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AMORIM



SUSTAINABILITY REPORT LAUNCHED

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The crucial role of cork in carbon dioxide retention, preserving biodiversity and combating desertification was highlighted in a landmark report on sustainability published recently by Corticeira Amorim.

The report, Corticeira Amorim's first annual review on sustainability, details the company's sustainable development policies and performance, as well as social responsibility and related corporate activities.

It has been released at a time when public awareness of cork's crucial sustainability role is enhancing worldwide interest in natural cork as the most viable wine closure.

Natural cork's positive environmental values have received extensive global media coverage recently including reports in *Time*, *Forbes*, *USA Today*, *CBS News* and *Business Week*.

Introducing the Sustainability Report, Corticeira Amorim's chairman and CEO António Amorim said the performances and practices outlined in the report were the direct result of a culture of sustainability that had guided the company's business activity since the 19th century.

"Corticeira Amorim, in addition to benefiting from a gift of nature, has also structured its business activities around the adoption and strengthening of sustainable development practices," he said.

The company's approach is based upon several aspects, including transforming a natural raw material extracted cyclically from trees without harming them, promoting the economic and social sustainability of areas at risk of desertification, while making high value-added products that retain the unique and intrinsic characteristics of natural cork. This is achieved through an integrated manufacturing process that is practically waste-free.

Mr Amorim said the company had produced its first Sustainability Report as it



> Corticeira Amorim chairman and CEO António Amorim: "A culture of sustainability has guided Amorim's business activity since the 19th century".

was aware of its responsibility as the leader in the industrial cork business, the segment that guarantees the economic viability of the world's cork forests.

The major highlights in the report include:

- Cork oak forests and the resulting manufactured natural cork products have a proven, positive role in sustainable development.
- The role of cork in CO₂-retention, preserving biodiversity and combating desertification, is crucial in minimising the world's ecological footprint.
- CO₂-retention capabilities of Portugal's cork forests are estimated to be as high as five per cent of the country's annual emissions, or 4.8 million tons per year.
- Amorim's annual production of natural wine stoppers alone retains over 25 thousand tons of CO₂ creating a

unique balance between the creation of wealth and the protection of the environment.

- Over 45 per cent of Amorim's energy needs are supplied by renewable sources, including natural cork itself.

Corticeira Amorim will continue to plan, control and report on its performance in matters relating to the environment and the promotion of sustainable development. The company will conduct an annual review and each time it will aim to demonstrate significant ecological footprint reductions.

The Sustainability Report project was initiated in 2006 and largely covers the 2006 calendar year. It has been prepared according to G3 Global Reporting Guidelines (GRI) and independently assured by PricewaterhouseCoopers.

A full copy of the Sustainability Report is available from the Corticeira Amorim website at www.corticeiraamorim.com/en



A SENSE OF PLACE

Widely regarded as producing some of Australia's best shiraz, Jasper Hill winery and its founders Ron and Elva Laughton are this year celebrating the 25th anniversary of their first vintage.

Their story, over two-and-a-half decades, is one of innovation, passion, adversity and ultimately, success.

A small winery of 25 hectares, Jasper Hill produces about 3000 cases a year. The vineyards were planted in the Heathcote region of Victoria in the mid 1970s with the aim of producing "bloody good shiraz".

If you trail through the accolades the winery has received, that objective has been well and truly achieved. But it hasn't always been easy and there has been heartache along the way.

The biggest setback came in 1987 when a bushfire wiped out an entire vintage. Jasper Hill famously produced wine that year as the local industry supplied the Laughtons with enough grapes to release

a shiraz they labelled 'Friends'.

Dig below the surface and the Jasper Hill tale is enthralling — in fact talking below the surface about the "living soil" is something Ron Laughton is happy to do.

"Our aim is to make great wine with minimal intervention — to allow the individual vineyard's 'terroir' or sense of place to express itself," Ron says.

"I had high ideals of growing good shiraz and as a purist I wanted to do it without irrigation and with the shiraz on their own roots (not grafted onto American rootstock).

"That was my starting criteria, but I also had an underlying desire to not use any chemicals in the vineyard.

"I wanted to make wine as cleanly as possible and if I was able to do so organically my family and I would benefit and my farm would be better off."

As a result, no artificial or synthetic agrochemical herbicides, fungicides, insecticides or fertilisers have ever been applied to the Jasper Hill vineyard.

In 1998 Ron and Elva took the approach a step further by adopting biodynamic principles — including making their own composts and the timely application of them.

"The health and fertility of the vineyard gets back to the healthy life of the soil, which shows in the balance and elegance of the wine," Ron says.

Jasper Hill does not promote the fact that it is an organic/biodynamic winery, however Ron says he knows he has customers who are proud to drink a wine made under a green philosophy.

That philosophy extends to his choice of closure.

"I couldn't sleep at night knowing that my wine was in contact with the artificial synthetic compound inside a screwcap," he said.

"My wines will easily live for 20 years and I don't like the idea of that wine being in contact with a synthetic compound acting as the seal.



→ Ron Laughton

CLOSURE OF CHOICE

A survey of French, British, Australian and American consumers, conducted by leading US research firm Tragon Corporation, has found that natural cork remains the closure of choice for US consumers for all occasions.

Significantly, for frequent purchasers of wine above US\$15.00, the desire for a natural cork was the most important factor in their buying decision — ahead of wine region, style and even price.

Another survey finding was that while price was the most important factor for consumers purchasing wine under US\$8.00 a bottle, the second was having a natural cork.

The survey results were presented by Jane Robichaud, a food and wine expert, at the 2007 Unified Wine & Grape Symposium in Sacramento, USA, early this year.

"We were interested in measuring the importance of variables that drive consumer purchasing decisions," said Robichaud.

"The US market is very different from the others. In the UK and Australia the acceptance of screwcaps and synthetics is greater, while in France and the US natural cork is still the closure of choice."

"From a green perspective, cork is a natural renewable product and the cork oak tree sucks carbon dioxide from the atmosphere — those are positives as far as I'm concerned."

Ron says the fact that he knows how his wines behave under cork is another important factor in his choice of closure.

"To me it is an attribute that we understand that a wine ages gracefully under cork even though we are still admitting that we don't know why," he said.

Ron is quick to point out that wine taint resulting from the closure is unacceptable at any level, but says he has experienced a very low incidence by purchasing quality corks.

"I'm at the premium end of the market where I can afford to buy the best corks available. You get what you pay for," he said.

"Cork producers have cleaned up their act through research and processing changes and I think we are getting close to the point where we can guarantee to the wine purchaser that the cork will be TCA free.

"I have used Amorim corks exclusively since day one and it has been a good relationship between buyer and supplier over 25 years. I don't have any great demands on Amorim other than I expect good corks — and they give them to me."



→ Jasper Hill places significant emphasis on the "living soil".



WINERY LEADS ON ENVIRONMENT

Willamette Valley Vineyards in the US has become the first winery in the world to achieve Forest Stewardship Council (FSC) certification for its use of cork stoppers harvested from responsibly managed forests.

Based in Oregon, the winery has been awarded FSC 'chain of custody' certification by the Rainforest Alliance.

"Cork stoppers from responsibly managed forestlands are the only choice for wineries that want to have a positive environmental and social impact," said Jamie Lawrence, European Forestry Division manager for the Rainforest Alliance.

"Willamette's commitment to supporting responsible cork production in rural communities in the Mediterranean is commendable and progressive, fitting of a world-class winery that focuses on making sustainable choices."

The corks used by Willamette Valley Vineyards are processed at Amorim's FSC-certified production facilities in Portugal.

The Rainforest Alliance was responsible for awarding FSC certification at each step throughout the process, beginning with certifying the world's first cork forest in Portugal in 2005, later certifying the cork manufacturing facilities owned by Amorim, and now certifying Willamette Valley Vineyards.

The announcement follows the release earlier this year of the African Dawn range of wines in Europe with FSC-certified Amorim corks.

Willamette Valley Vineyards produces

100,000 cases of principally pinot noir annually that is distributed throughout the United States, Canada and the Pacific Rim.

Starting with the 2006 vintage bottled in July, the winery will now use FSC-certified Amorim corks in all its bottles. The corks will be imprinted with the FSC and Rainforest Alliance logo and bottle labels will also bear both certification seals.

"We think about every aspect of how we can walk as softly as possible in pursuing our goal of making world-class pinot noir," said Jim Bernau, founder and president of Willamette Valley Vineyards.

"The question is: What is the best choice for the long-term health of the planet? The clear answer is natural cork that comes from a responsibly managed forest."

Carlos de Jesus, marketing and communications director for Amorim, the world's first FSC-certified cork company, congratulated Willamette.

"The wine industry is responding to a demand by informed consumers that will result in the conservation of fragile ecosystems and the reduction of the industry's carbon footprint," he said.



→ Willamette Valley Vineyards now uses FSC-certified Amorim cork stoppers in all its bottles.



→ Amorim is the first company in the world to achieve full 'chain of custody' FSC-certification for a natural packaging product.

RECYCLING PROGRAM FOR UNITED STATES

Amorim Cork America has launched a pilot program in the state of Oregon to collect and recycle one ton of natural wine corks over the next 12 months.

The program, called ReCork America, is headed by Jack Squires, the former general manager of Amorim Cork America who now works for the company in a consulting role.

Collection points will ultimately include wineries, wine and spirit retailers, restaurants, grocery stores and other locations where wine is consumed or purchased.

"Amorim has taken a leadership role by producing sustainable natural products for many years and the development of this recycling program is a perfect fit with the company's environmental policies," said Squires.

"Consumers worldwide are demanding eco-friendly choices and are genuinely concerned about carbon emissions and product reuse. Fortunately for us, we have a product that actually reduces CO2 levels and is 100 per cent recyclable."

Squires said the plan is to start small and grow as the interest in cork recycling in the US builds.

"Our goal is to collect one ton of natural corks in the first 12 months of the program — that's approximately 300,000 corks," he said.

The collected corks will be sorted to remove any alternative closures and stored while a processing partner is selected.

ReCork America is investigating several processing options that include a manufacturer of green building materials and

a supplier of cork flooring and insulation.

The ultimate goal is to select a recycling method that minimises the output of additional carbon and is environmentally and financially sound.

Amorim has received support from The Oregon Environmental Council, Willamette Valley Vineyards and SOLV, an Oregon-based environmental organisation.

Additional information: www.recorkamerica.com



→ The ReCork America logo.



DROP US A LINE

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IN BRIEF

KORKEN SCHIESSER CERTIFIED

The Austrian-based Amorim Group company, Korken Schiesser, has been certified by the British Retail Consortium/Institute of Packaging (BRC/IOP).

The BRC/IOP Standard is a guideline for manufacturers of food packaging. It addresses both hygiene management and quality control in line with HACCP (Hazard Analysis and Critical Control Points) principles.

Korken Schiesser not only manages the quality of its products and services, but also evaluates its systems through the independent institute, Quality Austria.

"A lot can be promised, including quality. Only very few can consistently guarantee quality," said Korken Schiesser quality manager Thomas Peroutka.

Korken Schiesser is the first cork manufacturer in Austria and the second in Europe to have been certified by BRC/IOP. → 01

PRIDE IN CLOSURE

Spanish wineries continue to highlight their preference for cork as a closure on product packaging.

Bodegas del Muni, a family-owned winery located in Villatobas, Toledo, south of Madrid is proudly displaying the 'Cork Mark' developed by the European Cork Federation on its latest releases.

"Our wines, branded Corpus del Muni, have been sealed with natural corks since the first vintage as cork guarantees the ideal evolution of the wine in the bottle," said owner Jerónimo Perea.

THE GREAT CORK DEBATE

Amorim played a leading role in 'The Great Cork Debate' held at Copia, the American Center for Wine, Food & the Arts, as part of the Napa Harvest Festival in October.

Communications and marketing director Carlos de Jesus was one of four panelists at the debate which was moderated by George Taber, author of *To Cork or Not to Cork*.

The other members were Randall Graham (Bonny Doon Vineyard), Bruno de Saizieu (Alcan Packaging Capsules) and Pascal Chatonnet (Excell Laboratory).

"The position of cork was enhanced during the debate," Mr de Jesus said.

"In particular we highlighted the significant quality control advances that have been made in recent years as well as the environmental advantages of using natural cork." → 02

ACADEMY IN VINEXPO

The Amorim Academy held a successful debate at the last Vinexpo on the topic: *Influence of wine packaging and the consumer: Environmental constraints? Foreseeable evolutions?*

The debate panel included Corticeira Amorim chairman and CEO António Amorim, Vinexpo president Jean-Marie Chadronnier, Groupe Auchan wine buyer Olivier Mouchet, Vitop director of marketing Patrick Shea, St Gobain marketing and sales manager Emmanuel Auberger and Wine Intelligence director Brian Howard.

The group discussed the use and consumption of different types of packaging, the economical weight of packaging formats as well as their environmental impact, the concerns of consumers and future developments in the packaging industry. Over 150 people participated in the debate forum.

Amorim Academy debates are a regular feature at Vinexpo in line with the organisation's charter to generate discussion on issues concerning the global wine industry.

A report on the latest debate is available on www.academie-amorim.com

PORTOCORK GOES GREEN

Amorim Group company Portocork America is building on its green credentials with a commitment to minimise its environmental impact through new water and energy conservation practices and solid waste reduction at its Napa Valley facility. The move is part of a push to become a 'Certified Green Business'.

"Portocork America remains committed to natural cork which is the only natural, renewable, biodegradable and recyclable wine closure," said Portocork America's president Dustin Mowe.

"Along with our parent company we understand that the environment is in danger and we are committed to fulfilling our century-old tradition of being in harmony with nature with both our sustainable product and our environmental consciousness."

Portocork America is based at a new state-of-the-art facility which holds in excess of 50 million corks in storage. It is implementing several changes to its operations including energy conservation practices, environmentally friendly packaging, pollution prevention, solid waste reduction and recycling.

WORKSHOPPING WINE FAULTS

Earlier this year Amorim hosted a workshop series on wine faults in the United States and South Africa featuring leading sensory scientist and consulting winemaker Dr Pascal Chatonnet.

The workshops provided 350 industry professionals with an opportunity to evaluate some of the more troubling faults in wine. Chatonnet discussed an array of taint agents, from their origins to preventative measures.

One of the more telling demonstrations was the influence of copper to reduce volatile sulfur compounds in sauvignon blanc. Two wine samples, one containing 20 ng/L of dimethyl sulfide (DMS) and the other 100 ng/L, were treated with copper. The results showed that while the copper did reduce DMS, it also removed the wine's fruity character.

Chatonnet said winemakers should not try to manage the risk of post-bottling 'negative reductive evolution' by increasing the oxidative status of the wine or treating it with copper, but instead should focus on prevention by appropriate viticulture and winemaking practices. → 03



→ 01

→ Korken Schiesser quality manager Thomas Peroutka (left) and general manager Guenther Schiesser with the BRC/IOP certificate.



→ 02

→ The position of cork was enhanced at 'The Great Cork Debate'.



→ 03

→ The Amorim technical workshops were well attended by industry professionals.