWABLE SOURCES</b>			
Coal	3 522	4 738	5 388
Natural gas	2 113	5 765	6 556
Fuel oil	-	226	257
Nuclear	939	1 367	1 555
PRE (Special Regime Production) co-generation and micro-production	2 583	99	112
Municipal Solid Waste	470	0	0
<b>Percentage of non-renewable</b>	<b>41,0%</b>	<b>55,6%</b>	<b>55,6%</b>
<b>RENEWABLE SOURCES</b>			
Hydroelectric	2 348	6 479	7 367
Geothermal	-	0	0
Solar	-	0	0
Wind	9 392	123	1 163
Renewable co-generation	939	2 244	2 558
Other	1 174	0	0
<b>Percentage of renewable</b>	<b>59,0%</b>	<b>44,4%</b>	<b>44,4%</b>
<b>Consumo final total LIPOR</b>	<b>23 481</b>	<b>21 947</b>	<b>24 957</b>

Nota: Foi utilizado o Mix Energético da EDP serviço Universal relativo ao ano de 2013, em virtude , dos dados relativos a 2014 não estarem ainda disponíveis.

INDICATOR		EXTERNAL VERIFICATION	
EN5	Energy saved due to conservation and efficiency improvements.	Additional	Verified

Environmental Performance – page 31

INDICATOR		EXTERNAL VERIFICATION	
EN6	Initiatives to provide energy-efficient or renewable energy-based products and services, and reductions in energy requirements as a result of these initiatives. daí a resultante	Additional	Verified

In 2014, we continued operating the Biogas Recovery Plants of the Landfills of Matosinhos and Ermesinde.

BIOGAS RECOVERY PLANT	2012		2013		2014	
	Energy produced (kWh)	Biogas flow (m3)	Energy produced (kWh)	Biogas flow (m³)	Energy produced (kWh)	Biogas flow (m³)
Landfill of Matosinhos	479 391	303 513	331 648	209 964	255 578	161 809
Landfill of Ermesinde	1 892 271	1 097 535	1 620 627	915 233	1 329 024	841 421

INDICATOR		EXTERNAL VERIFICATION	
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	Additional	Verified

The LIPOR continues to favor the use of the train for long-distance travel in the country, to the detriment of air assets . For this same purpose of minimizing the movement , the Organization continues to make use of conference calls. However, it is not possible to quantify the reductions achieved to implement these actions.

## WATER

INDICATOR		EXTERNAL VERIFICATION	
EN8	Total water consumption by source.	Additional	Verified
Environmental Performance – page 35			

INDICATOR		EXTERNAL VERIFICATION	
EN9	Water sources significantly affected by withdrawal of water.	Additional	Verified
<p>Environmental Performance – page 35</p> <p>LIPOR doesn't withdraw water from rivers, streams or other surface water bodies, only from bores and wells.</p> <p>Notwithstanding, it is very complicated to ascertain the size and extension of the water body being used, so it isn't possible to categorically state that it isn't affected by water withdrawal. Still, the fact that annual limits weren't exceeded allows us to believe they were safeguarded.</p>			

INDICATOR		EXTERNAL VERIFICATION	
EN10	Percentage and total volume of water recycled and reused.	Additional	Verified
<p>We've striven to reduce/rationalise the consumption of this ever scarcer resource at the Energy Recovery Plant; for instance, all water present in the steam circuit for energy production is recirculated and, thus, reused, saving large amounts of water. On the other hand, water used for purging is recovered and reused in the preparation of aqueous solutions for gas treatment, thus reducing effluents that need treatment.</p> <p>A rainwater harvesting and storage system was built from scratch on the roof of the Composting Plant. This saves significant amounts of water.</p> <p>Notwithstanding, there's no reliable estimate of the amount of water reused and actually saved, as the installation of a measurement system for water recovered by the rainwater harvesting system is extremely complicated and expensive, and it wouldn't bring significant advantages.</p>			

## BIODIVERSITY

INDICATOR		EXTERNAL VERIFICATION	
EN11	Location and size of land owned, leased or managed by the organisation in protected areas and areas of high biodiversity value outside protected areas.	Essential	Verified
<p>None of LIPOR's lands are located in Protected Areas or areas of high Biodiversity value.</p> <p>None of LIPOR's operational units, namely the Energy Recovery Plant and Landfill, Composting Plant and Sorting Plant, are located in Protected Areas or in areas of high Biodiversity value.</p> <p>Furthermore, none of them are located within a National Agricultural Reserve (RAN) or National Ecological Reserve (REN). Both complexes (Maia and Ermesinde/Baguim do Monte) are located in areas intended for Structuring Equipment.</p>			

INDICATOR			EXTERNAL VERIFICATION
EN12	Description of significant impacts of activities, products and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	Essential	-
	This indicator is not applicable, as none of LIPOR's lands are located in Protected Areas or areas of high Biodiversity value.		

INDICATOR			EXTERNAL VERIFICATION
EN13	Habitats protected or restored.	Additional	Verified
	Environmental Performance – page 37		

INDICATOR			EXTERNAL VERIFICATION
EN14	Strategies, current actions and future plans for managing impacts on biodiversity.	Additional	Verified
	Environmental Performance – page 36		

INDICATOR			EXTERNAL VERIFICATION
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk. extinção	Additional	Verified
	No species within the areas of influence of the operational units are in such situation.		

## EMISSIONS, EFFLUENTS AND WASTE

INDICATOR			EXTERNAL VERIFICATION
EN16	Total direct and indirect greenhouse gas emissions by weight.	Essential	Verified
	Environmental Performance – page 32		

INDICATOR		EXTERNAL VERIFICATION	
EN17	Other relevant indirect greenhouse gas emissions by weight.	Essential	Verified
Environmental Performance – page 32			

INDICATOR		EXTERNAL VERIFICATION	
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Additional	Verified
Environmental Performance – page 34			

INDICATOR		EXTERNAL VERIFICATION	
EN19	Emissions of depleting substances.	Essential	-
The omission of this indicator results from the fact that it only applies to producers of products that contain this type of substances.			

INDICATOR		EXTERNAL VERIFICATION	
EN20	NOx, SOx and other significant air emissions by type and weight.	Essential	Verified

REAGENTES DA ETAR	EMISSION AMOUNT ((KG)		
	2012	2013	2014
HCl	7 253	7 384	6 507
NOx	272 317	271 867	234 932
HF	148	180	183
SO <sub>2</sub>	9 166	12 630	9 838
Particles	1 269	1 153	1 275
CO	11 833	11 487	8 177
Dioxins and Furans (PCDD+PCDF)	0,000004	0,0000027	0,00000235

## INDICATOR

## EXTERNAL VERIFICATION

EN21	Total effluents discharge by quality and destination.	Essential	Verified
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Environmental Performance – page 38

## PARÂMETROS DE DESCARGA NO MEIO HÍDRICO

		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	ELV
pH	Sorensen Scale	7,2	7,1	6,8	6,4	8,1	6,8	7,2	6,3	6,5	7,1	6,3	6,4	4–9
BOD5	mg/l O2	<5	<5	<5	<5	<5	<5	<5	<5	<5	<5	<5	<5	40
COD	mg/l O2	<5,0	6	7	<5,0	<5,0	<5,0	<5,0	<5,0	8	<5,0	<5,0	<5,0	150
Nitrates	mg/l NO3	<10	<10	<10	<10	<10	<10	<10	<10	<10	<10	12	<10	50
Ammoniacal Nitrogen	mg/l NH4	<6,0	<6,0	<6,0	<6,0	<6,0	<6,0	<6,0	<6,0	<6,0	<6,0	<6	<6	10
Oil and grease	mg/l	<0,3	<0,30	<0,30	<0,30	<0,30	<0,30	<0,30	<0,30	<0,30	<0,30	<0,30	<0,30	15
Total hydrocarbons	mg/l	<0,30	<0,30	<0,30	<0,30	<0,30	<0,30	<0,30	<0,30	<0,30	<0,30	<0,30	<0,30	15
Phenols	mg/l	0,115	-	-	-	-	-	0,12	-	-	-	-	-	0,5
Total Suspended Solids	mg/l	<5	7	<5	<5	<5	<5	<5	<5	<5	<5	<5	<5	60
Iron	mg/l Fe	<0,50	-	-	-	-	-	<0,50	-	-	-	-	-	2
Aluminium	mg/l Al	<0,5	-	-	-	-	-	<0,5	-	-	-	-	-	10
Chlorides	mg/l Cl2	<0,25	-	-	-	-	-	<0,25	-	-	-	-	-	0,6
Copper	mg/l Cu	<0,25	-	-	-	-	-	<0,25	-	-	-	-	-	1
Chromium	mg/l Cr	<0,50	-	-	-	-	-	<0,50	-	-	-	-	-	2
Hexavalent chromium	mg/l Cr(VI)	<0,02	-	-	-	-	-	<0,02	-	-	-	-	-	0,01
Nickel	mg/l Ni	<0,50	-	-	-	-	-	<0,50	-	-	-	-	-	2
Cadmium	mg/l Cd	<0,10	-	-	-	-	-	<0,10	-	-	-	-	-	0,2
Lead	mg/l Pb	<0,50	-	-	-	-	-	<0,50	-	-	-	-	-	1
Phosphorous	mg/l P	<0,10	0,28	<0,10	<0,10	<0,10	<0,10	<0,10	<0,10	0,11	<0,10	<0,10	<0,10	10
Total Nitrogen	mg/l N	<6	<6	<6	<6	<6	<6	<6	<6	<6	<6	<6	<6	15
Sulphates	mg/l SO4	<10	-	-	-	-	-	38	-	-	-	-	-	2000
Zinc	mg/l	<0,05	-	-	-	-	-	0,26	-	-	-	-	-	

## QUALIDADE DO EFLUENTE DESCARREGADO NO MEIO HÍDRICO

INDICATOR		EXTERNAL VERIFICATION	
EN22	Total weight of waste by type and treatment method.	Essential	Verified

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## REJECTED WASTE WITHIN THE SYSTEM TREATED INTERNALLY:

REJECTED WASTE FROM MULTIMATERIAL RECOVERY FORWARDED TO ENERGY RECOVERY (tons)	PAPER/ CARDBOARD	PACKAGING	PLASTICS	WEEE
2012	81 080	2 294 920	262 320	10 800
2013	22 380	2 480 450	288 200	7 440
2014	0	2 754 560	218 340	40 440

## REJECTED WASTE FROM THE SEVERAL OPERATIONAL PROCESSES UNDER LIPOR'S DIRECT RESPONSIBILITY

REJECTED WASTE FROM THE ENERGY RECOVERY PLANT FORWARDED TO THE LANDFILL (tons)	ASHES	SLAG
2012	29 805	73 619
2013	30 403	70 444
2014	27 735	67 489

INDICATOR		EXTERNAL VERIFICATION	
EN23	Total number and volume of significant spills.	Essencial	Verificado

LIPOR's operational units do not imply risks concerning storage of products that may cause severe spills. So, the only possible spills are related to small oil leaks from vehicles or lubrication of equipment, or spills resulting from the discharge of contaminated material from eco-containers or drop-off sites.

In all units, the type of spill and the measures taken to contain or eliminate it are registered according to the processes of the implemented (and certified) Environmental Management System.

In 2014, there were no spills over 30 l.

INDICADOR		EXTERNAL VERIFICATION	
EN24	Weight of transported, imported, exported or treated waste deemed hazardous under the terms of the Basel Convention, Annex I, II, III, and VIII, and percentage of waste transported internationally.	Additional	Verified

Our operational processes don't include imported or exported waste, so this indicator is not applicable.

INDICADOR		EXTERNAL VERIFICATION	
EN25	Identity, size, protected status and biodiversity value of water bodies and related habitats significantly affected by the reporting organisation's discharges of water and runoff.	Additional	Verified

There's neither intensive water use, nor significant runoff or water discharges, so no habitats affected by such situations were identified. Therefore, this indicator is not applicable.

There's neither intensive water use, nor significant runoff or water discharges, so no habitats affected by such situations were identified.

As water discharged into natural watercourse is subjected to a tertiary treatment process by reverse osmosis, it is safe to say that it has no negative impact on the water body into which it is discharged. The effluent that is processed externally is duly treated by a municipal WWTP, which ensures the fulfilment of all parameters for discharge in water sources.

In order to further ensure this, LIPOR has put into execution an External Monitoring Plan for the Energy Recovery Plant, which controls and analyses all the corresponding parameters.

Furthermore, the Leça River is not classified as a sensitive or special protection area.

## PRODUCTS AND SERVICES

INDICATOR	EXTERNAL VERIFICATION
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EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Essencial	Verificado
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Environmental Performance – page 37

INDICATOR	EXTERNAL VERIFICATION
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EN27	Percentage of reclaimed products and respective packaging materials in relation to total products sold, by product category.	Essencial	Verificado
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The issue of reclaimed products and respective packaging materials only applies to the NUTRIMAIS compost. Due to the specificity of the product, the material was never returned. As far as packaging is concerned, NUTRIMAIS compost is sold in plastic packages, big bags and wooden pallets.

We've developed a return system for pallets and big bags, which allows the delivery, recovery and reuse of the material. When compost is sold in pallets or big bags, we charge a deposit which is refunded when the package is returned to LIPOR.

This system has allowed the recovery of some packaging; however, we are aware of the need to raise awareness of this issue among our customers.

#### PACKAGING RETURNED WITHIN THE SCOPE OF LIPOR'S PACKAGING RETURN SYSTEM (EN27)

	2012	2013	2014
<b>PALLETS</b>			
Dispatched	4 546	3 422	5 303
Returned*	1 377	1 140	1 021
return %	30%	33%	19%
<b>BIG BAGS</b>			
Dispatched	1,576	1,562	1,794
Returned*	88	94	59
return %*	6%	6%	3%

\* the amount of returned packages may include packages dispatched in previous periods

Since 2012, compost transportation to its final destination is done by external transportation companies, which caused the material return to decrease.

## COMPLIANCE

INDICATOR		EXTERNAL VERIFICATION	
EN28	Percentage of reclaimed products and respective packaging materials in relation to total products sold, by product category.	Essential	Verified
No fines or non-monetary sanctions were imposed on LIPOR for noncompliance with environmental laws.			

## TRANSPORT

INDICATOR		EXTERNAL VERIFICATION	
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organisation's operations, and transporting employees.	Additional	Verified
<p>Environmental Performance – page 34</p> <p>Although product, material and waste transportation is mostly performed by third parties, LIPOR started to include in scope 3 of its GHG emissions calculations the emissions that result from the commuting Employees (house - LIPOR - house), as well as emissions from waste collection and from NUTRIMAIS compost and recyclable waste forwarding to their final destination.</p>			

## OVERALL

INDICATOR		EXTERNAL VERIFICATION	
EN30	Total environmental protection expenditures and investments, by type.	Additional	-
It is difficult to assess this indicator, as LIPOR's activity itself aims at environmental protection. This indicator wasn't calculated.			

# SOCIAL INDICATORS

## SOCIAL PERFORMANCE – LABOUR PRACTICES

KEY POINTS	APPROACH	COMMENTS
OBJECTIVES AND PERFORMANCE	<p>Within the scope of the SA 8000 – Social Accountability standard certification, LIPOR sets annual objectives and performs regular audits to the entire Organisation. The Social Responsibility Management System, applied to the entire organisation, aims to:</p> <ul style="list-style-type: none"> <li>□ comprehend more quickly the results of the work performed;</li> <li>□ provide incentives from which employees, suppliers and other stakeholders may benefit;</li> <li>□ improve the internal organisational environment by showing LIPOR's concern with its employees and further improving health and safety conditions;</li> <li>□ improve information and communication, thus increasing trust from stakeholders (customers, community, suppliers, others...);</li> <li>□ reinforce LIPOR's image and promote its reputation as a socially responsible organisation.</li> </ul> <p>The Integrated Quality, Environmental, Safety and Hygiene Management System includes the definition of annual objectives regarding safety and hygiene, which are periodically evaluated by the Board. Within the meetings for system review, the Organisation's main risks, the accidents and the level of fulfilment of LIPOR's Annual Training Plan are also analysed.</p>	<p>Social Performance - Labour Practices Indicators – page 42</p> <p>Social Objectives – page 55</p> <p>Summary of the Contents of Global Reporting Initiative Guidelines (GRI) - Social Performance Indicators - page 58</p>
POLICY	<p>LIPOR strives every day to fulfil its Mission, Vision, Values and Quality, Environmental, Safety, Social Responsibility, Energy and Innovation Policy.</p> <p>Issues like Child Labour, Discrimination (race, gender or others), Slave or Compulsory Labour, etc., are duly controlled in order to ensure the thorough fulfilment of the legal requirements applicable to LIPOR (e.g., regarding recruitment and remuneration) and the requirements of the SA 8000 - Social Accountability standard.</p>	<p>LIPOR's Policy is available at :  <a href="http://www.lipor.pt/pt/a-lipor/quem-somos/missao-visao-valores-e-politica/">http://www.lipor.pt/pt/a-lipor/quem-somos/missao-visao-valores-e-politica/</a></p> <p>LIPOR's Vision, Mission and Values – page 10</p>
ORGANISATIONAL RESPONSIBILITY	<p>Human Resources and Training: Dr.ª Cláudia Pacheco, Head of the Human Resources and Training Division (DRHF), reports to the Manager of the Administration, Finance and Management Control Department, Dr.ª Mónica Monteiro.</p> <p>Occupational Hygiene and Safety: Eng.ª Isabel Nogueira, Head of the Audit, Total Quality and Sustainability Office (GASQT), who reports directly to the CEO, Dr. Fernando Leite.</p>	<p>LIPOR's Organigram is available at page 14 or at: <a href="http://www.lipor.pt/pt/a-lipor/quem-somos/organigrama/">http://www.lipor.pt/pt/a-lipor/quem-somos/organigrama/</a></p>
AWARENESS AND TRAINING	<p>The Annual Training Plan includes a training action regarding SA 8000 - Social Accountability for all LIPOR employees, of all categories. The training action approached the main principles of this standard.</p> <p>The elaboration of the Annual Training Plan has as key criteria the training needs of the areas and employees, and equality of rights is ensured in terms of access to the several training actions.</p> <p>LIPOR still invests in the reinforcement of Internal Communication, usually through the following communication tools:</p> <ul style="list-style-type: none"> <li>□ Corporate TV;</li> <li>□ Internal Journal;</li> <li>□ e.News;</li> <li>□ Management and Dissemination of Internal Information;</li> <li>□ Internal Staff Training</li> </ul>	

# SOCIAL INDICATORS

## SOCIAL PERFORMANCE – LABOUR PRACTICES

KEY POINTS	APPROACH	COMMENTS
MONITORING AND FOLLOW-UP	<p>At present, LIPOR has an implemented and duly certified Integrated Quality, Environmental, Safety and Hygiene, Social Responsibility and Innovation Management System (according to the ISO 9001, ISO 14001, OHSAS 18001, SA 8000 and NP 4457 standards).</p> <p>In fulfilment of the legislation in effect, LIPOR regularly monitors the workplaces (e.g., occupational noise, biological hazard, illumination, thermal comfort, vibrations).</p> <p>Within the scope of the legal framework applied to Lipor, remunerations are defined by the legislation published in the “Diário da República”, which prevents any kind of wage discrimination.</p> <p>The SA 8000 internal and external audits include confidential individual and group interviews to Lipor employees and subcontracted workers who operate within Lipor’s facilities, chosen by the auditors, who question them regarding inequality and discrimination practices.</p> <p>In order to avoid situations of child, forced or compulsory labour and ensure the safety of the employees of our subcontractors inside our facilities, LIPOR implemented a strict Entry Authorisation system.</p>	
ADDITIONAL INFORMATION	<p>LIPOR’s staff currently includes 3 Occupational Safety and Hygiene technicians.</p> <p>In 2012, a new Safety Committee was elected, with the election of the Employee Representatives and the appointment of the Board Representatives.</p> <p>There’s also an employee representative within the scope of the SA 8000 standard.</p> <p>LIPOR makes available several instruments which can be used by the employees to share their concerns, confidentially or not (e.g., Safety Committee, Change Agents, Suggestion Boxes, Employee Representative, Managers, among others). All issues are analysed with the purpose of continuously improving the systems.</p>	

## EMPLOYMENT

INDICATOR		EXTERNAL VERIFICATION	
LA1	Workforce by employment type, employment contract and region.	Essential	Verified
Social Performance - Labour Practices Indicators – page 42 The two LIPOR facilities are located in the Greater Porto area.			

INDICATOR		EXTERNAL VERIFICATION	
LA2	Total number and rate of new employee hires and employee turnover by age group, gender and region.	Essential	Verified
Social Performance - Labour Practices Indicators – page 42			

INDICATOR		EXTERNAL VERIFICATION	
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees.	Additional	Verified
Social Performance - Labour Practices Indicators – page 42			

## RELAÇÕES LABORAIS

INDICATOR		EXTERNAL VERIFICATION	
LA4	Percentage of employees covered by collective bargaining agreements.	Essential	Verified
LIPOR's special legal status as a Municipalities Association imposes on it certain particularities, such as the collective bargaining scheme and the participation of Public Administration employees in public law scheme, established in Law no. 12-A/2008 of 27 February. However, in 2014, Law no. 35/2014 of 20 June was approved, establishing the General Labour Law for Public Service. Like the previous legislation, this law allows collective bargaining agreements, in part III, which formalises the collective bargaining procedure. Currently, none of LIPOR's Employees are covered by a collective bargaining agreement.			

INDICATOR		EXTERNAL VERIFICATION	
LA5	Minimum notice period regarding operational changes, including whether it is specified in collective bargaining agreements.	Essential	Verified
As LIPOR is an Organisation of regional scope, its facilities are geographically close, so there's no formal policy regarding minimum notice periods for operational changes. As operational changes are usually put in place at the suggestion or request of the Employee or the Occupational Physician, there are no forced changes. In 2014, there was no change of this sort.			

## OCCUPATIONAL HEALTH AND SAFETY

INDICATOR		EXTERNAL VERIFICATION	
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programmes.	Additional	Verified
Social Performance - Labour Practices Indicators – page 43			
INDICATOR		EXTERNAL VERIFICATION	
LA7	Rates of injury, occupational diseases, lost days, absenteeism and work-related fatalities, by region and gender.	Essential	Verified
Social Performance - Labour Practices Indicators – page 46			
INDICATOR		EXTERNAL VERIFICATION	
LA8	Education, training, counselling, prevention, and risk-control programmes in place to assist employees, their families or community members regarding serious diseases.	Essential	Verified
Social Performance - Labour Practices Indicators – pages 44 and 45			
INDICATOR		EXTERNAL VERIFICATION	
LA9	Health and safety topics covered in formal agreements with trade unions.	Additional	Verified
Social Performance - Labour Practices Indicators – page 46			

## TRAINING AND EDUCATION

INDICATOR		EXTERNAL VERIFICATION
LA10	Average training hours per year per employee, by gender and employee category.	Essential Verified

Social Performance - Labour Practices Indicators – page 47

INDICATOR		EXTERNAL VERIFICATION
LA11	Programmes for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Additional Verified

Social Performance - Labour Practices Indicators – page 47

INDICATOR		EXTERNAL VERIFICATION
LA12	Percentage of employees receiving regular performance and career development reviews, by gender.	Additional Verified

The development of a results-oriented management culture based on predefined objectives is regarded as a way to improve LIPOR's and Employees' performance. So, LIPOR Employees' performance is assessed according to the Integrated System for Management and Performance Assessment of the Public Administration (SIADAP), established by Law no. 66-B/2007 of 28 December and applied to Local Administration by the Implementing Decree no. 18/2009 of 4 September.

The principles, components and general rules of SIADAP are applied to the entire Public Administration, thus ensuring internal equity within the system and a coherent improvement process of the quality of services provided to citizens. This assessment system is based on two aspects: individual or shared objectives and competencies.

It is an important analysis tool, as it is based on the annual establishment of specific objectives that should be reached by the Organisation, and each Employee becomes aware of the importance of his individual contribution to the results obtained by the Team, the Team's contribution to the results obtained by the Area and the Area's contribution to the overall results.

## DIVERSITY AND EQUALITY OF OPPORTUNITIES

## INDICATOR

## EXTERNAL VERIFICATION

LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership and other indicators of diversity.	Essential	Verified
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Social Performance - Labour Practices Indicators, page 49

The hiring of Employees of other nationalities doesn't influence the selection/recruitment process, as the nationality of Employees is closely linked to the Public Administration hiring system complied by LIPOR.

## EMPLOYEES' NATIONALITY (LA13)

	PORTUGUESE	FOREIGN	TOTAL
Managers	11	0	11
Senior Technicians	34	2	36
Technical Assistants	39	1	40
Operational Assistants	115	4	119
<b>Total</b>	<b>199</b>	<b>7</b>	<b>206</b>

## EMPLOYEES WITH DISABILITIES (LA13)

	With disabilities		Without disabilities		Total
	M	F	M	F	
Managers	0	0	3	8	11
Senior Technicians	0	1	11	24	36
Technical Assistants	0	0	21	19	40
Operational Assistants	4	3	111	1	119
<b>Total</b>	<b>4</b>	<b>4</b>	<b>146</b>	<b>52</b>	<b>206</b>

## EQUAL PAY

INDICATOR		EXTERNAL VERIFICATION	
LA14	Ratio of basic remuneration of women to men by employee category.	Essential	Verified

Career-based remuneration is defined by specific legislation applicable to all Employees in Public Service (Law no. 35/2014 of 20 June and Implementing Decree no. 14/2008 of 31 July), so LIPOR can't apply different remunerations. Therefore, there cannot be and isn't any discrimination regarding the determination of remunerations. Annual salary review for public administration employees, as well as daily subsistence, meal and travel allowances scales are defined by Order no. 1553-C/2008 of 31 December.

At LIPOR, the salary scale is applied in the same way to the definition of basic salary by gender, so there's no discrimination regarding remuneration. Meanwhile, the national minimum wage (now amounting to €505.00) was changed in October 2014 by Decree-Law no. 144/2014, "Diário da República", 1<sup>st</sup> series, no. 188 of 30 September.

## EMPLOYMENT

INDICATOR		EXTERNAL VERIFICATION	
LA15	Return to work and retention rate after parental leave, by gender.	Essential	Verified

Social Performance - Labour Practices Indicators - page 49

# HUMAN RIGHTS PERFORMANCE INDICATORS

## SOCIAL PERFORMANCE – HUMAN RIGHTS

KEY POINTS	APPROACH	COMMENTS
OBJECTIVES AND PERFORMANCE	<p>Human Rights issues are approached within the scope of the Social Responsibility Certification (SA 8000).</p> <p>The maintenance of the certification according to the SA 8000 standard proves the fulfilment of Human Rights within LIPOR.</p> <p>According to the requirements of the SA 8000 standard, annual objectives regarding Human Rights are defined and regularly assessed by the Management.</p>	<p>Social Performance - Human Rights Indicators – page 50</p> <p>Social Objectives – page 55</p> <p>Summary of the Contents of Global Reporting Initiative Guidelines (GRI) - Social Performance Indicators - page 58</p>
POLICY	<p>LIPOR strives every day to fulfil its Mission, Vision, Values and Quality, Environmental, Energy, Safety, Social Responsibility and Innovation Policy.</p> <p>The SA 8000 standard is applicable to all of LIPOR's operational units and also to its value chain (e.g., suppliers...).</p> <p>Within the scope of the legal requirements applicable to LIPOR and reinforced by the Certification according to the SA 8000 - Social Accountability standard, issues like Child Labour, Discrimination (race, gender or others), Slave or Compulsory Labour, etc., are duly controlled through the fulfilment of these requirements, at an internal and external level.</p>	<p>LIPOR's Quality, Environmental and Safety Policy is available at:  <a href="http://www.lipor.pt/pt/a-lipor/quem-somos/missao-visao-valores-e-politica/">http://www.lipor.pt/pt/a-lipor/quem-somos/missao-visao-valores-e-politica/</a></p> <p>LIPOR's Vision, Mission and Values – page 10</p>
ORGANISATIONAL RISK ASSESSMENT	<p>In 2014, no significant risk of violation of Human Rights was identified.</p> <p>According to the requirements of the SA 8000 – Social Accountability standard, LIPOR promotes bi-annual internal audits (audits performed by subcontracted entities) and is subject to bi-annual audits performed by the certifying entity.</p> <p>Within the scope of the certification according to the SA 8000 – Social Accountability standard, LIPOR submits its main suppliers to audits, visits, meetings and self-diagnosis.</p> <p>If any irregularities are found, LIPOR may recommend improvement measures or, as a last resort, exclude the supplier from its supplier list.</p>	<p>The Social Accountability Certification (SA 8000) is available at:  <a href="http://www.lipor.pt/fotos/editor2/apcer_sa8000_2015.pdf">http://www.lipor.pt/fotos/editor2/apcer_sa8000_2015.pdf</a></p> <p>Materiality Analysis – page 18</p> <p>Social Performance - Human Rights Indicators – page 50</p>
IMPACT ASSESSMENT	<p>Within the scope of the certification according to the SA 8000 – Social Accountability standard, LIPOR's employees have elected an Employee Representative, whose task is to facilitate communication between the employees and the Management. LIPOR also has an internal group, the Change Agents, formed by employees from several areas of the Organisation, with whom all employees may share their concerns, including regarding situations linked to Human Rights.</p> <p>As some suppliers were identified as relevant stakeholders, LIPOR has already performed audits to those suppliers, within the scope of the SA 8000 standard. As far as the other suppliers are concerned, LIPOR promotes meetings, visits and self-diagnosis according to an annually predefined plan.</p> <p>Customers and the Community can make complaints if they wish to report irregularities regarding Human Rights.</p> <p>Each complaint, concern or accusation leads to a thorough inquiry that may result in the establishment of corrective actions, which are then implemented and followed up.</p>	<p>Social Performance - Human Rights indicators – page 50</p>
ORGANISATIONAL RESPONSIBILITY	<p>Social Responsibility: The person responsible for it is Eng.<sup>a</sup> Isabel Nogueira, Head of the Audit, Total Quality and Sustainability Office (GASQT), who reports directly to the CEO, Dr. Fernando Leite.</p>	<p>LIPOR's Organigram is available at:  <a href="http://www.lipor.pt/pt/a-lipor/quem-somos/organigrama/">http://www.lipor.pt/pt/a-lipor/quem-somos/organigrama/</a></p>

# HUMAN RIGHTS PERFORMANCE INDICATORS

## SOCIAL PERFORMANCE – HUMAN RIGHTS

KEY POINTS	APPROACH	COMMENTS
AWARENESS AND TRAINING	The Annual Training Plan includes a training action regarding SA 8000 - Social Accountability for all LIPOR employees, including the Human Rights issues. In this training action, employees are reminded of the instruments they can use to report irregularities regarding Human Rights.	
MONITORING, FOLLOW-UP AND REMEDIATION	<p>The SA 8000 standard approaches Human Rights issues, also comprising the Value Chain (e.g., Suppliers). Suppliers are controlled through audits, visits, self-diagnosis and meetings.</p> <p>LIPOR has a Complaints Centre, which is under the responsibility of the Audit, Total Quality and Sustainability Office, to properly manage all complaints reported in person, via telephone and e-mail. The complaints may be linked with Human Rights and include the local community.</p> <p>LIPOR also has Complaints Books in its facilities that are open to the public.</p> <p>Suppliers sign a Statement of Commitment and a Conduct Code, which include Human Rights issues.</p>	

## INVESTMENT AND PROCUREMENT PROCESSES PRACTICES

INDICATOR		EXTERNAL VERIFICATION
HR1	Percentage and total number of significant investment contracts that include clauses incorporating Human Rights concerns, or that have undergone Human Rights screening.	Essential Verified
Social Performance – Human Rights Indicators - page 50		
INDICATOR		EXTERNAL VERIFICATION
HR2	Percentage of critical contractors, suppliers or other partners that have undergone Human Rights screening and actions taken.	Essential Verified
Social Performance – Human Rights Indicators - page 51		
INDICATOR		EXTERNAL VERIFICATION
HR3	Total hours of employee training on policies and procedures concerning aspects of Human Rights that are relevant to operations, including the percentage of employees trained.	Additional Verified
Social Performance – Human Rights Indicators - page 51		

## NON-DISCRIMINATION

INDICATOR		EXTERNAL VERIFICATION
HR4	Total number of incidents of discrimination and corrective actions taken.	Essential Verified
Social Performance - Human Rights Indicators - page 51		

## FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

INDICATOR		EXTERNAL VERIFICATION
HR5	Operations and relevant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights. violações e as medidas tomadas para apoiar este direito.	Essential Verified

At LIPOR, no operations were so far identified in which the right to exercise freedom of association is at significant risk, so no measures regarding this issue were defined; in fact, 31 LIPOR Employees belong to trade unions, with the following distribution: 26 Employees are part of SINTAP (the Trade Union Leader of SINTAP works at LIPOR), 3 Employees are part of STAL and 2 of FSP Norte. This fact illustrates the existing openness to freedom of association among Employees and participation in trade unions. Regarding collective bargaining, as a way of adjusting the interests of both parties, both trade unions and Employees have never felt the need to use this tool.

## CHILD LABOUR

INDICATOR	EXTERNAL VERIFICATION
HR6 Operations and relevant suppliers identified as having significant risk for incidents of Child Labour, and actions taken to contribute to its effective abolition.	Essential Verified
<p>Within the scope of the SA 8000 standard, all issues regarding Child Labour are systematically approached, namely through the control mechanisms established by LIPOR's Management System for suppliers. In this context, in 2014, 2 second-party audits were performed (subcontractors CLECE and STRONG), within a total of 14 audits since 2008. Additionally, there's also a Management Procedure (PG - Resolution/Remediation of Child Labour Situations) which establishes the definition, implementation and control methodology for the actions that should be put in place in case any Child Labour situation is detected within our facilities, in order to ensure:</p> <ul style="list-style-type: none"> <li>□ school attendance until compulsory school age;</li> <li>□ their livelihood, providing the necessary conditions for their normal physical and psychological development;</li> <li>□ assessment of the effectiveness of the implemented actions;</li> <li>□ that all employees and suppliers/partners are informed about how to proceed when situations like this are detected.</li> </ul> <p>In LIPOR's case, the most critical operations are construction works, mostly under the responsibility of subcontractors; however, in the past year there were few construction works. In order to prevent risk and illegal situations, the Health, Safety and Hygiene Management System imposes a strict supplier control when they enter the facilities. Suppliers that are contracted to perform any construction, maintenance and repair work are only allowed to enter the facilities after presenting, at least, proof of their workplace accident insurance and a Statement that proves they have no debts to Social Security. This allows us to prevent any attempt of use of child labour by our suppliers and subcontractors. In 2014, no cases of child labour were identified.</p>	

## FORCED LABOUR OR LABOUR ANALOGOUS TO SLAVERY

INDICATOR	EXTERNAL VERIFICATION
HR7 Operations and relevant suppliers identified as having significant risk for incidents of forced labour or labour analogous to slavery, and actions taken to contribute to its elimination.	Essential Verified
<p>None of the operational units presents a risk situation regarding forced or slave labour. Furthermore, working conditions, whether regarding working time or remuneration, are established by legislation, thus preventing such situations. The rules and general principles regarding working hours and schedules for Public Administration are defined by Decree-Law no. 68/2013 of 29 August. The SA 8000 standard also safeguards this situation.</p> <p>In fact, with the implementation of the SA 8000 - Social Responsibility Management System, several mechanisms were put in place in order to allow Employees to report incidents of violation of their rights (slave labour, non-payment, bad working conditions) whether in writing, using the Suggestion Box, or personally, through the Employee Representative (elected among all employees) or the Change Agents Group. Furthermore, the audits performed within the scope of the Social Responsibility Management System (2 external audits + 2 internal audits) include individual and confidential interviews performed by external auditors, where such situations, if any, can be reported.</p> <p>LIPOR also has a duly approved Ethics Code, which defines the rules, principles and values that should guide the proper conduct of LIPOR Employees and all people who work on its behalf. Up until now, there were no reports of slave labour situations.</p>	

## SECURITY PRACTICES

INDICATOR		EXTERNAL VERIFICATION
HR8	Percentage of security personnel trained in the organisation's policies or procedures concerning aspects of human rights.	Additional Verified
	<p>LIPOR subcontracts an external entity which provides Security and Surveillance Services, regarding facilities, people and assets, and Entry Control Services, and permanently surveils LIPOR's facilities; however, Security Guards are not considered direct Employees.</p> <p>This company operates in our facilities since 2014 and its employees received an integration training, which comprises training on the SA 8000 standard requirements, including Human Rights requirements. The surveillance team comprises 9 employees, having all of them received specific training on Human Rights.</p> <p>In addition, this company was also subjected to a second-party Audit (within the scope of the SA 8000 standard), which included the assessment of these issues. Human Rights issues are also approached in the quarterly Social Responsibility internal visits.</p>	

## INDIGENOUS RIGHTS

INDICATOR		EXTERNAL VERIFICATION
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	Additional -
	<p>There are no indigenous populations in LIPOR's area of influence, so this indicator is not applicable.</p>	

## EVALUATION

INDICATOR		EXTERNAL VERIFICATION
HR10	Percentage and total number of operations that have been subject to human rights reviews and impact assessments.	Essential Verified
	<p>Social Performance – Human Rights Indicators - page 51</p>	

## REMEDIÇÃO

INDICATOR		EXTERNAL VERIFICATION
HR11	Number of complaints related to human rights filed, addressed and resolved through formal complaints collection and handling mechanisms.	Essential Verified
	<p>Social Performance – Human Rights Indicators - page 51</p>	

# SOCIETY INDICATORS

## SOCIAL PERFORMANCE – SOCIETY

### KEY POINTS

### APPROACH

### COMMENTS

#### OBJECTIVES AND PERFORMANCE

LIPOR strives to promote the development and growth of the surrounding Society.

Corruption issues are approached within the scope of LIPOR's Corruption Risk and Related Offences Management Plan, focused on the following four areas: public procurement, granting of benefits, human resources and financial management.

LIPOR promotes the principle of sharing, by developing several initiatives and activities that foster communication between partners, such as: technical seminars and workshops about waste and Sustainability, participation in several national and international work groups, debates with reference Entities/Institutions, participation in European pioneer projects, participation in conferences as speaker, development of the website ([www.lipor.pt](http://www.lipor.pt)), weekly E-News, membership in reference Institutions, participation in several forums and public consultations, among others.

To "Responsabilidade Social: Diretrizes para a atribuição de Apoios e Patrocínios" (Social Responsibility: Guidelines for granting of Supports and Sponsorship).

LIPOR still opens the Adventure Park to the community as a space for the promotion of physical activity, a healthy diet, the respect for the environment and social activities, which are basic human competencies. It is located inside LIPOR's facilities in Baguim do Monte (Gondomar and Valongo). 127,631 people have already visited Adventure Park since its opening, in 2010.

Social Performance - Society Indicators – page 52

Social Objectives – page 55

Summary of the Contents of Global Reporting Initiative Guidelines (GRI) - Social Performance Indicators - page 58

For more information about LIPOR's Adventure Park, go to:

<http://www.lipor.pt/pt/educacao-ambiental/parque-aventura/o-que-e-o-parque/>

#### POLICY

Corruption Risk and Related Offences Management Plan

Ethics Code

External Monitoring Programme for the Energy Recovery Plant and Technical Confinement, which monitors the environmental, social and human health impacts caused by the units

Development of the Plan for Environmental Education and training and leisure projects for the surrounding communities.

The Corruption Risk and Related Offences Management Plan is available at

[http://www.lipor.pt/fotos/editor2/lipor\\_planogrcic.pdf](http://www.lipor.pt/fotos/editor2/lipor_planogrcic.pdf)

LIPOR's Vision, Mission and Values – page 10

#### COMMUNICATION

The Manager of the Education, Communication and Institutional Relations Department (DECRI), Dr.<sup>a</sup> Paula Mendes, coordinates all of the Organisation's internal and external Communication projects, namely those related with the Stakeholder communication strategy.

#### CORRUPTION CONTROL

The Head of the Association's Bodies Assistance and Legal Office (DJAOA), Dr. José Luis Marques, is responsible for all legal matters within the Organisation.

They both report to the CEO, Dr. Fernando Leite, who is responsible for the approval of all initiatives.

The operation of the Energy Recovery Plant is followed up by a Commission - Local Bodies Follow-up Commission - which analyses its performance based on the official documentation sent to the various entities, according to the requirements of the Environmental Permit, the Operating Permit and the legislation in effect. The Local Bodies Follow-up Commission for the Energy Recovery Plant and the Landfill includes representatives of the Local Community (e.g., Parish Council Chairman) and meets periodically.

LIPOR's Organigram is available at page 14 or at:

<http://www.lipor.pt/pt/a-lipor/quem-somos/organigrama/>

#### ORGANISATIONAL RESPONSIBILITY

# SOCIETY INDICATORS

## SOCIAL PERFORMANCE – SOCIETY

KEY POINTS	APPROACH	COMMENTS
<p>AWARENESS AND TRAINING</p>	<p>Awareness area, LIPOR's action follows a Plan for Environmental Education - PEA - with the purpose of developing activities for the Community, based on three areas of intervention:</p> <ul style="list-style-type: none"> <li>□ LIPOR Educa (Educates): Actions and Initiatives intended to Schools;</li> <li>□ LIPOR (In)forma (Informs/Trains): Actions associated with training;</li> <li>□ LIPOR Interage (Interacts): Activities for the promotion of LIPOR's infrastructures within the Community.</li> </ul> <p>n 2014, 61,931 people were involved in the actions developed within the scope of Environmental Education and Awareness.</p> <p>The actions are mainly intended to Schools and the population in general, including several projects adapted to each target audience.</p>	<p>Education – PEA is available at:  <a href="http://www.lipor.pt/pt/educacao-ambiental/plano-anual-de-educacao-ambiental/plano-ea/">http://www.lipor.pt/pt/educacao-ambiental/plano-anual-de-educacao-ambiental/plano-ea/</a></p>
<p>MONITORING AND FOLLOW-UP</p>	<ul style="list-style-type: none"> <li>□ Information concerning indicator SO1</li> <li>□ Maintenance of Quality, Environmental, Safety and Hygiene Certifications.</li> </ul>	<p>Stakeholders – page 15</p> <p>Materiality Analysis – page 18</p> <p>Consultation mechanisms, their main cause and the consequent effect (SO1) - page 20</p>

## LOCAL COMMUNITIES

INDICATOR		EXTERNAL VERIFICATION	
S01	Percentage of operations with local community involvement, impact assessment and development programmes.	Essential	Verified
Materiality Analysis – page 20			

## CORRUPTION

INDICATOR		EXTERNAL VERIFICATION	
S02	Percentage and total number of business units analysed for risks related to corruption.	Essential	Verified
Social Performance - Society Indicators – page 52			

INDICATOR		EXTERNAL VERIFICATION	
S03	Percentage of employees trained in organisation's anti-corruption policies and procedures.	Essential	Verified
Social Performance - Society Indicators – page 52			

INDICATOR		EXTERNAL VERIFICATION	
S04	Actions taken in response to incidents of corruption.	Essential	Verified
Social Performance - Society Indicators – page 52			

## PUBLIC POLICIES

INDICATOR		EXTERNAL VERIFICATION
S05	Public policy positions and participation in public policy development and lobbying.	Essential Verified
	Social Performance - Society Indicators – page 53	

## TOTAL VALUE OF FINANCIAL AND IN KIND CONTRIBUTIONS TO POLITICAL PARTIES, POLITICIANS AND RELATED INSTITUTIONS BY COUNTRY

INDICATOR		EXTERNAL VERIFICATION
S06	Total value of financial and in kind contributions to political parties, politicians and related institutions by country.	Additional Verified
	Social Performance - Society Indicators – page 53	

## ANTICOMPETITIVE BEHAVIOUR

INDICATOR		EXTERNAL VERIFICATION
S07	Número total de ações judiciais por concorrência desleal, práticas de trust e monopólio e seus resultados.	Essential Verified
	As far as anticompetitive behaviour is concerned, LIPOR's position in the market is very singular, because its area of influence is clearly defined and there's no competition regarding the services it provides. So, any attempt of anticompetitive behaviour, anti-trust or monopoly practices is impossible. Accordingly, legal actions for this type of practices cannot take place. Hence, during 2014, there were no such legal actions.	

## COMPLIANCE

INDICATOR		EXTERNAL VERIFICATION
S08	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations.	Essential Verified
	In 2014, no fine was imposed on LIPOR due to violation of laws regarding the provision and use of products and services.	

## LOCAL COMMUNITIES

INDICATOR		EXTERNAL VERIFICATION
S09	Operations with significant potential or actual negative impacts on local communities.	Essential Verified
	Social Performance - Society Indicators – page 53	

INDICATOR		EXTERNAL VERIFICATION
S10	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.	Essential Verified
	Social Performance - Society Indicators – page 53	

# PRODUCT RESPONSIBILITY PERFORMANCE INDICATORS

## SOCIAL PERFORMANCE – PRODUCT RESPONSIBILITY

KEY POINTS	APPROACH	COMMENTS
OBJECTIVES AND PERFORMANCE	<p>COMPOSTING PLANT</p> <p>In 2014, organic compost sales registered their best performance since the beginning of its commercialisation (2005), with a total of 8,137 tons sold, which represents a 10.7% growth in comparison with the previous year.</p> <p>In 2013, LIPOR has joined the “Portugal Sou Eu” (Portugal Is Me) project, thus associating this brand to the NUTRIMAIS product range. The NUTRIMAIS organic compost for use in agriculture is certified for use in organic farming (certifying entity SATIVA).</p>	Social Performance - Product Responsibility Indicators – page 54
	<p>SORTING PLANT</p> <p>In 2014, the Sorting Plant sent for recycling a total of 40,693 tons of material, which represents a 1.8% decrease in comparison with the previous year. Nevertheless, it should be noted that Glass materials made a positive contribution, with an increase of 1%.</p>	Social Objectives – page 55
	<p>ENERGY RECOVERY PLANT AND TECHNICAL CONFINEMENT</p> <p>In 2014, a total of 385,972 tons of Municipal Waste (MW) were forwarded to the Energy Recovery Plant, representing an increase of 0.3% as compared with the previous year. In 2014, a total of 343,173 tons of waste were incinerated at the Plant, which represents approximately 91% of the facility’s nominal capacity. In comparison to 2013, there was a decrease in incinerated waste of about 10.7%, due to the Plant’s maintenance shutdowns, particularly the planned shutdown for maintenance needed after the Plant having reached 100,000 operating hours.</p> <p>Regarding technical confinement, in 2014, 21,497 tons of MW were received, a higher amount than the 33 tons registered in the previous year. This atypical growth, in comparison with the 2 previous years, was solely due to the Plant’s long maintenance shutdown, as previously mentioned.</p>	Summary of the Contents of Global Reporting Initiative Guidelines (GRI) - Social Performance Indicators - page 58
	POLICY	<p>Legal requirements linked to the sale of its products.</p> <p>Technical specifications of Sociedade Ponto Verde (SPV) for recyclable products</p>
ORGANISATIONAL RESPONSIBILITY	<p>The multimaterial, organic and energy recovery units are integrated in the Productions and Logistics Department, under the responsibility of Eng.<sup>a</sup> Susana Lopes. The following employees are responsible for the divisions:</p> <ul style="list-style-type: none"> <li>□ <b>Organic Recovery</b> - Eng.<sup>a</sup> Benedita Chaves, Head of the Organic Recovery Division (DVO)</li> <li>□ <b>Multimaterial Recovery</b> - Eng.<sup>a</sup> Patrícia Carvalho, Head of the Recycling and Multimaterial Recovery Division (DRVM)</li> <li>□ <b>Energy Recovery</b> - Dr. Abilio Almeida, Head of the Energy Recovery and Technical Confinement Division (DVECT)</li> </ul>	<p>LIPOR’s Organigram is available at page 14 or at:  <a href="http://www.lipor.pt/pt/a-lipor/quem-somos/organigrama/">http://www.lipor.pt/pt/a-lipor/quem-somos/organigrama/</a></p> <p>LIPOR’s Vision, Mission and Values – page 10</p>
AWARENESS AND TRAINING	<p>Technical training for the technicians responsible for compost production and sale (product qualities and use).</p> <p>Actions to promote the NUTRIMAIS product among customers. These actions approach product qualities and methods of use.</p>	
MONITORING AND FOLLOW-UP	<p>Integrated Management Systems certified according to the ISO 14001, ISO 9001 and OHSAS 1800 standards.</p> <p>Product technical specifications</p> <p>Customer satisfaction survey from which an Action Plan is developed to implement/respond to the issues raised.</p>	

## CUSTOMER HEALTH AND SAFETY

INDICATOR		EXTERNAL VERIFICATION
PR1	Life cycle stages of products and services in which health and safety impacts are assessed for improvement, and percentage of products and services subject to such procedures.	Essential Verified
	Social Performance - Product Responsibility Indicators – page 54	

INDICATOR		EXTERNAL VERIFICATION
PR2	Total number of incidents of noncompliance with regulations and voluntary codes concerning consumer health and safety impacts of products and services during their life cycle, by type of product and incident.	Additional Verified
	Social Performance - Product Responsibility Indicators – page 54	

## LABELING OF PRODUCTS AND SERVICES

INDICATOR		EXTERNAL VERIFICATION
PR3	Type of product and service information required by labelling procedures, and percentage of products and services subject to such requirements.	Essential Verified
	Social Performance - Product Responsibility Indicators – page 54	

INDICATOR		EXTERNAL VERIFICATION
PR4	Total number of incidents of noncompliance with regulations and voluntary codes concerning product and service information and labelling, by type.	Additional Verified
	Social Performance - Product Responsibility Indicators – page 54	

INDICATOR		EXTERNAL VERIFICATION
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	Additional Verified
	Social Performance - Product Responsibility Indicators – page 55	

## COMMUNICATION AND MARKETING

INDICATOR		EXTERNAL VERIFICATION
PR6	Programmes for adherence to laws, standards and voluntary codes related to communication and marketing, including advertising, promotion and sponsorship.	Essential Verified
	Social Performance - Product Responsibility Indicators – page 54	

INDICATOR		EXTERNAL VERIFICATION
PR7	Total number of incidents of noncompliance with regulations and voluntary codes concerning communication and marketing, including advertising, promotion and sponsorship, by type.	Additional Verified
	In 2014, no incidents of noncompliance with regulations and voluntary codes concerning marketing communications were reported.	

## CUSTOMER PRIVACY

INDICATOR		EXTERNAL VERIFICATION
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	Additional Verified
	During 2014, there were no substantiated complaints regarding breaches of Customer privacy and losses of Customer data.	

## COMPLIANCE

INDICATOR		EXTERNAL VERIFICATION
PR9	Monetary value of (significant) fines for noncompliance with laws and regulations concerning the provision and use of products and services.	Essential Verified
	In 2014, no fine was imposed on LIPOR due to violation of laws regarding the provision and use of products and services.	



# METHODOLOGICAL NOTES



## EN1

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

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

## EN2

The formula used to calculate EN2 was:

$$\text{EN2 (\%)} = \frac{\text{recycled materials used}}{\text{total materials}} \times 100$$

## EN3

To calculate this indicator, we've taken into consideration natural gas, gasoline and diesel consumption of the entire facility (including consumption of the vehicles of LIPOR's fleet).

For the calculation of the amount of gasoline used we've used the information available at: 

[http://www.concorrenca.pt/vPT/Estudos\\_e\\_Publicacoes/Relatorios\\_periodicos\\_e\\_Newsletters/Energia\\_e\\_Combustiveis/Documents/Boletim\\_Mensal\\_Combustiveis\\_201202.pdf](http://www.concorrenca.pt/vPT/Estudos_e_Publicacoes/Relatorios_periodicos_e_Newsletters/Energia_e_Combustiveis/Documents/Boletim_Mensal_Combustiveis_201202.pdf)

We've used the following conversion factors:

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

To convert litres to gallons, due to the lack of information from the GRI, we've chosen to use the US conversion factor, namely:  
1 US gallon >> 3,78541178 litres

## EN4

The reported data do not include losses associated with the distribution and transportation of electricity on the grid, as well as losses inherent to efficiency limitations regarding the production processes of the electricity we use, as we weren't able to obtain updated values from public sources that include all these aspects.

To calculate the energy mix 2014, we've used the information made available by the electricity supplier - EDP serviço universal. We've used the values available at ERSE's website:

 <http://www.erse.pt/pt/desempenhoambiental/rotulagemenergetica/comparacaoentrecomercializadores/Paginas/default.aspx>

To convert KWh to GJ, we've used the conversion factor: 1 KWh = 0.0036 GJ

Regarding the Biogas Units in Matosinhos and Ermesinde, we've taken into consideration the energy consumption of the respective motor-generators and leachate extraction motors.

## EN16 E EN 17

*Methodological approach*

We've used the methodological framework established by The Greenhouse Gas Protocol (GHG Protocol), developed by the World Business Council for Sustainable Development (WBCSD) in partnership with the World Resources Institute (WRI).

The calculations include the three main greenhouse gases covered by the Kyoto Protocol: carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>) and nitrous oxide (N<sub>2</sub>O). All results are reported in carbon dioxide equivalent (CO<sub>2</sub>e), using the Global Warming Potential (GWP) values defined by the Intergovernmental Panel on Climate Change (IPCC), as used by the APA (Portuguese Environment Agency) for the National Inventory Report regarding Greenhouse Gas (NIR PT). The emission factors are based on the values defined by the IPCC, adapted to the Portuguese context, whenever necessary, based on data published by national official entities (APA, Direção Geral de Energia and Entidade Reguladora dos Serviços Energéticos). For international air transportation, we've used emission factors that represent international traffic, annually published by the UK Department for Environment, Food and Rural Affairs (Defra).

The methodologies for the calculation of GHG emissions associated to waste management activities are included in the reference document published by Instituto do Ambiente (Institute of Environment) (NIR – National Inventory Report).

## EN16

This indicator includes direct emissions of scope 1 and indirect emissions of scope 2, as defined in the GHG Protocol. As far as direct emissions are concerned, we've included emissions associated with waste management activities, stationary (equipment) and mobile fuel combustion (mobile machines and vehicles of LIPOR's fleet).

Waste treatment and disposal on soils – technical confinement: To estimate methane emissions (CH<sub>4</sub>) we've used the FOD method (First Order Decay). It includes total emissions associated with waste disposal on soils since 1982.

Waste incineration: GHG emissions concerning waste incineration were calculated using two different methodologies. CO<sub>2</sub> emissions were calculated by the use of the fossil carbon fractions calculation method. CH<sub>4</sub> and N<sub>2</sub>O emissions were calculated by the direct use of emission factors.

Biological treatments – composting: The calculation of GHG emissions associated with this type of treatment is based on the IPCC Guidelines 2000, which include new activities and direct emissions of CH<sub>4</sub> and N<sub>2</sub>O associated with the biological treatment of solid waste. Composting, as a method of biological treatment of waste, is an aerobic process in which the majority fraction of degradable organic carbon (DOC) of waste is converted into CO<sub>2</sub>. CH<sub>4</sub> is formed in anaerobic zones, although it is oxidised in the aerobic zones. CH<sub>4</sub> emissions to the atmosphere are low, and may vary from 1% to 6% of the initial carbon in-

put. The composting process may also generate N<sub>2</sub>O, with emissions from under 0.5% to 5% of the initial nitrogen input. The emission factors used were the IPCC default values.

Fuel consumption (stationary combustion): It includes direct emissions from fossil fuel combustion (natural gas and diesel) in stationary equipment within the facilities. The calculation was based on the amount of fuel used (in GJ) and the emission factors defined in the NIR 2012 for stationary combustion in the commercial, services and residential sectors.

Fuel consumption (mobile combustion): It includes direct emissions from fossil fuel combustion (gasoline and diesel) in vehicles with internal combustion engines. The calculation was based on the amount of fuel used (in GJ) and the emission factors defined in the NIR PT 2012 for each fuel; in terms of road transport, the emission factors include the national biodiesel incorporation rate; in terms of mobile machines, the National Inventory doesn't separate the calculation of emissions from stationary sources, in this sector.

The reported indirect emissions of scope 2 correspond to the indirect emissions associated with the production of the electricity used in the facilities. The calculation was based on the amount of electricity used (in kWh) and annual emission factors (2012), for each supplier (Endesa, Iberdrola, EDP Comercial and EDP Universal), made available by the ERSE.

## EN17

This indicator covers scope 3 of the GHG Protocol, including emissions associated with work travels using third party vehicles (train, aeroplane, rented vehicles – light and heavy passenger vehicles), as well as emissions associated with third party fleets used to transport scrap and slag.

Passenger rail transport: We've considered direct and indirect emissions associated with traction energy consumption. The calculation was based on the distances travelled (in pkm) and the average emission factor (diesel and electric traction) published by CP.

Passenger air transport: We've considered the direct emissions from fuel combustion, regarding the routes travelled. The calculation was based on the distances travelled (in pkm and with the correction factor regarding non-linear routes and flyover for landing) and emission factors that represent international air traffic, bearing in mind the average occupancy rates and aircraft that represent each type of route (short, medium and long distance). The Radiative Forcing Index was applied to GHG emissions at altitude (measured in CO<sub>2</sub>e).

Passenger road transport: It includes direct emissions from fossil fuel combustion in vehicles with internal combustion engines. The calculation was based on the distances travelled (in vkm) and the emission factors defined in the NIR PT 2012, for light passenger and heavy vehicles.

Road transportation of slag and scrap: It includes direct emissions from fossil fuel

combustion in vehicles with internal combustion engines. The calculation was based on the distances travelled (in vkm) and the emission factor defined in the NIR PT 2012, for heavy road vehicles.

## EN22

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

## EN23

LIPOR considers a spill to be significant, if the spill volume exceeds 30 l.

## EN27

$$\% \text{ of reclaimed products} = \frac{\text{products and their packaging materials reclaimed within the reporting period}}{\text{products sold within the reporting period}} \times 100$$

## LA2

No employees were hired in 2014. The formula used to calculate employee turnover was:

$$\text{LA2 (\%)} = \frac{\text{number of exits} + \text{number of entries}}{\text{total employees on 31-12-2014}} \times 100$$

## LA7

To calculate Severity and Frequency rates, lost days due to sick leave were considered from the day of the accident. Furthermore, lost days correspond to actual working days. In 2014, we've taken into consideration Employees who belong to LIPOR's staff and supervised workers, as they represent the total workforce. So, a total of 231 Employees were considered.

Regarding the calculation of the Absenteeism Rate, it doesn't include Maternity and Paternity Leaves, bereavement leaves, working student status, blood donation, union trades and family leave. Vacation leaves and days off are also not included.

In terms of hours worked, we've only considered workable days (excluding the vacation days the Employee is entitled to); regarding the absenteeism rate and Severity and Frequency rates, we've added overtime hours actually worked.

These rates do not include minor injuries (workplace accidents with no sick leave days).

## CALCULATION FORMULAS USED:

$$\text{Absenteeism rate (\%)} = \frac{\text{total number of lost days}}{\text{number of workable days}} \times 100$$

$$\text{Frequency rate (Tf)} = \frac{\text{total number of workplace accidents}}{\text{number of hours worked}} \times 1\,000\,000$$

$$\text{Severity rate (Tg)} = \frac{\text{number of lost days}}{\text{number of hours worked}} \times 1\,000\,000$$

