

#40 NOVEMBER '18

BARK TO BOTTLE

EXCELLENCE IS IN OUR NATURE



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AMORIM'S NEUTROCORK® HAS NEGATIVE CARBON FOOTPRINT

RESEARCH CONFIRMS AMORIM'S
COMMITMENT TO THE CIRCULAR ECONOMY

Research highlights the negative carbon footprint of Amorim's Neutrocork®

RESULTS OF PRICEWATERHOUSECOOPERS STUDY CONFIRM CORTICEIRA AMORIM'S COMMITMENT TO THE CIRCULAR ECONOMY

At a time when protecting the environment is more important than ever, consumers increasingly prefer cork stoppers because of their impeccable sustainability credentials, in addition to their superior technical capacities in terms of safeguarding the quality of wines.

A September 2018 study produced by PricewaterhouseCoopers for Amorim & Irmãos confirmed that Amorim's rigorous production control system guarantees excellent quality and a negative carbon footprint for its Neutrocork stoppers - a latest generation technical stopper which guarantees great structural stability.

The Neutrocork stopper is recommended for wines with a certain complexity and has been embraced by thousands of winemakers around the world.

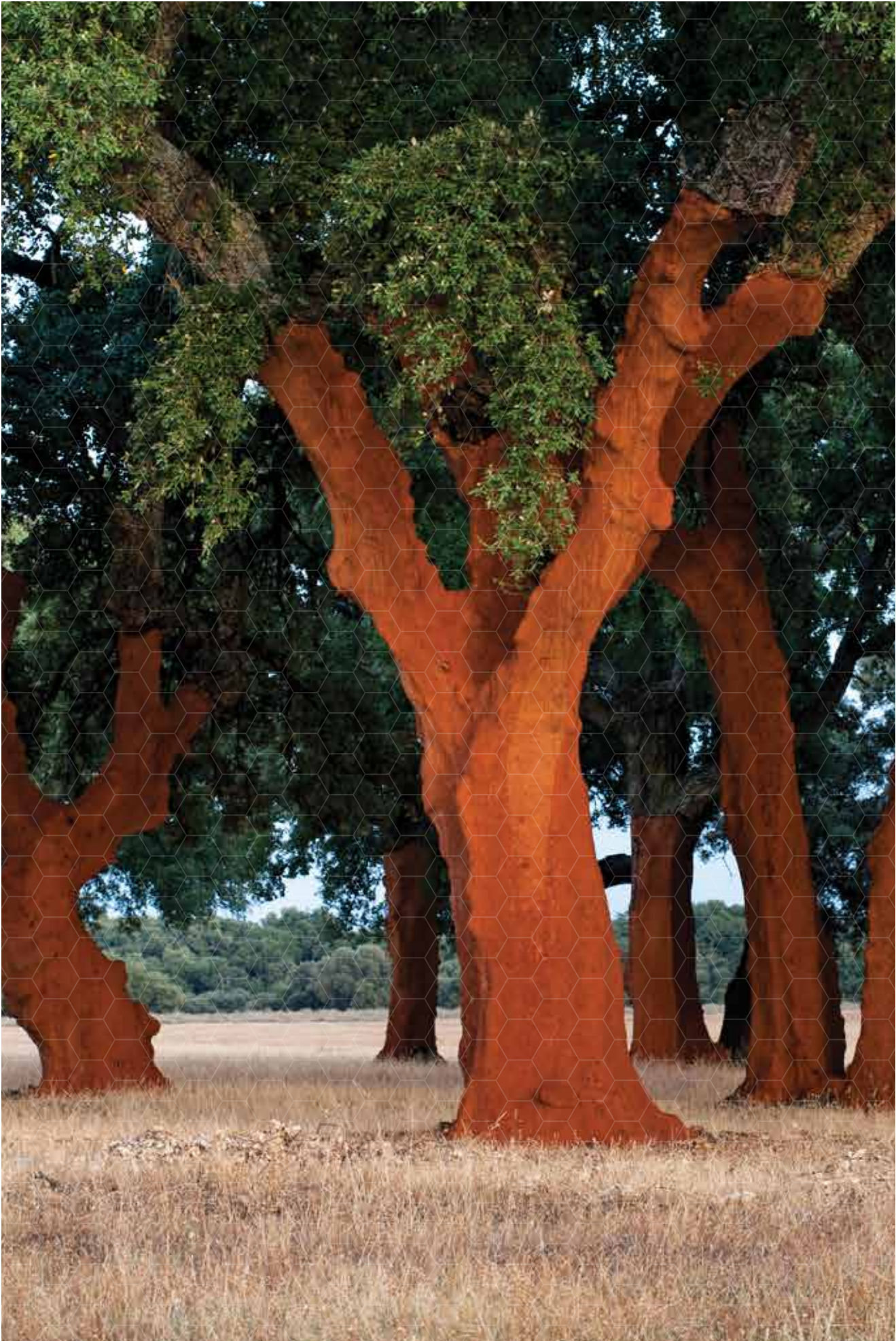
To produce Neutrocork stoppers, natural cork is sourced from cork oak forests and then sorted, boiled, ground, and treated using Amorim's proprietary ROSA® system. The uniform-sized micro cork granule composition is then pressed into individual moulds.

The 2018 PwC study adopted a Business to Business (Cradle to Gate) approach in which it calculated the carbon footprint until conclusion of the production process and distribution of stoppers to the UK.

The study's main conclusions included the fact that the Neutrocork stopper has a positive carbon footprint - -342 kg CO_2 per ton of product, corresponding to -1.8 kg CO_2 per 1000 stoppers (i.e. -1.8 g CO_2 per stopper).

Furthermore since production of Neutrocork stopper is integrated within the overall cork production chain, the PwC study considered the carbon sequestration of the cork oak forest associated to cork production, delivering an even higher result - corresponding to a total of $-73,342 \text{ kg CO}_2$ per ton of product -392 kg CO_2 per 1000 stoppers (-392 g CO_2 per stopper).

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The methodology used in the study was life cycle analysis (LCA) based on the guidelines of the Greenhouse Gas Protocol (GHG), developed by the World Business Council for Sustainable Development and the World Resources Institute.

The survey was carried out taking into consideration ISO 14040 series of standards and PAS 2050: 2008 "Specification for the assessment of the life cycle greenhouse gas emissions of goods and services".

The production stages encompassed within the Cradle to Gate methodology involved four business units of Corticeira Amorim - Amorim Florestal, Equipar, Amorim & Irmãos (De Sousa), and Amorim Distribuição.

The emissions measured in kg CO₂/ton for each product were estimated using multiple data analysis sources.

The study noted that a key factor in ensuring a negative carbon footprint is the fact that the cork oak forest is a carbon sink, responsible for retaining -73 tons of CO₂ per ton of cork produced, as confirmed in a recent study by the University of Aveiro (Study of the Department of Environment and Planning and the Centre for the Study of the Environment and the Sea (available at: <http://uaonline.ua.pt/pub/detail.asp?lg=pt&c=45245>).

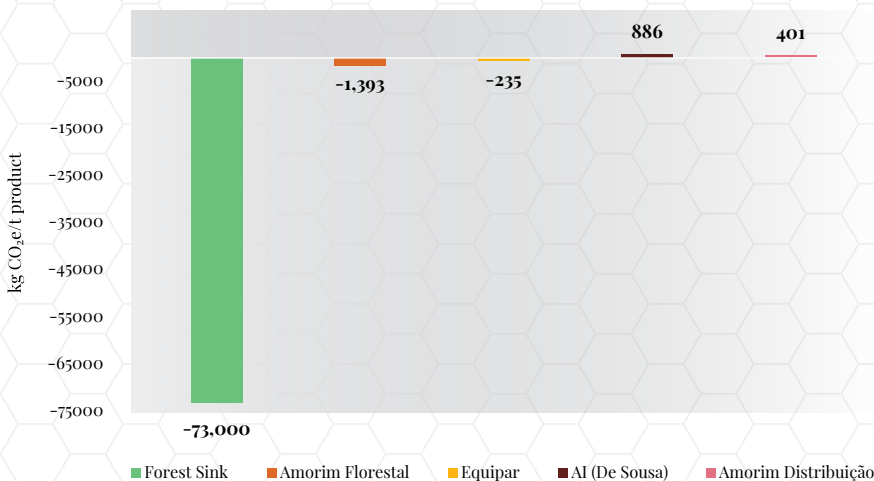
PwC previously produced studies of the carbon footprint of every Corticeira Amorim Business Unit (BU), independently verified by Deloitte, which concluded that Amorim's business activity results in carbon sequestration of more than 2 million tons per year - more than 15 times the amount of greenhouse gas emitted across its entire value chain.

Corticeira Amorim has been committed to a Circular Economy strategy since 1963 when an industrial unit for the production of cork grains and agglomerates was formed with the objective of transforming 70% of the waste generated from the manufacture of cork stoppers.

The independently confirmed negative carbon footprint of Neutrocork is aligned with Amorim's wider strategy to promote cork as one of the world's most amazing and sustainable natural products.



Relative emissions (kg CO₂e/t product) per company/phase of production of Neutrocork stoppers, considering the cork oak forest sink.



France

Nielsen study confirms the superior performance of cork-sealed wines

A 2018 study produced by Nielsen for the Professionals du Liège confirmed that cork-sealed wines dominate the French wine market in terms of value and volume and bring clear added value to wines, especially in the “Premium” and “Super Premium” segments, when compared to artificial closures.

The study concentrated on the top-selling wines in the “Premium” and “Super Premium” segments in French hypermarkets and supermarkets, with average retail prices between €5 and €15.

Data was compiled for the period between March 2017 and March 2018.

The key findings included the following:

- Cork-sealed wines occupied 86.3% and 84.4% of sales, in value and volume terms respectively, with a 98.5% share for red wines.
- Cork-sealed wines commanded a price premium of €1.87 in these two segments, compared to wines sealed with artificial closures.
- All wines priced above €8 were sealed with cork.

French retail chains are increasingly insistent on stocking cork-sealed wines, due to quality and environmental considerations.

A recent example is the declaration by France’s leading retail chain, the Auchan group, that it aims to ensure that over the medium term all wines bearing its distribution label will be cork-sealed (see next article).



Four international retailers promote cork to consumers in the UK, Continental Europe and the US.

CONSUMERS' WORLDWIDE PREFERENCE FOR CORK STOPPERS, AS CONFIRMED BY MARKET RESEARCH STUDIES AND SCIENTIFIC RESEARCH, HAS PROMPTED FOUR TOP RETAILERS IN THE US, UK AND FRANCE TO BECOME INVOLVED IN INITIATIVES THAT HIGHLIGHT THE VALUE OF CORK STOPPERS VERSUS ARTIFICIAL CLOSURES.

Cork is now clearly the closure of choice for many top retail chains, who have launched educational and promotional initiatives that highlight the sustainability and quality credentials of cork and thereby boost sales.

This is of decisive importance for winemakers given that in many markets the vast majority of wines are sold through mass market retail chains.

In the US, one of the country's leading retailers in this segment, Fairway Wines & Spirits, is conducting a 2-month in-store educational campaign in the New York metropolitan area (see article) as well as promoting collection of used wine corks as part of ReCork, the largest cork stopper recycling programme in the United States.

In the UK, Britain's oldest wine merchant - Berry Bros. & Rudd - is the first UK retailer to supply wines sealed with the ground-breaking twist-and-pop Helix cork stopper (see article).

Katherine Dart MW, wine buyer at Berry Bros. & Rudd comments "While Berry Bros. & Rudd may be the UK's oldest wine & spirits merchant, we are always keen to embrace the latest trends and innovations...[Helix guarantees] the all-important cork-out-the-bottle 'pop'"

The Co-op retail chain is the first UK high-street supermarket to retail a Helix-sealed wine - Vila Real Rabelo Red 2015 (see article).

Sarah Benson, Co-op's wine buyer, remarked: "Customers are already really loving the new wine and it is currently our third biggest seller in the range."

In France, retail chain Auchan recently conducted an ambitious campaign to collect and recycle cork stoppers, one of the largest ever undertaken in this field, with stopper collection points in 641 stores throughout France (see article).

Auchan has stated that over the medium-term it plans to ensure that all wines bearing its distribution label will be cork-sealed, due to the fact that cork is a high-quality and 100% natural product, valued by consumers.

Cork-sealed wines are stocked on retailers' shelves around the world, given that it estimated that 70% of the world's wines are sealed with cork stoppers.

Major in-store cork-related campaigns and educational initiatives are a more recent development and are likely to further consolidate cork's global presence in the expanding worldwide wine and spirits market.



USA

Fairway Wines & Spirits promotes cork

Fairway Wines & Spirits, one of the leading wine and spirits stores in the United States, is conducting a 2-month in-store awareness campaign throughout the New York metropolitan area, culminating on National Recycling Day on November 15. The initiative has been created within the context of the international promotion campaign Intercork, organised by the Portuguese Cork Association (APCOR), which highlights the environmental and quality benefits of cork and cork stoppers.

“Cork is biodegradable, sustainable and recyclable,” explains Angelo Martelli, Director of Wine for Fairway Wines & Spirits. “We know our consumers value products that are eco-friendly. We want them to know that it's important to us too, which is why we are supporting this new educational campaign. Our goal is to educate consumers about cork's positive impact on the environment, and on the development and ageing of the wine itself.”

“For these reasons, the history of wine and cork are intertwined”, adds Martelli. Cork remains today the stopper of choice for over 70% of the world's wines, including the vast majority of the world's best wines.”

Several initiatives are planned, ranging from signage and banners to the provision of cork recycling bins, weekly wine tests, 'upcycled' cork prizes and giveaways, and neck hangers on select California wines, identifying them as having cork closures.

Consumers will be able to take the cork stoppers to the four Fairway Wines & Spirits stores, from where they will be recycled as part of ReCork, the largest cork stopper recycling programme in the United States. This programme recycles cork for a wide variety of eco-friendly products – such as yoga blocks or flip flops. Recycled cork stoppers will also be donated to the Darien Nature Center, a non-profit NGO, that will use these resources to fund animal welfare and various environmental projects.

UK

Co-op launches new Helix-sealed wine

UK high-street supermarket chain, the Co-op, has launched the Helix-sealed Vila Real Rabelo Red 2015.

This is the first time that the innovative twist-and-pop stopper is available at a UK supermarket and experts believe it could further reinforce UK consumer interest in cork-sealed wines.

The Co-op is one of the world's largest consumer co-operative federations and includes over 5500 branches of 'Co-op' branded businesses in the UK.

Co-op collaborated with Corticeira Amorim and Portuguese winery Adega Vila Real to launch the wine which will retail at £6 and is available throughout the UK.

Wine traditionalists tend to prefer to buy cork-sealed wines because of their superior ageing properties and the pleasing 'pop' sound, which a 2017 Oxford University study confirmed is far more appealing to consumers than the metallic click of a screwcap.

Sarah Benson, Co-op wine buyer, commented that the wine “is currently our third biggest seller in the range. This is a modern twist on the traditional cork closure which has been used for hundreds of years to help age and store wine. It's an exciting development for shoppers that prefer to buy wine with a cork.”

The Co-op's launch of a Helix-sealed wine has caught the attention of the UK national media, including an article in the Daily Mail entitled “So that's what they meant by corkscrew!” by Sean Poulter, who noted this important “twist in the tale”, adding: “The Helix cork combines the tradition of cork and the convenience of screw cap – and means a bottle of wine can be easily resealed.”





UK

Helix is adopted by Britain's oldest wine merchant - Berry Bros. & Rudd

The UK is the latest country to adopt Helix's "unexpected twist"

300-year old Berry Bros. & Rudd is the first UK retailer to supply wines available in resealable cork bottles.

The London wine and spirits merchant currently is retailing two Helix-sealed wines from South Africa - Anthonij Rupert Protea Sauvignon Blanc 75cl and Anthonij Rupert Protea Chardonnay 75cl.

In 2018 Helix-sealed Anthonij Rupert Protea Shiraz wines have also been served on-board Virgin Atlantic Airways flights.

Katherine Dart MW, wine buyer at Berry Bros. & Rudd comments "The ergonomically-designed cork together with threads inside the bottle neck ensure an airtight seal and enable effortless opening with a light twist. The bottle is resealable but unlike the screwcap, you still get the all-important cork-out-the-bottle 'pop' and it's also great for reusing and upcycling for anything from water to olive oil."

Hailed as one of the greatest wine packaging innovations of the twenty-first century, Helix is already available across four continents, with more than two dozen brands using this pioneering product - in Portugal, Spain, France, Italy, Austria, South Africa and the U.S..

FRANCE

Corticeira Amorim and the Auchan group promote a joint cork stopper recycling initiative

Corticeira Amorim and the French retail chain, Auchan recently conducted an ambitious campaign to collect and recycle cork stoppers, one of the largest ever undertaken in this field.

Between September 21 and October 9, 641 Auchan stores in France provided wine cork collection points during the summer and also as part of the retail chain's annual Autumn Wine Fair from September 21 to October 9.

The campaign poster emphasised the importance of the circular economy, stating "give cork a second lease of life!".

Given the unique sustainability credentials of cork, a 100% natural product, Auchan stated that over the medium-term it plans to ensure that all wines bearing its distribution label will be cork-sealed.

At the end of the Autumn Wine Fair, corks were delivered to Amorim France, which through its EcoBouchon programme is responsible for recycling used cork stoppers in France.

For each ton of wine corks collected, Corticeira Amorim and Auchan Retail France undertake to make a donation to a charity.

Since its launch in 2010, Amorim France's Ecobouchon programme has collected and recycled over 1,000 tons of cork stoppers and has funded numerous associations.

CHINA AND UK

CORK IS THE GOLD STANDARD IN THE WORLD'S TOP WINE AND SPIRITS AWARDS

For the world's leading wine producers, cork occupies pride of place as their preferred wine closure, as confirmed by the results of the world's top wine competitions.

In the world's biggest and most prestigious wine competition, the Concours Mondial de Bruxelles, sponsored by Amorim since its inception, cork-sealed wines swept over 95% of the top awards.

In terms of Grand Gold medals, French wines topped the list, followed by Spanish and Portuguese wines, in 2nd and 3rd place. The host country China won five Grand Gold medals, compared to four in 2017, and just one in 2016. Cork was used in virtually all the award-winning wines.

CMB is the only touring competition in the world, with 25 years' experience, and is the only wine contest to perform quality control tests on the awarded wines. In the overwhelming majority of cases this means having to pull a wine cork, rather than opening an artificial closure.

Cork is also consolidating its status as the premium seal for spirits producers, as part of the powerful global premiumisation trend.

Cork-sealed whiskies and gins took pride of place in the 2018 World Whiskies Awards and 2018 World Gin Awards - both sponsored by Amorim Top Series.



Cork is viewed by consumers as a sign of quality and this is confirmed by the results in the world's leading wine and spirits awards. In short - nothing can beat cork to keep the genie in the bottle!

USA

BLIND TASTING TESTS CONFIRM CONSUMERS' PREFERENCE FOR CORK STOPPERS

New research, involving hundreds of North American wine consumers in blind tasting tests, has confirmed a global preference for cork in the world's biggest wine market.

The independent study, published in the International Journal of Hospitality Management (IJHM), sought to investigate the association between the type of stopper used in different wines and consumer's perception of the wine's intrinsic attributes.

In a blind tasting test involving two wines, participants attributed a ranking that was 10-13 points higher in relation to appearance, flavour, aroma and general quality, when, through visual clues, they were led to believe that the wine had been sealed with a natural cork stopper instead of a synthetic stopper or screwcap. The 310 participants had no idea that they were tasting exactly the same wine.

"This research project proved statistically true as participants rated wines that they were told came from bottles with natural cork as superior when in reality both wines used in the experiment were dispensed from wine kegs," explains Dr. Dennis Reynolds, Dean of the University of Houston Conrad N. Hilton College of Hotel and Restaurant Management and co-author of the study.

The other co-authors of the study were Imran Rahman and Shaniel Bernard of the Department of Nutrition, Dietetics, and Hospitality Management at Auburn University, USA, and Amy Holbrook of The Boeing Company, USA.

Participants received a questionnaire covering issues related to the tasting experience, drinking habits and wine preferences. The event included two wine blends, both from the Bordeaux region.

The results of the study mirror those obtained in 2017 in a scientific experiment conducted by Charles Spencer, Professor of Psychology at Oxford University, in which participants ranked the same wine after hearing how the wine had been opened - a "pop" with a cork stopper or a "twist" with a screw cap. The difference in the ranking attributed to the wine sealed with a cork was much higher - up to 15% higher.

The IJHM study concluded that restaurants, bars, wineries and cellars can "better please customers" by serving wines with natural corks instead of screw caps or synthetic closures because "closure type can influence perceptions of taste, bouquet, appearance, and overall quality." Moreover, the researchers suggest that wine manufacturers should "resist shifting to alternatives to natural corks."

These conclusions reinforce market studies conducted in various countries, such as the United Kingdom, France, Italy, Germany and the USA, which demonstrate that use of cork affects the perception of wine quality and its intrinsic value.

CHINA

APCOR LAUNCHES CORK ACADEMY PROGRAMME IN CHINA

Chinese consumers reveal an overwhelming preference for cork

China, the world's fastest-growing wine market, has a tremendous appetite for cork, viewed by Chinese consumers as a hallmark of a quality wine.

To tap into this demand the Portuguese Cork Association (APCOR) has launched its first ever cork academy programme in China in June 2018.

The goal of the “Train the Trainers” programme is to build a team of professional wine culture educators who will further the penetration of cork in one of the world's largest wine markets.

The first initiative involved two 1-day workshops - in Shanghai and Guangzhou - that aim to nurture a holistic understanding towards wine and cork, covering a wide variety of topics on cork, ranging from its history, physical properties, production technicality, sustainability benefits and applications, to its benefits for wine evolution.

The Cork Academy graduates were certified as Approved Cork Educators, and are authorised to conduct cork education classes on behalf of APCOR in China over the next 12 months.



Amorim's Marketing Director, Carlos de Jesus, Operational Director of APCOR's InterCork programme, explains: “APCOR has been actively promoting the value propositions of cork, namely Culture, Nature and Future, in China for several years. In view of the enormous size and geographic spread of the China market, we want to have a sustainable way to carry out our cork education efforts there.”

The instructors of the Cork Academy programme include Denis Lin, a highly regarded wine educator in China who has been working closely with APCOR for years.

He states: “A growing number of Chinese consumers want to become informed and educated wine lovers. Nevertheless, despite its importance to wine, cork has been given a grudging role in local wine education. It is probably because not many wine educators are fully equipped with in-depth knowledge on cork. This initiative could provide local wine educators with the missing piece of this jigsaw puzzle.”

AUSTRALIA

NDTECH CHOSEN TO SEAL COONAWARRA REGION'S MOST EXPENSIVE WINE

Amorim's pioneering NDtech screening technology - which individually tests each wine cork to guarantee the elimination of the presence of TCA - has been adopted by yet another prestigious wine.

The 2500-bottle exclusive release of 2016 William Wilson Shiraz Cabernet, produced using some of the oldest vines from the vineyards of the Redman and Balnaves estates in Australia - 85-year old shiraz from Redman and 46-year old cabernet sauvignon from Balnaves - is sealed with Amorim NDtech corks.

After blending trials the winemakers chose a mix of 55% shiraz and 45% cabernet.

The release is designed to celebrate the 200th anniversary of the birth of William Wilson, a Scottish horticulturist who settled in Penola, Australia in 1860. As a distant ancestor to both the Balnaves and Redman wine dynasties, his stunning gardens were the inspiration for John Riddoch to plant the first grapes in the region. The premium blend is intended to honour the winemakers' great-great-great grandparents.

This is the most expensive wine ever to come out of the Coonawarra region, priced at AUD\$300 bottle, and NDtech was the ideal choice to seal it.

Wine critic James Halliday reviewed the wine for the Weekend Australian and gave it a rating of 97 points, noting in his review that "No expense has been spared with the packaging, the Amorim NDtech corks individually tested for taint, the cork protected with dense burgundy wax, the deluxe box for each bottle with the full family tree printed on the outside."



CHINA

APCOR LAUNCHES WORLD'S FIRST TELEVISED CORK ADVERTISING CAMPAIGN

LEADING CALIFORNIAN WINERIES PROVIDE TESTIMONIALS IN THE PROMOTIONAL AND EDUCATIONAL CAMPAIGN

In a 4-week period, between August 15 and September 12, 2018, the Portuguese Cork Association (APCOR) launched a series of trade-targeted television advertisements in Napa, Sonoma and Santa Rosa. It was the world's first televised cork advertising campaign.

The 30-second ads ran five to six times per day on each channel in the targeted cities, including CNN, MSNBC, Fox News, Food Network and HGTV.



Leading Californian winemakers provided testimonials highlighting their preference for cork, including Corey Beck of Francis Ford Coppola Winery; Maggie Kruse of Jordan Winery; Katie Madigan of St. Francis Winery & Vineyards; Richie Allen of Rombauer Vineyards and Tim Bell of Dry Creek Vineyard.

The campaign focused on the quality and sustainability benefits of cork and aimed to show to winemakers and consumers the benefits delivered by natural cork in terms of protecting wines, and the key environmental value of Europe's cork oak forests which naturally absorb greenhouse gases and are harvested without harming the trees.

Statements in the ads include Maggie Kruse, who confides that "We find that cork is really the best closure and the wine tastes the best at the end of that ageing period"; Tim Bell, who says that "The cork shepherds the wine through the ageing process. It's the guardian for the wine, but it's also part of the ageing process as well"; Corey Beck, who reveals that "As a winemaker, corks help me sleep better at night," and finally Richie Allen who concludes that "Nothing ages the same way as a cork and nothing has the same life span as a cork. And it's sustainable."



GERMANY

1811

'GERMAN' RIESLING IS UNCORKED

When it comes to long-term storage of wine, cork simply has no competitor.

Riesling has an extraordinary capacity to age, and cork has an unrivalled capacity to manage this process.

But it's not often that there's a chance to put it to the test - by uncorking a 207-year old bottle of 'German' Riesling.

The early 19th century vintage came from the cellars of the historic Pfalz estate Geheimer Rat Dr. von Bassermann.

The 1811 Riesling from the estate's Forster Ungeheuer vineyard was tasted on 26 August in the village of Deidesheim, to mark the producer's 300th anniversary - a once in a lifetime experience.

Three vintages of each Geheimer Rat Dr. von Bassermann-Jordan; Reichsrat von Buhl and von Winning, covering 1988, 1979, 1967, 1953 and 1925, were also tasted before the 1811 Riesling was uncorked.

According to Decanter Premium, which covered the uncorking ceremony, "The colour was amber; the nose at first had a hint of smoke which then opened into notions of lanoline, beeswax, lifted citrus and white truffle. The palate was fresh-faced, friendly, just off-dry and, incredibly, still had almost juicy playfulness, verve and impeccable balance. That it was 207 years old left us speechless."

Careful monitoring of the cork closure played a central role in this 207-year old journey from bottling to drinking.

Gunther Hauck, Bassermann-Jordan's managing director, said that the 1811 wine had been regularly re-corked, subject to rigorous scrutiny but without any additions, other than top-ups from one bottle of the same wine which had been sulphured.

Two bottles were used at the tasting and the last eight bottles remain at the estate.

Anne Krebiehl MW responsible for the tasting, said that the freshness and pristine nature of the relatively dry 1811 wine were quite astonishing.





TAKING CARE OF THE INNER BEAUTY.



Presenting Amorim's 2D Champagne and sparkling wine stoppers featuring two natural cork discs, now available with our proprietary NDtech system, the first to guarantee non-detectable TCA* performance.

Contact with these 100% natural cork discs enhance the aromas and complexity of the wine, with hundreds of millions of pure cork cells working with you to deliver your wine's most exquisite outcome, allowing Amorim to develop cork stoppers specifically designed for the critical, value-adding *tirage* process.

Amorim's 2D Champagne and sparkling wine cork stoppers: now the best bottling line performance also comes with a sensory guarantee.



AMORIM

www.amorimcork.com

*releasable TCA content at or below the 0.5 ng/L quantification limit; analysis performed in accordance to ISO 20752.