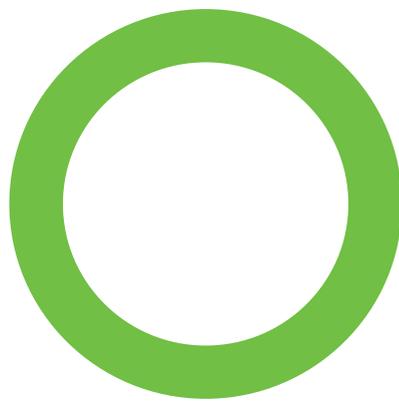


SUSTAINABILITY
REPORT
2012





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CHAIRMAN'S MESSAGE

Dear Stakeholders,

In recent years, **Corticeira Amorim's** integration of sustainability into our corporate strategy has created value for a wide range of stakeholders – that is, value in economic, environmental and social terms. Although some of our leading markets contracted in 2012, particularly in Europe, the company's business and profitability continued to grow, exceeding for the first time in our long history annual sales of more than €500 million.

The engagement of our stakeholders has been crucial to this performance, enabling us to plan and implement medium- and long-term strategies adapted to the special characteristics of our business. In this context, **Corticeira Amorim** last year consulted its stakeholders in another feedback exercise that not only validated the company's options on sustainable development, but also in regard to a number of important decisions aimed at creating more value for the business.

Since 2006, the year for which we published our first sustainability report, we have regularly published information on our practices, which, together with the characteristics of the raw material with which we work, has underlined the singularity of our business in regard to several features that have gained increasing public recognition. For several years, the company has pioneered the use of life-cycle analyses of its products – in accordance with internationally recognised standards – that have demonstrated their ecological benefits. By combining the environmental characteristics of cork with those of the surrounding ecosystem (the cork oak plantations known as *montado de sobro* in Portuguese), these studies confirm – unsurprisingly – the superior environmental performance of cork products.

Notwithstanding this, the environmental impact of the Group's activities should, as far as possible, be quantified. It was with this goal in mind that, in 2012, **Corticeira Amorim** took another pioneering step by commissioning an independent calculation and verification of its carbon footprint, in accordance with ISO standard 14064. This study concluded that, in terms of greenhouses gases, the company's activities benefit the environment. The calculation, made by PricewaterhouseCoopers and independently verified by Deloitte, shows that **Corticeira Amorim's** activities, which greatly support the cork oak forests (*montado*) ecosystem, result in the sequestration of more than 2 million tons of CO₂ a year, 15 times more than all its operations emit in the same period.

Being the world leader of an industry with these characteristics carries with it a responsibility that is based on a total conviction that businesses and companies cannot win in a world that loses. For this reason, we are committed to continuing the innovation and developmental process of cork products that create economic, environmental and social value for customers, consumers and society as a whole.

We have been pleased by the increasingly wide recognition of the potential of cork as an advantageous material for the 21st century.

In 2012, cork was the subject of a number of important articles in the international press and **Corticeira Amorim** was often identified as an example to follow. Cork was also chosen last year to be the main structural component of the Serpentine Gallery Pavilion, an iconic architectural work created in London by Herzog & de Meuron and the Chinese artist Ai Weiwei. At the same time, a partnership with Siemens was announced for using cork in a new generation Metro system that will begin servicing the city of Warsaw in mid-2013.



The commitment of our employees, who live and feel our sustainable development ambitions in a way that goes beyond the simple carrying out of their duties, has been fundamental to these successes. Initiatives undertaken by our employees, which have added greatly to the value created by **Corticeira Amorim**, include cork oak plantations, environment educational activities in schools, recycling cork stoppers, volunteer social work and responsible citizenship projects.

The world faces challenges that call for new models of development. In the future, we believe much more attention will be given to materials such as cork and to industrial activities such as those of **Corticeira Amorim**. This report gives an account of the projects and initiatives that in 2012 strengthened the company's leadership in terms of responsible competitiveness and that will ensure that cork plays a role in responding to our global challenges.

Yours cordially,

António Rios de Amorim



BRAQUE (BY TANIA CRUZ IN PARTNERSHIP WITH AMORIM ISOLAMENTOS), WINS SALONE SATELLITE AWARD

2012 HIGHLIGHTS

The alignment of resources with the aim of increasing the Company's overall activity was reflected in historical levels in the main economic and return indicators, as will be seen below. The increase in activity in 2012 in most of the Business Units resulted, in itself, in greater demand on the resources allocated to industrial and commercial activity.

Therefore, given the sustainability goals outlined for 2012, performance fell short of the targets set. This, combined with the feedback obtained during the last consultation of stakeholders (presented in this report), suggest that Corticeira Amorim initiate an internal reflection process, aimed at implementing new methodologies to define objectives and organisational dynamics, with a view to pursuing them.

Goals	Target for 2012	Status	2012 Initiatives with greatest impact	Page
Increase knowledge and foster best practices in sustainable forest management	<p>Award for the best research work on "Cork Oak Forest Sustainability and Associated Biodiversity"</p> <p>Provide a free technical advisory service, to at least six forest producers</p>		Contrary to originally anticipated, the redefinition of the terms of the partnership and team promoting the initiative did not occur in 2012, which led to the measures foreseen not being implemented	50
Strengthen the organisational culture aimed at Innovation	Achieve 2500 new ideas within the framework of CORK.IN		1200 new ideas were registered	41
Reduce CO₂ emissions	Reduce the carbon intensity of the activity by 45% on the reference year (2006)		Reduction of "only" 26.2% on the reference year due to the change of electricity supplier, which presents a higher emission factor (CO ₂ /KWh)	47
Reduce water consumption	Reduce the water consumption ratio (m ³)/Sales by 4% on the previous year		Occasional occurrence of leaks	54
Foster environmental education events and knowledge about cork	Involve at least 2000 pupils in environmental education events		Actions promoted by the sustainability ambassadors involved around 2600 pupils	35
Encourage the recycling of cork stoppers	Increase the collection of used stoppers by 10% in relation to 2010		Increase of 34.4% as a result of recycling programmes in Portugal and France	54

 not achieved
 achieved

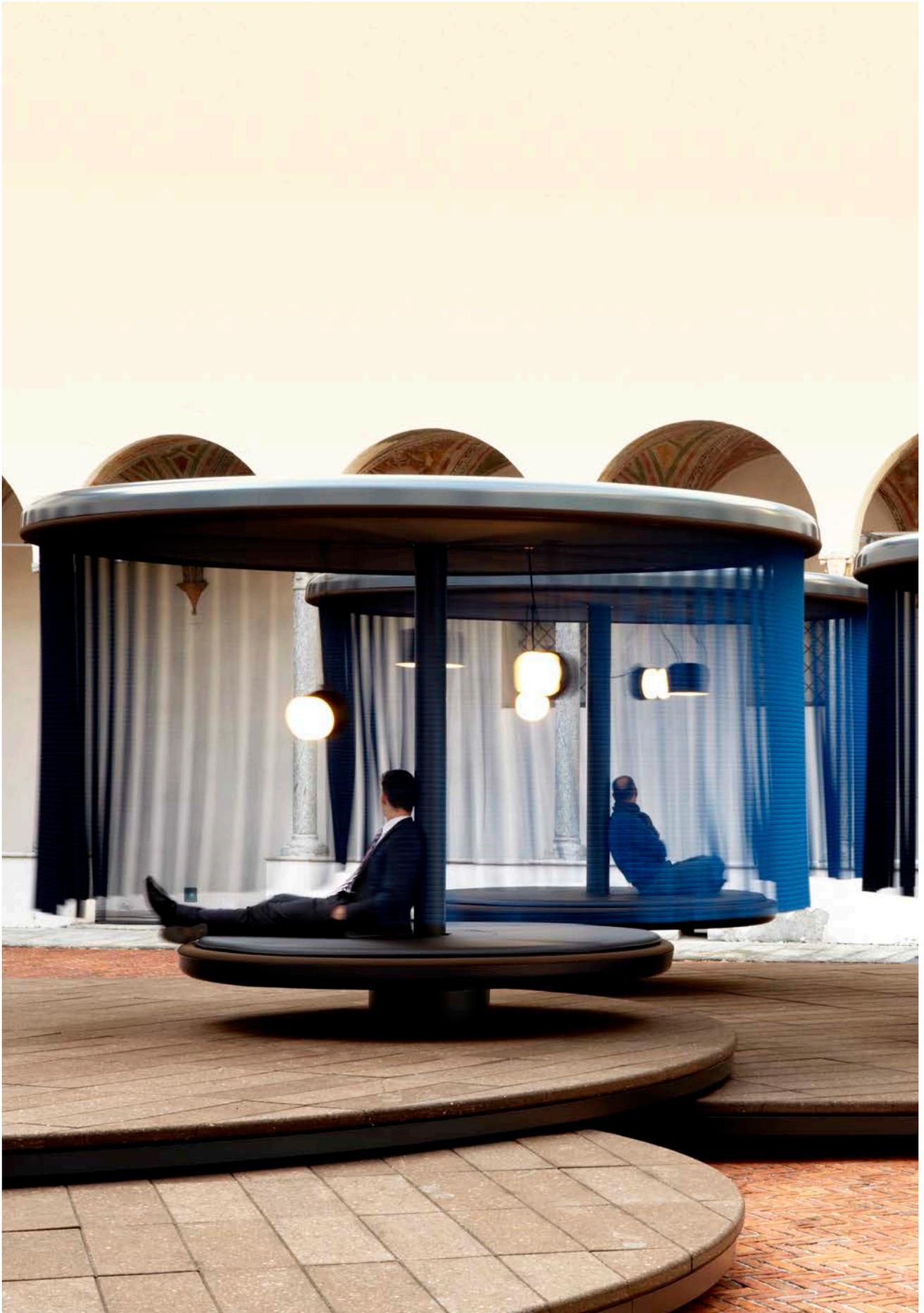
Given the results presented and the ensuing need to initiate an internal reflection process aimed at introducing improvements in defining objectives in regard to sustainability and organisational dynamics with a view to pursuing them, it is considered prudent not to define objectives and targets for the coming year in this report.

01



CORTICEIRA AMORIM PRESENTATION





QUIET MOTION, AN INSTALLATION DESIGNED BY RONAN & ERWAN BOURULLEC FOR BMWi, USES CORK FROM AMORIM

ORGANISATIONAL PROFILE

Identification of the Organisation

Corticeira Amorim, S.G.P.S., S.A. is a holding company with registered headquarters in Mozelos, Santa Maria da Feira, and the shares that represent its share capital which currently amounts to 133,000,000 euros are listed on Euronext Lisbon.

Main products and services:

Given the wide range of cork applications, **Corticeira Amorim** is structured into Business Units (BU) as shown on the organisational chart on the following page, highlighted in terms of products supplied:

Cork Stoppers BU: world leader in the production and supply of cork stoppers with an average annual production of three billion units. Its diversified product portfolio and own distribution network place it in an unparalleled position for the supply of the ideal cork stopper for any wine segment in any part of the world;

Floor & Wall Coverings BU: world leader in the production and distribution of cork floor and wall coverings. The BU is renowned for the quality, innovation and unique characteristics of its interior decoration solutions;

Composite Cork BU: concentrates its activities on producing granulates, cork agglomerates and composite cork. The natural properties of cork provide solutions for business sectors such as construction, the footwear industry, transport, aerospace and the production of decorative items for the home, among others;

Insulation Cork BU: dedicated to the production of insulation materials with excellent technical performance standards and strictly 100% natural. The unique characteristics of expanded cork agglomerate grant it a high level of thermal, acoustic and anti-vibration insulation, resulting in its use in the construction of airports, buildings, wine cellars and in the refrigeration industry.

Operational structure of the organisation:

Adopting a management model based on a strategic-operational holding concept, the BUs are coordinated by the Executive Board of **Corticeira Amorim**, which has broad management powers.

The Executive Board is assisted by Support Divisions, which accompany and coordinate the activity of the BUs and their respective functional areas.

The organisational chart below shows the current organisational structure at **Corticeira Amorim**, identifying the companies included in the scope of consolidation of this sustainability report.



ORGANISATIONAL CHART

AMORIM NATURAL CORK		AMORIM CORK RESEARCH
RAW MATERIALS	CORK STOPPERS	R&D, INNOVATION
Amorim Florestal, S.A.	Amorim & Irmãos, S.G.P.S., S.A.	
Procurement	Production	Distribution
Amorim Florestal, S.A. Ponte de Sôr – Portugal 100%	Amorim & Irmãos, S.A. Santa Maria de Lamas – Portugal 100%	Amorim & Irmãos, S.A. Ind. Unit Distribuição Santa Maria de Lamas – Portugal 100%
Amorim Florestal, S.A. Coruche – Portugal 100%	Amorim & Irmãos, S.A. Ind. Unit Raro Vergada – Portugal 100%	Amorim Australasia Adelaide – Australia 100%
Amorim Florestal, S.A. Abrantes – Portugal 100%	Amorim & Irmãos, S.A. Ind. Unit Valada Valada – Portugal 100%	Amorim Cork Italia, S.p.A. Conegliano – Italy 100%
Amorim Florestal, S.A. Unid.Ind. Salteiros Ponte de Sôr – Portugal 100%	Amorim & Irmãos, S.A. Ind. Unit Coruche Coruche – Portugal 100%	Amorim Cork Deutschland, GmbH Bingen am Rhein – Germany 100%
Amorim Florestal España, S.L. Algeciras – Spain 100%	Amorim & Irmãos, S.A. Ind. Unit Champanhe Santa Maria de Lamas – Portugal 100%	Amorim Cork Bulgaria, EOOD Sofia – Bulgaria 100%
Amorim Florestal España, S.L. San Vicente de Alcántara – Spain 100%	Amorim & Irmãos, S.A. Ind. Unit Portocork Santa Maria de Lamas – Portugal 100%	Amorim Cork America, Inc. Napa Valley, CA – USA 100%
Amorim Florestal Mediterrâneo, S.L. San Vicente de Alcántara – Spain 100%	Amorim & Irmãos, S.A. Ind. Unit Salteiros Ponte de Sôr – Portugal 100%	Amorim France, S.A.S. Eysines, Bordeaux – France 100%
Comatral – Compagnie Marocaine de Transformation du Liège, S.A. Skhirat – Morocco 100%	Francisco Oller, S.A. Girona – Spain 87%	Amorim France S.A.S. Ind. Unit Sobefi Cognac – France 100%
S.N.L. – Societé Nouvelle du Liège, S.A. Tabarka – Tunisia 100%	Trefinos, S.L. Girona - Spain 91%	Amorim France S.A.S. Ind. Unit Champfleury Champfleury – France 100%
S.I.B.L. – S.A.R.L. Jijel – Algeria 51%	Agglotap S.A. Girona - Spain 91%	Victor y Amorim, S.L. Navarrete (La Rioja) – Spain 50%
	Augusta Cork, S.L. San Vicente de Alcántara – Spain 91%	Hungarokork Amorim, Rt. Veresegyház – Hungary 100%
		Korken Schiesser, GmbH Wien – Austria 69%
		Amorim Argentina, S.A. Buenos Aires – Argentina 100%
		Portocork America, Inc. Napa Valley, CA – USA 100%
		Amorim Cork South Africa (PTY) Ltd. Cape Town – South Africa 100%
		Industria Corchera, S.A. Santiago – Chile 100%
		Société Nouvelle des Bouchons Trescases, S.A. Le Boulou – France 100%
		I.M. «Moldamorim», S.A. Chisinau – Moldova 100%
		Amorim Cork Beijing, Ltd. Beijing – China 100%
		S.A. Oller et Cie Reims – France 100%
		Corchos de Argentina, S.A. Mendoza - Argentina 50%
		Sagrera et Cie Reims - France 91%
		Trefinos Italia SRL Treviso – Italy 91%
		Bouchons Prioux S.A.R.L. Epernay - France 91%
		Amorim Cork España S.L. San Vicente de Alcántara – Spain 100%

AMORIM CORK COMPOSITES

COMPOSITE CORK

Amorim Cork Composites, S.A.

Amorim Cork Composites, S.A. Mozelos – Portugal	100%
Amorim Cork Composites, S.A. Corroios – Portugal	100%
Drauvil Europea, S.L. San Vicente de Alcántara – Spain	100%
Corticeira Amorim France, S.A.S. Lavardac – France	100%
Chinamate (Xi'an) Natural Products Co. Ltd. Xi'an – China	100%
Amorim Cork Composites, Inc. Trevor, WI – USA	100%
Amorim (UK) Limited West Sussex – United Kingdom	100%
Dyn Cork – Technical Industry, Lda. Paços de Brandão – Portugal	50%
Amorim Industrial Solutions Imobiliária, S.A. Corroios – Portugal	100%

FLOOR AND WALL COVERINGS

Amorim Revestimentos, S.A.

Production

Amorim Revestimentos, S.A. S. Paio de Oleiros – Portugal	100%
Amorim Revestimentos, S.A. Lourosa – Portugal	100%

Distribution

Amorim Benelux B.V. Tholen – Netherlands	100%
Amorim Deutschland GmbH & Co. KG Delmenhorst – Germany	100%
Amorim Flooring Austria GmbH Viena – Austria	100%
Amorim Flooring Nordic A/S Greve – Denmark	100%
Amorim Flooring (Switzerland) AG Zug – Switzerland	100%
Amorim Revestimientos, S.A. Barcelona – Spain	100%
Dom Korkowy, Sp. Zo.o Krakow – Poland	100%
Amorim Flooring North America Hanover, MD – USA	100%
Cortex Korkvertriebs GmbH Fürth – Germany	100%
US Floors Inc. Dalton, GA – USA	25%
Timberman Denmark A/S Hadsund – Denmark	51%

INSULATION CORK

Amorim Isolamentos, S.A.

Distribution

Amorim Isolamentos, S.A. Mozelos – Portugal	80%
Amorim Isolamentos, S.A. Silves – Portugal	80%
Amorim Isolamentos, S.A. Vendas Novas – Portugal	80%



Percentages in blue:
Companies included in the Sustainability Report

PAR BY NENDO FOR MATERIA COLLECTION

WORLDWIDE PRESENCE



296

Key distribution players

84

Companies

30

Plants

Countries	Algeria	Argentina	Australia	Austria	Belgium	Belorussia	Bosnia	Brazil	Bulgaria	Canada	Chile	China	Cyprus	Costa Rica	Croatia	Czech Republic	Denmark	Egypt	Estonia	Finland	France	Georgia	Germany	Greece	Hong Kong	Hungary	Iceland	India	Iran	Ireland	Israel
Key Distribution Players			4	3	8	1	1	7	1	2	2	8	1	1	1	3		1	1	2	38	1	31	1	1	2	1	2	1	1	1
Companies	1	2	1	2				1	1		1	3				2					9	5			1						
Industrial Sites	1	1																													

● Geographic Location



Italy	Japan	Jordan	Kazakhstan	Kuwait	Kyrgyzstan	Lebanon	Malta	Mexico	Moldova	Morocco	Netherlands	New Zealand	Nigeria	Pakistan	Peru	Philippines	Poland	Portugal	Russia	Saudi Arabia	Scotland	Serbia, Macedonia, Montenegro	Singapore	South Africa	South Korea	Spain	Sweden	Switzerland	Syria	Thailand	Tunisia	Turkey	United Arab Emirates	United Kingdom	USA	Ukraine	Vietnam
6	8	1	2	1	1	2	1	3		3	1	1	1	1	2	14	1	9	2	1	1	3	2	7	44	2	11	1	2		4	4	6	15	5	1	
2	1							1	2	1						1	18						1	14		1			4			1	7				
									1							17									8					1				1			

MAIN ACTIVITY INDICATORS

Indicators	2009	2010	2011	2012
Consolidated sales	415,210	456,790	494,842	534,240
EBITDA	38,521	66,006	72,437	82,465
Net profit	5,111	20,535	25,274	31,055
Total assets	524,730	561,766	605,053	643,767
Net debt	138,613	102,423	117,424	121,579
Equity/Total assets	47.6%	47.8%	46.7%	45.9%
Market Capitalisation (31 December)	125,020	154,280	179,550	212,800
Number of employees (31 December)	3,243	3,247	3,357	3,501

(thousand euros)

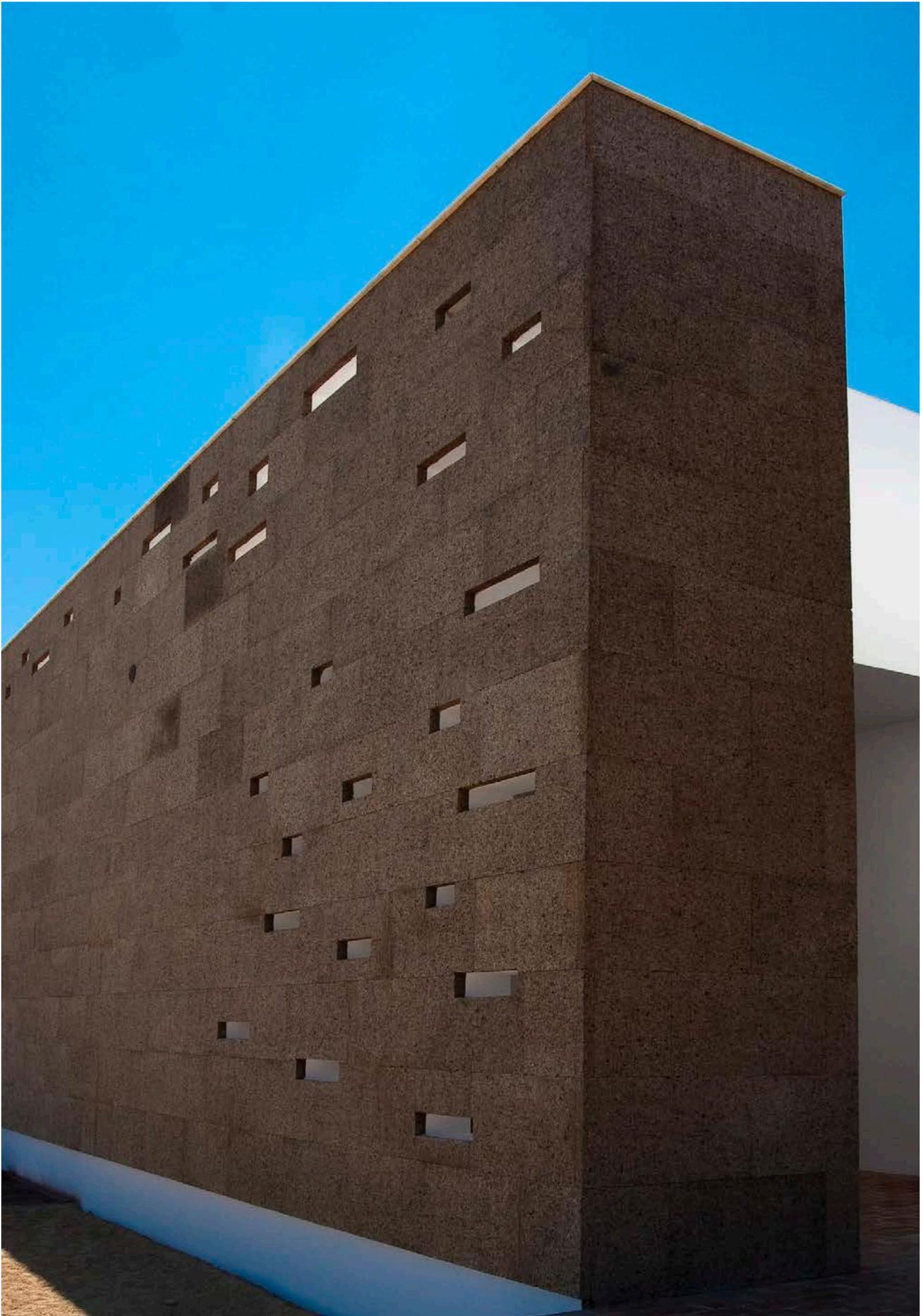
Sales by geographical area

	2010	2011	2012
European Union a)	56.7%	55.4%	54.5%
Portugal	4.5%	4.9%	5.0%
Rest of Europe	5.9%	6.3%	7.1%
USA	16.7%	17.2%	18.0%
Australasia	6.8%	6.9%	6.8%
Rest of America	7.6%	7.5%	6.8%
Africa	1.7%	1.6%	1.7%

a) Including Switzerland and Norway; excluding Portugal.

Sales by BU

	2010	2011	2012
Raw Materials (abroad)	0.9%	0.7%	1.4%
Cork Stoppers	58.2%	58.9%	59.4%
Floor & Wall Coverings	24.2%	23.7%	23.0%
Composite Cork	14.6%	14.9%	14.5%
Insulation Cork	1.9%	1.7%	1.6%



ECORKHOTEL IN ÉVORA (PORTUGAL), WITH ITS FACADE COVERED WITH INSULATION CORKBOARD FROM AMORIM ISOLAMENTOS

02

CORPORATE GOVERNANCE AND SUSTAINABLE DEVELOPMENT STRATEGY



2.1.

INTRODUCTION

Corporate governance best practices are a pillar of Sustainable Development at **Corticeira Amorim**. The 2012 Annual Report and Accounts provides a clear and detailed account of the corporate governance structure and practices, describing on the website www.sustainability.amorim.com the matters considered relevant or complementary to this report, specifically:

- the corporate management and supervision;
- the organisational structure for supporting the management of Corporate Sustainability;
- the consultation and engagement of Stakeholders.

2.2.

CORPORATE MANAGEMENT AND SUPERVISION

Corticeira Amorim has adopted a system of corporate governance commonly known as the “strengthened Latin” model, which is based on a clear separation between administrative and supervisory bodies as well as double supervision through a supervisory board and a statutory auditor.

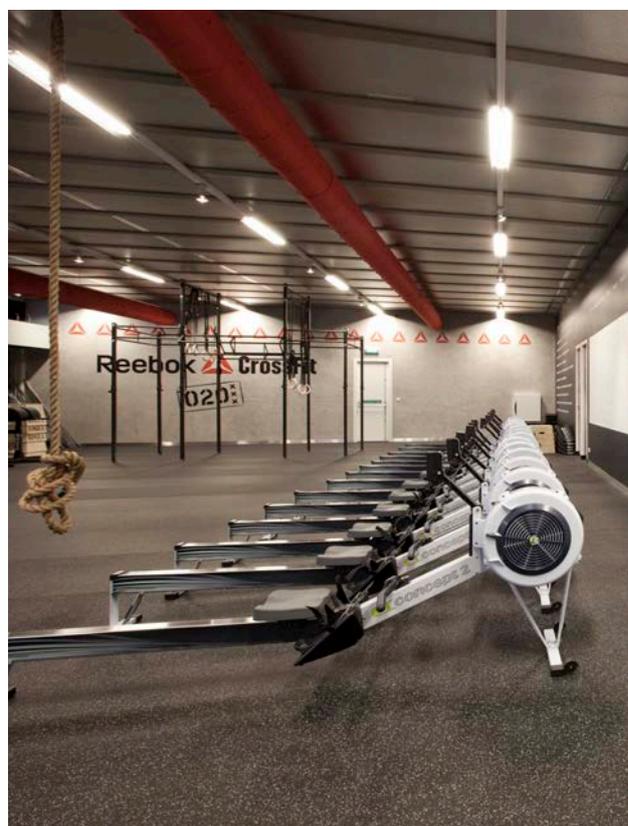
The strategic alignment of the whole Organisation is enhanced by the use of the balanced scorecard methodology, in **Corticeira Amorim** and its Business Units. In this context, the Board of Directors of **Corticeira Amorim** is responsible for the approval of the objectives and strategic initiatives for the holding company and each BU.

2.3.

ORGANISATIONAL STRUCTURE FOR SUPPORTING THE MANAGEMENT OF SUSTAINABILITY

The integrated Sustainability management system is based on **Corticeira Amorim**’s mission and core values, advocating:

- engagement with Stakeholders: a process which is considered essential for the validation and review of **Corticeira Amorim**’s strategic options regarding Sustainable Development;
- strategy: definition of the challenges, priorities and aims regarding Sustainable Development;
- operations: implementation of the initiatives and actions necessary to accomplish the defined objectives and regular assessment of performance;
- support structure: the implementation of an organisational structure which allows for the management and effective alignment between Sustainable Development policies and practices.



AMORIM SPORTS FLOOR HAS BEEN SUCCESSFULLY INSTALLED IN REEBOK CROSSFIT GYM

Mission:

To add value to cork in a competitive, distinctive and innovative way in perfect harmony with nature.

Values:

- ✦ a market-oriented strategy, promoting customer satisfaction and loyalty;
- ✦ creating value by continuously improving performance, particularly through research and innovation;
- ✦ responsibility, based on respect for the principles of sustainable - economic, social and environmental - development;
- ✦ motivating Human Resources by creating conditions for corporate success.

Engagement with Stakeholders

The opinions, concerns and contributions of stakeholders are fundamental not only for validating strategic options, but also as a means of gauging the expectations of different interest groups regarding the issues **Corticeira Amorim** should monitor and report.

The results of the last consultation with stakeholders promoted by **Corticeira Amorim** are presented in the following chapter, which may also be reviewed at: www.sustainability.amorim.com.

Strategy

The strategic alignment of the whole Organisation is strengthened by the use of the balanced scorecard methodology, it being the responsibility of the Board of Directors to approve the strategic objectives, strategic initiatives and priority actions.

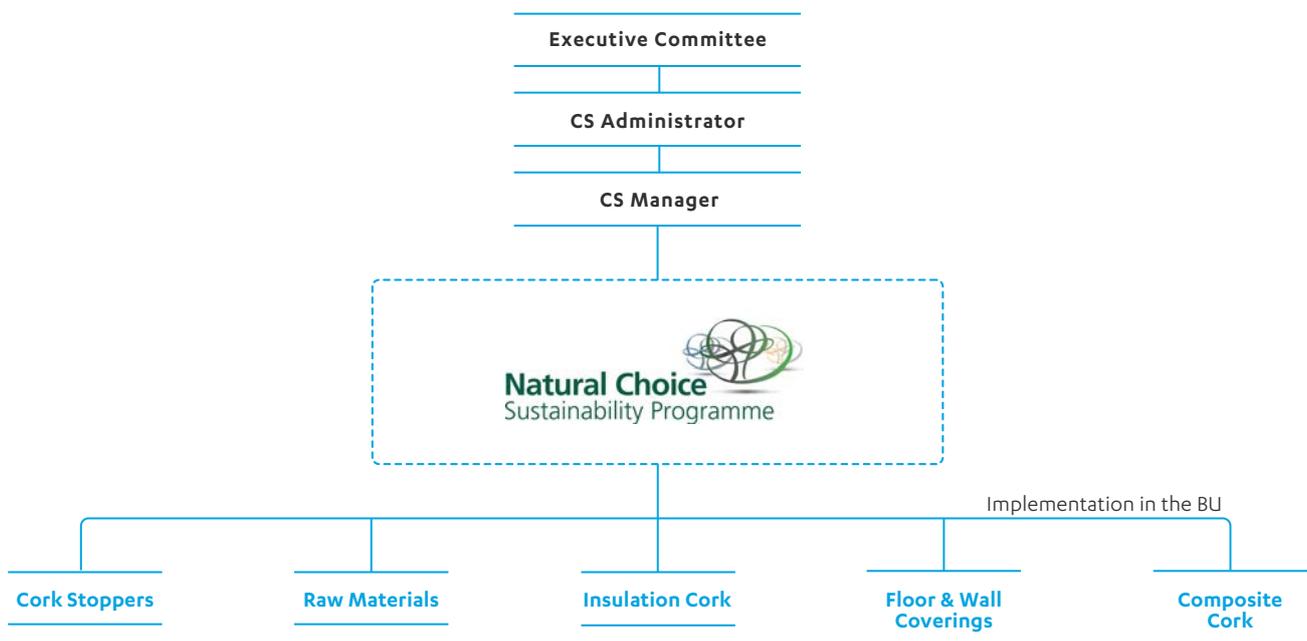
The integration of processes into the strategic perspectives of the balance scorecard, has reinforced sustainable development practices, through the alignment of the various efficiency-promoting management subsystems, as shown at www.sustainability.amorim.com.

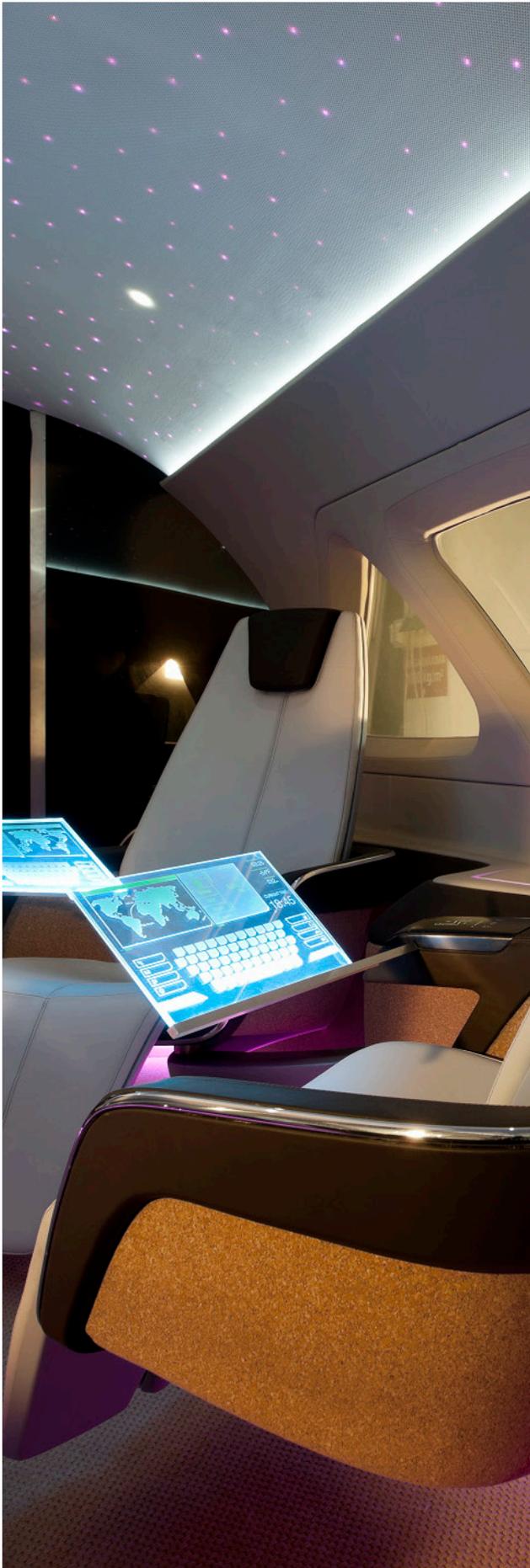
Operations

In order to coordinate all the activities relating to sustainable development in a single programme and mobilise the Company in support of this civic initiative, **Corticeira Amorim** has implemented the "Natural Choice" sustainability programme. The Natural Choice Programme aims to raise the awareness of employees and the local community, as citizens responsible for future generations, of the need to adopt more environmentally friendly behaviour and engage everyone in this challenge, as shown in more detail at www.sustainability.amorim.com.

Support structure

The organisational structure adopted by **Corticeira Amorim** for Sustainability Management is outlined at www.sustainability.amorim.com and shown schematically in the following figure:





LIFE PROJECT WINS THE INTERNATIONAL CRYSTAL CABIN AWARD

2.4.

RESULTS OF THE STAKEHOLDER CONSULTATION

Corticeira Amorim has undertaken a stakeholder consultation and engagement process since 2009, which enables it to identify the main sustainability issues to be considered as future priorities for the Organisation, as well as the establishment of a stakeholder engagement strategy.

In early 2013, **Corticeira Amorim** completed a consultation process, the methodology and results of which are presented at www.sustainability.amorim.com.

2.4.1. CHARACTERISTICS OF THE STAKEHOLDERS CONSULTATION

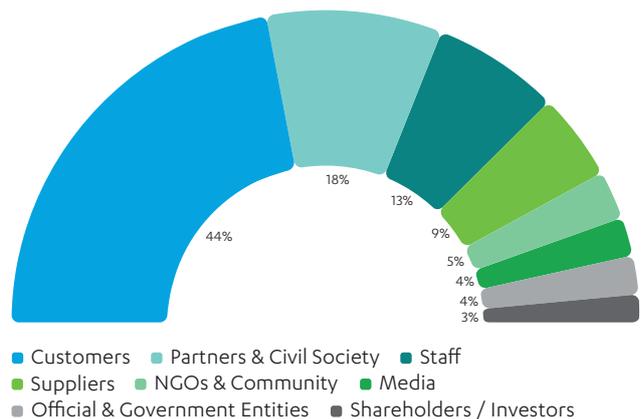
Corticeira Amorim has undertaken a stakeholder consultation and engagement process since 2009, which enables it to identify the main sustainability issues to be considered as future priorities for the Organisation, as well as the establishment of a stakeholder engagement strategy.

In this context, the identification of the groups of Stakeholders which **Corticeira Amorim** should consider in the process meets a set of criteria, i.e.:

1. Influence - stakeholders who have or may come to have influence or decision-making powers and whose action can facilitate or impede Corticeira Amorim's performance - decision makers;
2. Dependence - stakeholders affected by Corticeira Amorim's activities;
3. Responsibility - stakeholders in relation to whom Corticeira Amorim holds or may come to hold legal, financial or operational responsibilities.

At the beginning of 2013, Corticeira Amorim completed a new consultation process (which began in 2012), in which 75 stakeholders participated (around 68% of the response rate), broken down as follows:

Response distribution by stakeholder group



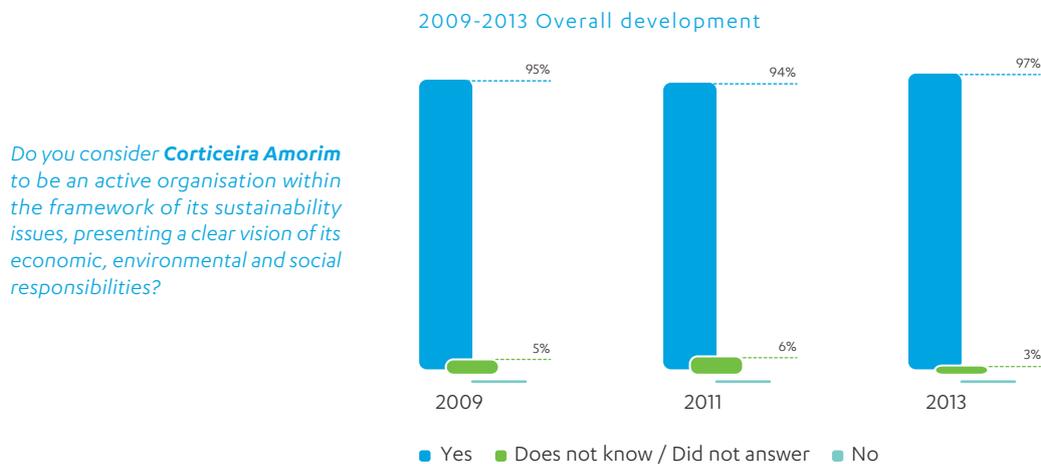
This consultation of interested parties was organised into three sections, namely:

1. Reputation: aiming to gauge stakeholder's opinion on **Corticeira Amorim's** reputation in different fields;
2. Engagement and Communication: with a view to assessing stakeholder satisfaction with the information made available and obtaining possible suggestions for improvement;
3. Areas of Intervention: to gauge stakeholder opinion on priorities, perceived performance and their suggestions for improvement;

The main conclusions of this work are presented below and, where possible, the development compared to other consultation processes carried out previously is presented (in 2011 and 2009).

2.4.2. SUSTAINABILITY VISION

The majority of the sample consulted (**97%**) considers **Corticeira Amorim** to be an active organisation in regard to sustainability, with defined responsibilities and this perception has developed positively compared to 2011.



2.4.3. REPUTATION AND IMAGE

In general, **Corticeira Amorim** has a good reputation in regard to the main issues under consideration and compared to previous consultation processes, its reputation has improved in all aspects.

But, above all, what is important to gauge from these results is the identified potential to improve the Company's reputation in the different issues considered.



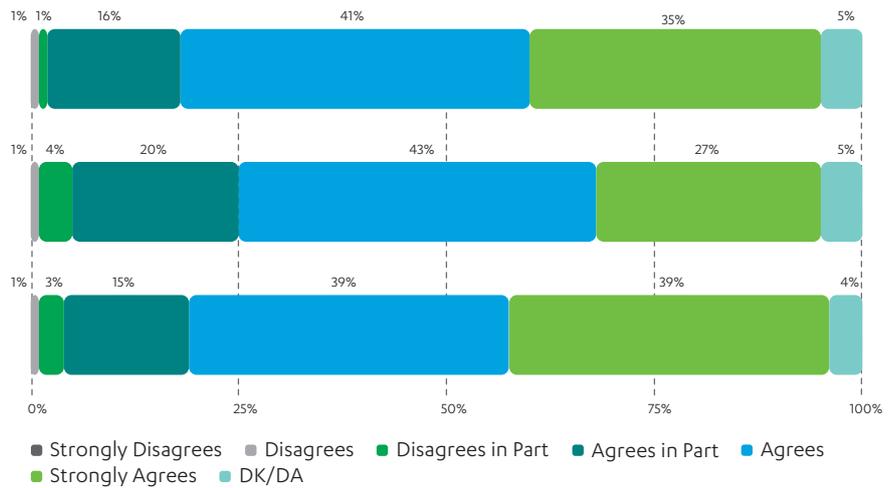
ALUCORK FLOOR SYSTEM USED IN STATE-OF-THE-ART SIEMENS METRO

Financial and economic performance

Corticeira Amorim presents a record of economic and financial performance which is above the market average.

Corticeira Amorim presents interesting perspectives for future growth and profitability improvement.

Corticeira Amorim achieved a strong position in the different markets in which it operates, when compared to competition.



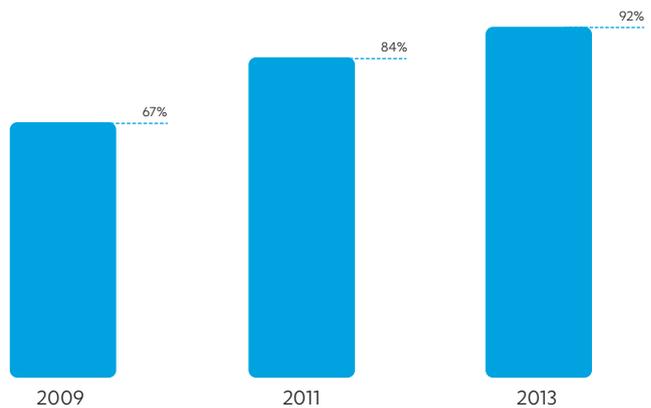
Vision and leadership

Main conclusions:

- 92% of stakeholders consulted are of the opinion that **Corticeira Amorim** has a clear strategic vision for its future.
- 93% are of the opinion that **Corticeira Amorim** takes appropriate advantage of market opportunities.
- 92% are of the opinion that **Corticeira Amorim** is a management model for other companies.

Besides the positive perspective expressed by the respondents, it should be noted that, on average, the perception of stakeholders consulted in regard to **Corticeira Amorim's** vision and leadership has positively developed - 25% - over the last 4 years (from 67% to 92% of positive responses).

Average overall development - Vision and leadership



Ethics and social responsibility

The perception of the respondents in regard to **Corticeira Amorim's** ethics and social responsibility has developed positively. However, 8% are of the opinion that **Corticeira Amorim's** action is not based on the principles of equality in the relationship with its business partners. Therefore, there is an opportunity for improvement for the Company which shall also include a better dissemination of how **Corticeira Amorim** relates to its partners, including the principles of equality implemented in the relationship with the different stakeholders.

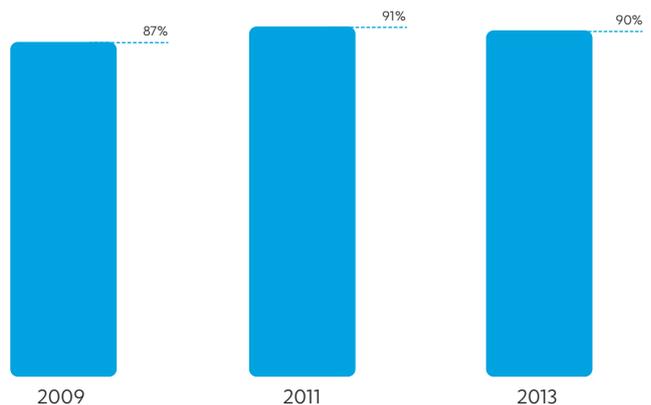
Environmental practices

Main conclusions:

- 88% of stakeholders consulted are of the opinion that **Corticeira Amorim** is environmentally responsible.
- 89% are of the opinion that **Corticeira Amorim** acts in the preservation of biodiversity.
- 93% are of the opinion that **Corticeira Amorim** endeavours to minimise its environmental impact.

On average, the perception of the respondents in regard to the development of environmental practices by **Corticeira Amorim** positively developed between 2009-2011, a trend which continued in this last consultation.

Average overall development - Environmental practices





TIME TO CLIMB BY KORKO SELECTION COLLECTION

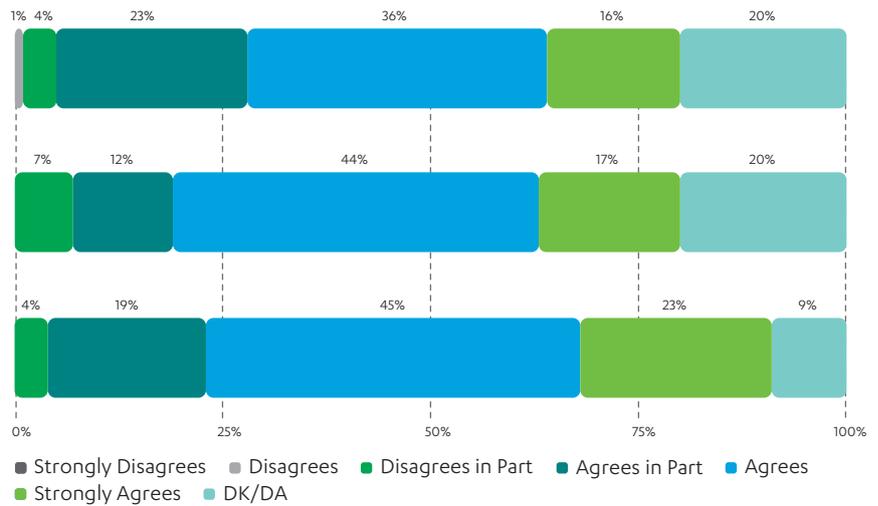
Working environment

Although it is positive, the perception of stakeholders in regard to the working environment is the least favourable when compared to other issues, which therefore remains a challenge for the Organisation to develop initiatives to improve the existing perception in regard to the working environment in the company.

Corticeira Amorim is a company with the ability to attract and retain talents through an adequate policy of career development based on the principles of equal opportunities.

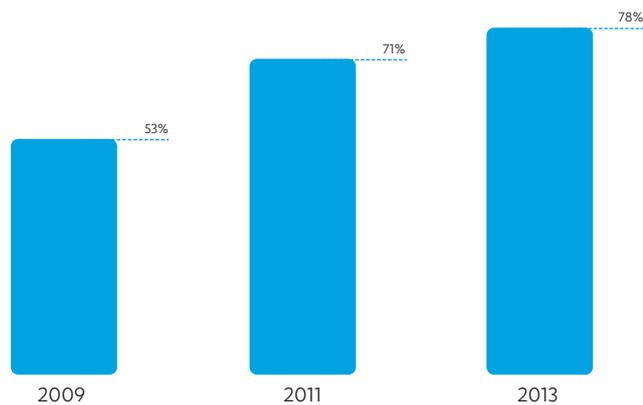
Corticeira Amorim provides its staff with the necessary hygiene and safety conditions for the development of their functions.

Corticeira Amorim should be considered as one of the best companies to work for.



It should be emphasised however, that in comparison to previous consultation processes, the perception of stakeholders on this issue has developed favourably, as shown in the following graph:

Average overall development - Working Environment



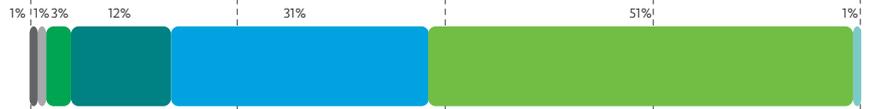
Product and service quality

The majority of stakeholders, not just customers, assess the pricing policy (in comparison to other issues) less favourably, thus placing (not unsurprisingly) pressure on the management to continuously seek to provide a better quality/price ratio to the market.

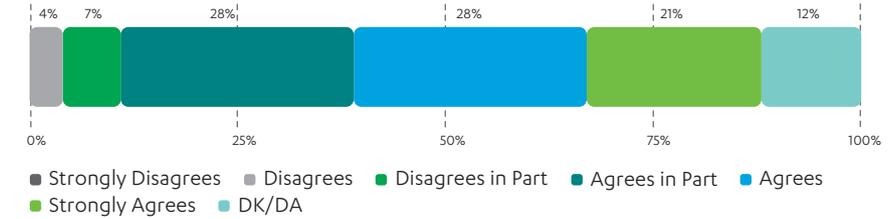
Corticeira Amorim develops products that satisfy consumers' needs with quality.



Corticeira Amorim presents an above average capacity to develop innovative products that add value to the consumer.



Corticeira Amorim has a competitive price policy that takes the quality of its products and services provided into account.



■ Strongly Disagrees
 ■ Disagrees
 ■ Disagrees in Part
 ■ Agrees in Part
 ■ Agrees
 ■ Strongly Agrees
 ■ DK/DA



WICANDERS CORK FLOORING, CORKCOMFORT RANGE BY AMORIM REVESTIMENTOS

Innovation

To assess stakeholders' perception on this issue, four questions were asked, the last of which (in regard to internal conditions for Innovation) was aimed solely at employees, with the following results:

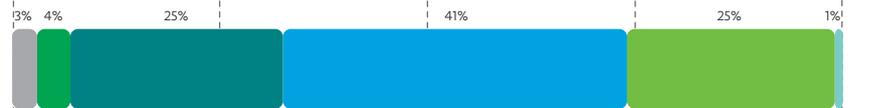
Corticeira Amorim presents a clear vision and commitment towards innovation as regards relationships with its stakeholders.



Corticeira Amorim should be considered an innovative company.



Corticeira Amorim has been successful in launching new products.



Corticeira Amorim encourages its staff to develop innovative solutions, providing them with the time and resources needed.

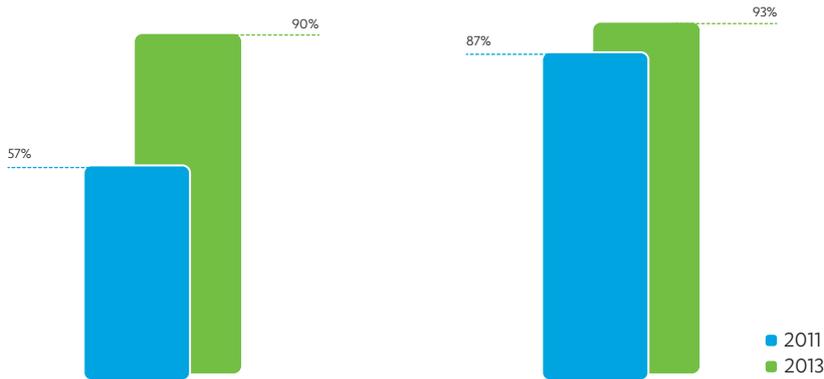


Legend: Strongly Disagrees (Dark Grey), Disagrees (Light Grey), Disagrees in Part (Dark Green), Agrees in Part (Medium Green), Agrees (Blue), Strongly Agrees (Light Green), DK/DA (Light Blue)

Despite the CORK.IN innovation programme having been aimed, in its initial phase, at the internal generation of ideas and development of an organisational climate which would foster Innovation, it can be noted on the one hand that there is the need to develop more work in this area, and on the other, the opportunity to better communicate and report on what has been done, as well as achievements in this regard.

In the 2009 consultation this parameter was not included in the stakeholders' perception. It should therefore be highlighted that there was a considerable positive change when compared to the consultation conducted in 2011.

Average overall development - Innovation

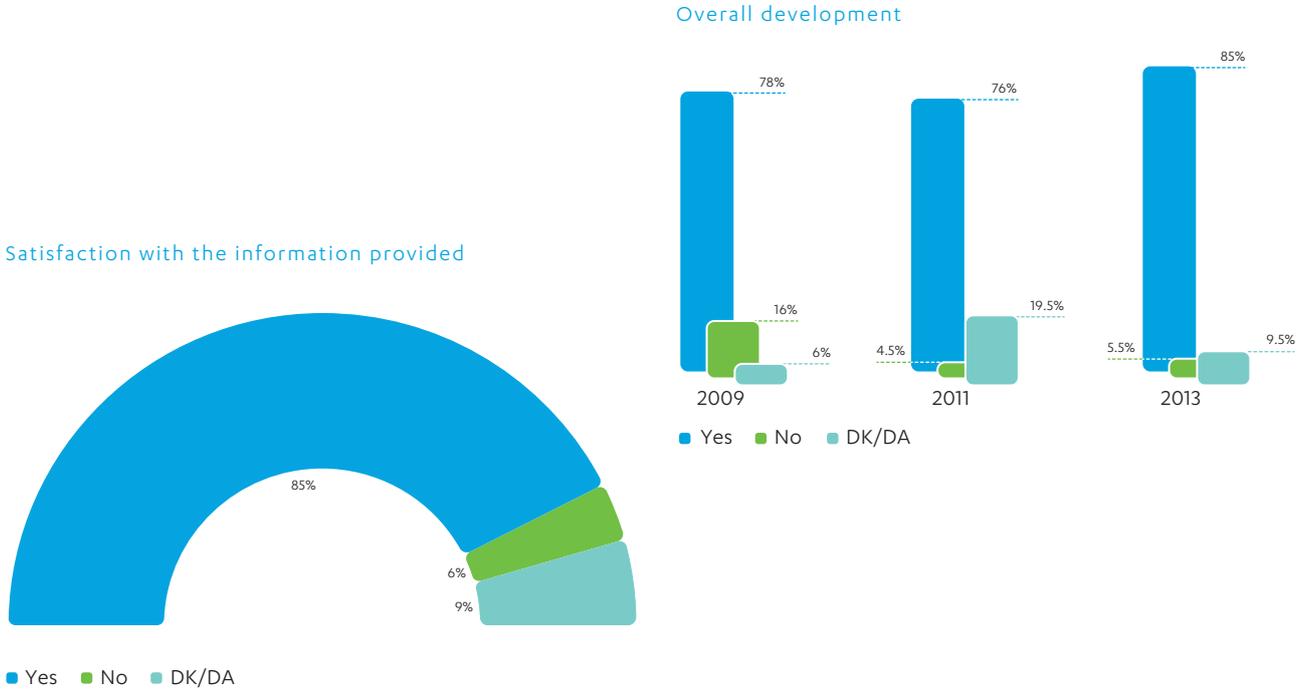


Corticeira Amorim encourages its staff to develop innovative solutions, providing them with the time and resources needed.

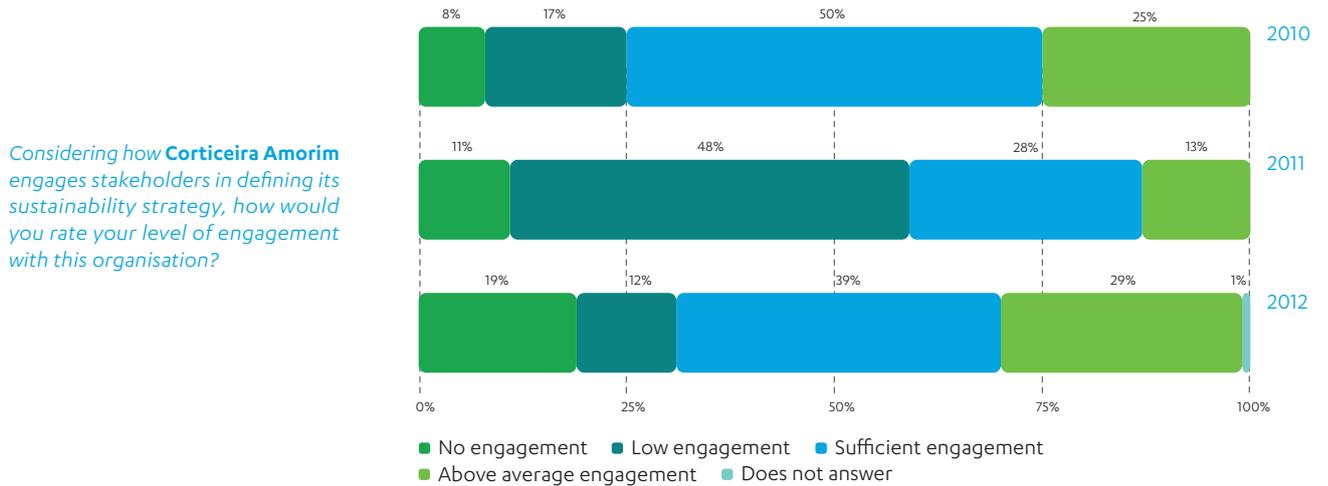
Corticeira Amorim presents a clear vision and commitment towards innovation as regards relationships with its stakeholders.

2.4.4. ENGAGEMENT AND COMMUNICATION

86% of stakeholders consulted are satisfied with the information provided by Corticeira Amorim. In comparison with the results of previous years, an increase in satisfied stakeholders (+9%) is seen, however, there is a slight increase in dissatisfied stakeholders (less than 1%).



In the last consultation process, the recovery of stakeholder engagement in the definition of the sustainability strategy in comparison to 2011 (+27%) was also seen, however, it was less than that achieved in 2009 (+7%). On the other hand, there was an increase in the number of stakeholders who consider that there is no engagement in this regard.



Despite a positive overall development, the results suggest that there are opportunities for improvement in the engagement of stakeholders, based on their importance and specific subjects to be addressed.

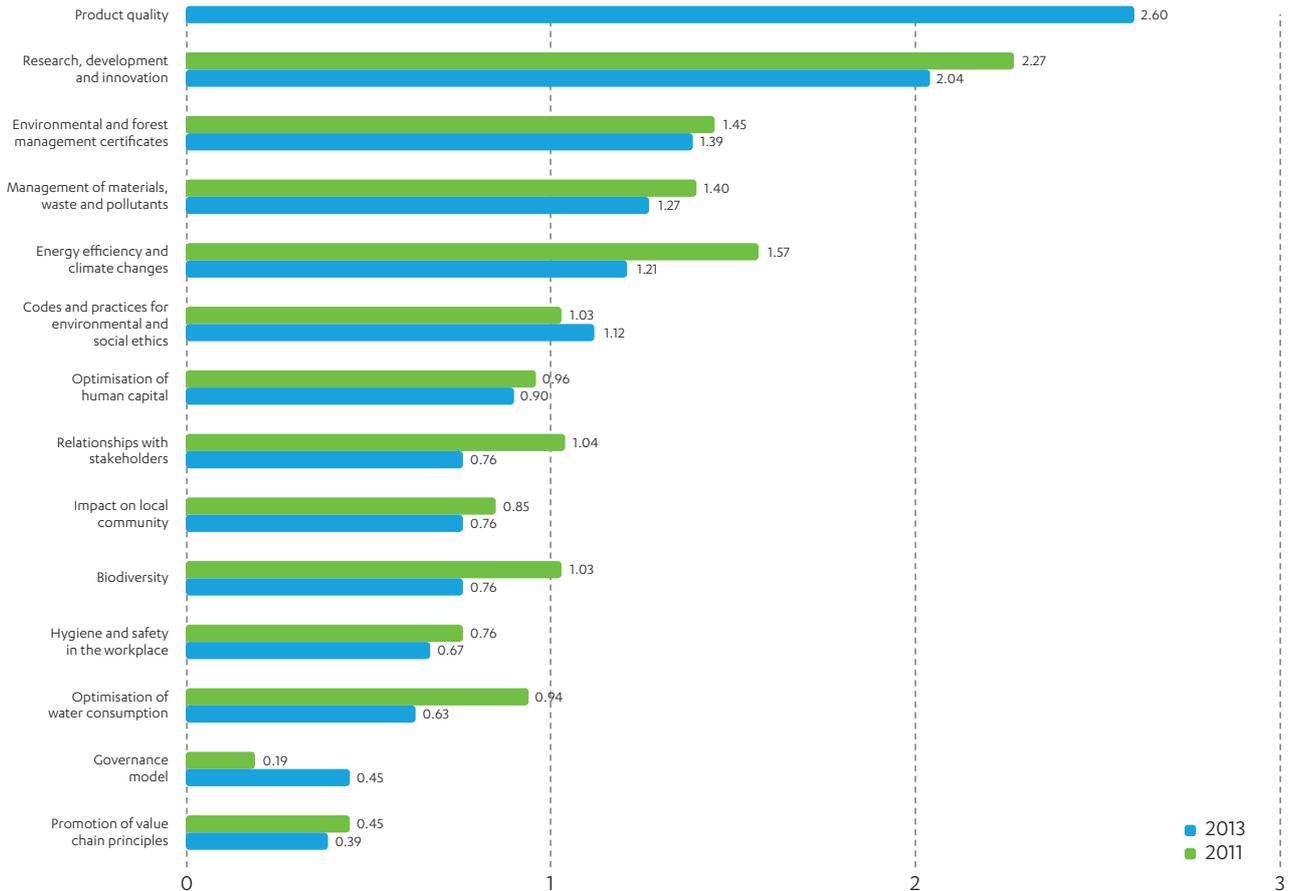
2.4.5. AREAS OF INTERVENTION AND PRIORITIES

The identification of priorities in Corticeira Amorim’s sustainability strategy, as well as for the purpose of the annual sustainability report, is based on the issues most highlighted by stakeholders.

Relevance of sustainability criteria within the scope of Corticeira Amorim’s activity.

Question asked to stakeholders: Select 5 sustainability issues that you consider to be the most important; Prioritise the issues selected in terms of importance (Scale: 1 - Less important to 5 - Most important)

Average importance of the issues – evolution



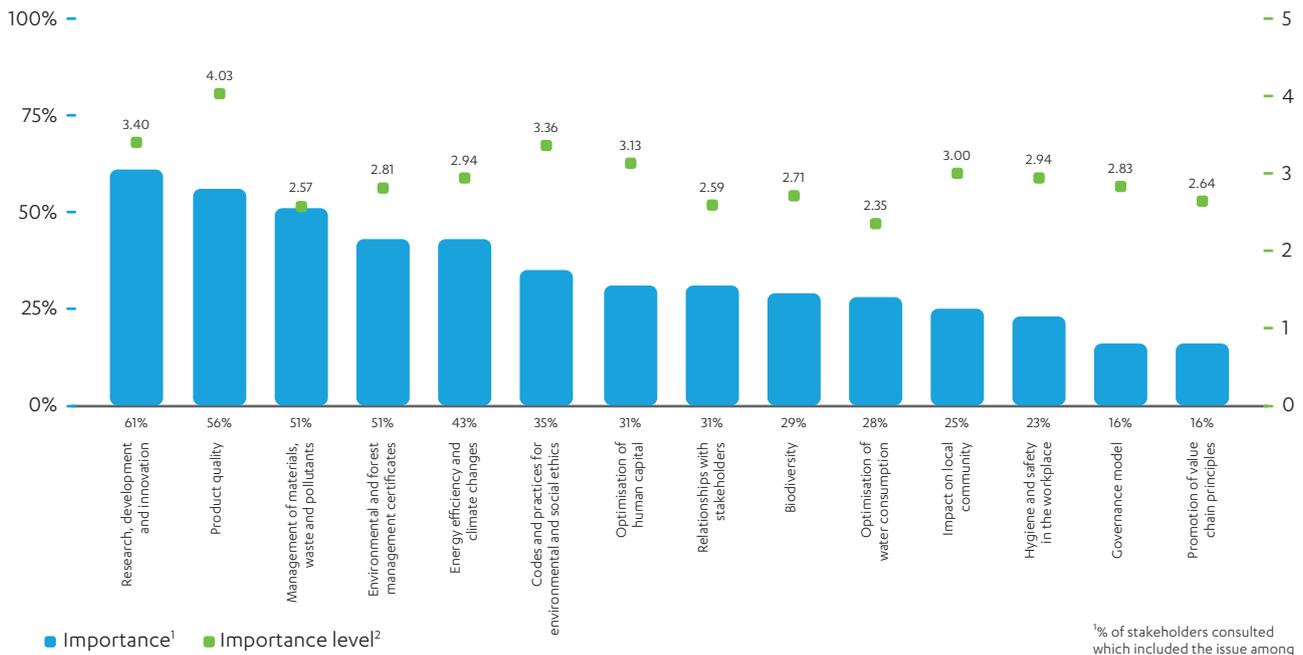
Note: the final score obtained is the result of the sum of the points (in accordance with the scale), divided by the total number of stakeholders consulted

The “product quality” issue was not included in previous consultation processes. In fact, the question merely highlighted the need to serve the market quality products and that, only after meeting this requirement, do other issues arise.

Although it is an issue of the utmost importance and notwithstanding the presentation of relevant information in this report, the Company considers that this issue should not be a priority in regard to sustainability information which is already sufficiently covered by other communication channels with stakeholders.

The issues identified as priorities are therefore those which stakeholders identify most frequently as important. However, there are issues (particularly of a social nature) that although identified less frequently, stakeholders identify as being more important.

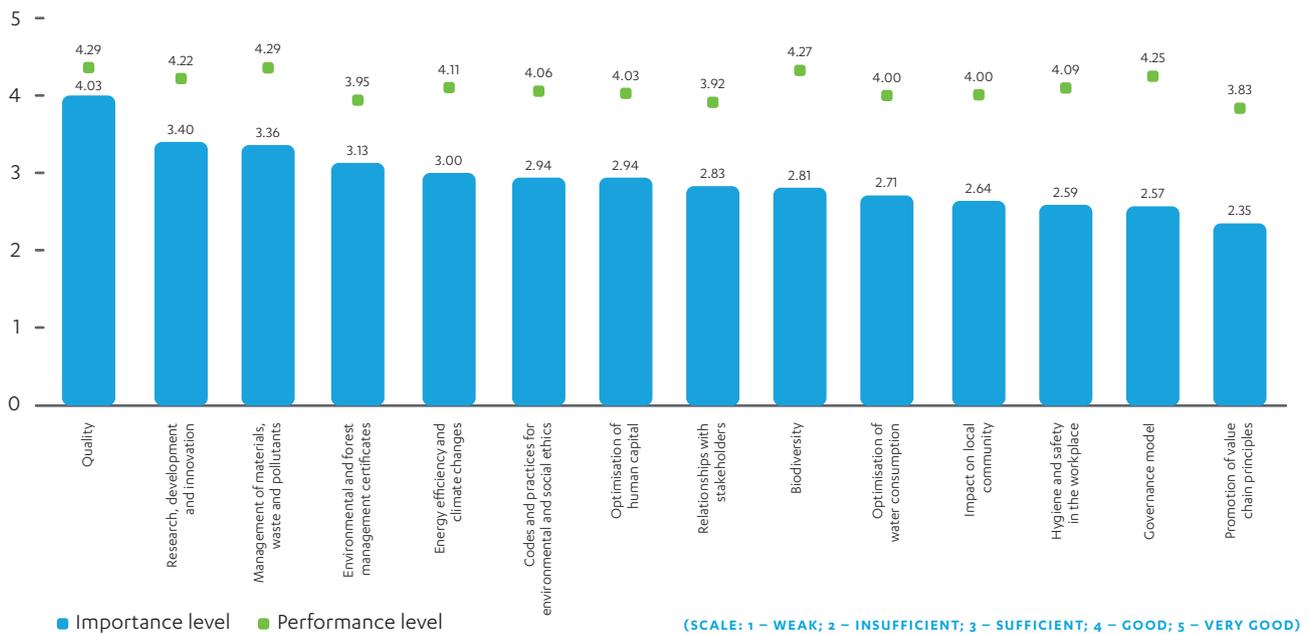
Most important issues



¹% of stakeholders consulted which included the issue among the 5 most important
²The final score obtained is the result of the sum of the points (in accordance with the scale), divided by the total number of stakeholders consulted

When stakeholder's perception is assessed in regard to Company performance, it is seen that they consider that **Corticeira Amorim** has a good performance in the issues identified as most important.

Rate the 5 issues identified as important in terms of performance achieved by Corticeira Amorim



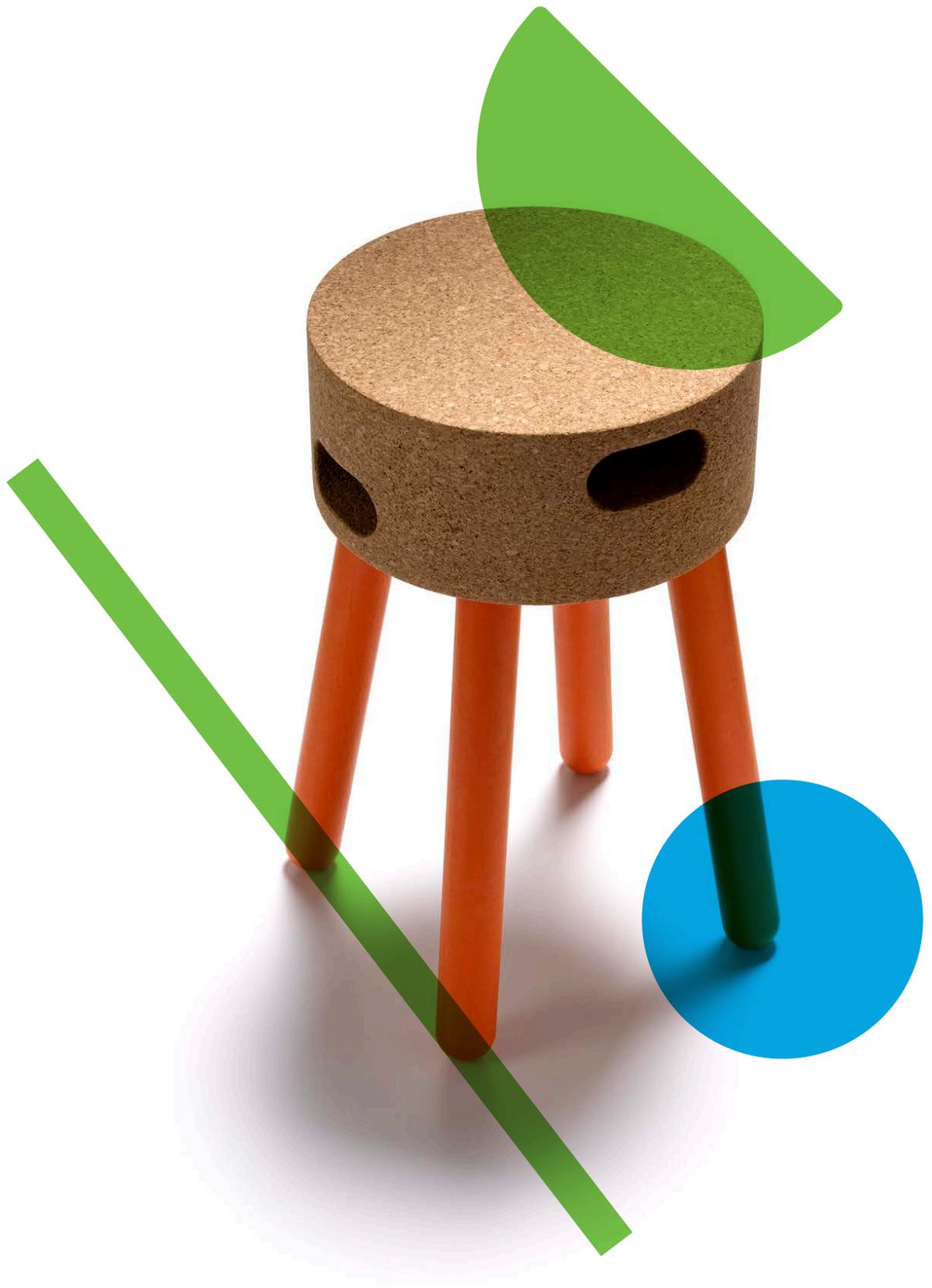
(SCALE: 1 – WEAK; 2 – INSUFFICIENT; 3 – SUFFICIENT; 4 – GOOD; 5 – VERY GOOD)



"MERCEDES BENZ FASHION WEEK", BY SOUTH AFRICAN DESIGNER SUZAAN HEYNS, IN PARTNERSHIP WITH AMORIM CORK SOUTH AFRICA

03

NATURAL CHOICE PROGRAMME



3.0.

NATURAL CHOICE PROGRAMME

The Natural Choice Programme, launched by **Corticeira Amorim** in 2008, has the following main goals:

- ✕ *raise the awareness of employees and society in general, as citizens responsible for future generations, of social solidarity and the need to adopt more environmentally friendly behaviours;*
- ✕ *ensure sustainable development practices are a positive factor of differentiation to the different stakeholder groups.*

A central part of the motivational and support structure for the programme is comprised by a team of around 100 Sustainability Ambassadors, who play a fundamental role as agents of the shift towards Sustainable Development and are responsible for the implementation of the Natural Choice Programme. In order to reinforce the integration of Sustainability in the different business areas, each BU adopts its own organisational structure, with its own Sustainability Ambassadors, while nonetheless retaining the guidelines and transversal initiatives established for all of **Corticeira Amorim**.



POSTER OF THE FREE WEEKEND AT LOUROSA 200

3.1.

2012 MAIN INITIATIVES

Free weekend at Lourosa Zoo

On the 3rd June, during the week dedicated to sustainability at **Corticeira Amorim**, the company sponsored an open day for Employees and the local community, providing a weekend in contact with animal diversity, where different leisure and educational activities took place, promoted in partnership with this local institution.



Organic vegetable garden

Corticeira Amorim provided employees with various pieces of idle land within the boundaries of the factories themselves, which are being transformed into organic vegetable gardens whose products are distributed among those participating in their development.

1400 square metres of land are involved, in two units situated in Santa Maria da Feira, which have been farmed by around 70 company employees, including senior managers, machine operators, laboratory technicians and manual workers.

The creation of these new vegetable areas, besides allowing employees to benefit from healthier food, has resulted in the healthy use of the land which had so far not been used, based on the principles of organic farming.

Employees are organised into teams, which together, plant their products, look after the vegetable gardens and obtain healthy food, while at the same time strengthening team spirit among colleagues.



Collection and processing of used cooking oil

Considering, on the one hand, the negative impact that results from not separating used cooking oil and, on the other, there being few collection points for these oils in some of the employees' areas of residence, **Corticeira Amorim** has made available collection points (and subsequent processing) of this domestic waste, promoting the adoption of this good environmental practice.

Raising awareness of sustainable behaviour

Among the actions set in motion, the work of the employees of the Cork Stoppers Business Unit is highlighted in the design and production of a manual called "The ABC of Sustainability", made with the goal to raise the awareness of colleagues on a variety of issues, relating to health, well-being and good environmental practices. Along with the distribution of the manual to all Company employees, during "Sustainability Week" (which is celebrated every year between the 1st and 5th of June), various training sessions were conducted, in which the goals and main messages of "The ABC of Sustainability" were presented, amounting to a total of 200 hours' training.

Within the scope of the initiatives aimed at promoting the health and well-being of employees, as well as supporting the local community, the Company joined the Juventude Atlético Mozelense (Athletic Association) in the 8th Mozelos Walk, on a day dedicated to being in contact with the environment and promoting physical activity.

Environmental education actions

With a view to raising the awareness of society in general to the need to adopt more environmentally sustainable behaviours, schools and students are defined as a priority target. To this end, the different groups of ambassadors carried out awareness-raising activities aimed at students from the first schooling cycle through to university level with dynamic sessions held in schools or school visits to company facilities. In 2012 these actions included around 2600 students, mostly from Portugal, but also included visits from foreign schools to **Corticeira Amorim's** industrial facilities.

Campaigns showing solidarity with local communities

In addition to **Corticeira Amorim's** involvement in social solidarity causes in the form of donations or investments for the public benefit, throughout the year Employees promoted several solidarity initiatives primarily focused on their surrounding communities.

Employees of the various **Corticeira Amorim** companies mobilised campaigns to collect food and clothing to provide for the needs of impoverished families in their local communities, where necessary giving priority to those cases most directly related to the employees of the company or their relatives. In regard to food, in the year under consideration, over 1000 kg was collected in different industrial units.

In order to promote the reuse of school books, the "from hand to hand" project was launched internally, enabling the collection and redistribution of over 850 books between employees' children, a project which, besides promoting the reuse of books, releases families from that additional burden.

In addition to these initiatives, campaigns were initiated involving both the Company and its employees with a view to resolving the social issues of greatest concern in the local community, alongside the usual campaigns promoted to collect books, school textbooks and materials, toys, electrical appliances and cash donations which were channelled to the causes identified.

A large number of these initiatives were carried out without significant visibility or public awareness. At **Corticeira Amorim**, this is deemed to be the most appropriate course of action in most situations, resolving problems discreetly, without exposing the families or individuals in question. In general, the actions of the Company and employees in this field are only given a higher profile when the causes in question are known to the public, or when the employees and the Company deem that they would benefit from greater public visibility and recognition.

Cork stopper recycling

Corticeira Amorim's employees are active promoters of recycling practices in general and, in particular, of the recycling of cork stoppers. Since the start of the Green Cork recycling programme, which dates back to 2008, all the industrial units in Portugal have containers for collecting used cork stoppers, through which 1989 kg of them have been collected.



The collection of this significant amount of cork stoppers in Portugal was possible thanks to the energy and enthusiasm of our Employees, who promote recycling and the Green Cork programme to their relatives, friends and local communities throughout the year. In 2012 the promotion of recycling was reinforced in schools, where **Corticeira Amorim** gave hundreds of students small containers for the domestic collection of cork stoppers.

"The world in our hands" internal competition

Cork stopper recycling and the reduction of water consumption was the theme for the 2012 edition of "The world in our hands" internal competition. Every year, **Corticeira Amorim** presents an environmental challenge for its employees, with a rotating trophy awarded to the Business Unit which wins the current year's challenge. In the last edition, the challenge presented had to decide between the best result in cork recycling (60%) and the reduction of water consumption (at 40%). At the end of the competition in 2012, the trophy was awarded to the Cork Stoppers BU, with the best performance in the recycling of cork stoppers (648 kg collected) and the third best performance in the reduction of water consumption.

The planting of cork oaks

To afforest Portugal with native flora was the theme which prompted the planting of cork oaks in 2012 by **Corticeira Amorim** employees, at Ponte de Sôr, in the district of Portalegre. The action took place in close liaison with Quercus' Common Forest project, with the cooperation of Santa Casa da Misericórdia, located in Ponte de Sôr - owner of the Monte Velho Estate, where the planting took place. Carried out on the 24th November - the day after celebrating Native Forest Day -, this action aims to increase the number of cork oaks per hectare in the current areas of cork oak production.

This initiative followed the planting which took place on the 28th January 2012, where 3400 cork oaks were planted by **Corticeira Amorim** employees in northern Portugal, in an area devastated by forest fires, in Tresminas, Vila Pouca de Aguiar. The 3400 cork oaks symbolise the number of employees **Corticeira Amorim** has around the world, while this action promotes the preservation of the Portuguese forest with the increase of the cork oak forest area, which is considered Portugal's National Tree. The planting of cork oaks in Vila Pouca de Aguiar will help create a barrier against the advance of wildfires in the future. It is worth pointing out that planting forest areas with native species such as cork oaks, which are naturally fire resistant, is one of the recommended strategies for the prevention of forest fires in the northern and central areas of Portugal (those most affected by fires).





04

PRIORITIES AND CHALLENGES



4.1.

RESEARCH, DEVELOPMENT AND INNOVATION

The various consultation processes carried out highlight Innovation as a critical success factor for **Corticeira Amorim**. The stakeholders view that the future of the Company - and, consequently, the cork and cork oak forest sector - will depend on its capacity to Innovate, in the different areas of the business, diversifying products and markets and strengthening the positioning and image of cork products on a global scale.

Corticeira Amorim's history, which already dates back 143 years, of an activity based on a natural resource (cork) - whose harvest not only respects but benefits the balance and viability of a unique ecosystem (the cork oak forest) -, is a history which is only possible because over the years the Company has shown the capacity to anticipate, adapt and Innovate. **Corticeira Amorim's** employees are proud of the responsibility to Innovate, in a company with an incredibly rich past and which has proven its worth on this issue.

In recent years and particularly in 2012, the Company's investment in Research, Development and Innovation (RDI) has been visible, highlighting:

- ✦ The **1200 ideas** submitted by employees within the framework of the CORK.IN Programme, as well as all the transformations which have occurred under the continuous improvement programmes implemented in the different BUs;
- ✦ The **21 patent applications** filed over the past five years;
- ✦ The **43 RDI projects** which took place during 2012, involving 100 employees, some of the most important initiatives being presented in this report;
- ✦ Over **53000 hours connected with Research activities**, during the year under consideration.

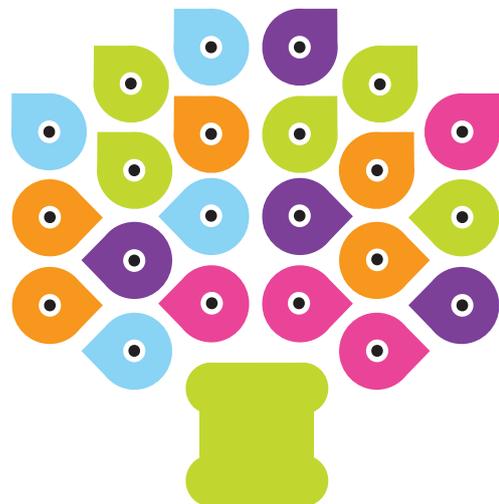
As a result of this investment, there has been public recognition of **Corticeira Amorim** as a RDI role model, as shown in the following examples:

- ✦ The **COTEC Innovation Award** given to the CORKsorb range of products;
- ✦ The **Kaizen Lean Award**, by the Kaizen Institute, given to the Cork Stoppers BU in the "Excellence in Productivity" category, thus distinguishing the BU for its deeply rooted culture of continuous improvement and increase in efficiency;
- ✦ The **HolzLand Award** given to FastConnect® (the new fast and easy connecting technology), of Wicanders® floor coverings;
- ✦ The invitation extended by the European Union to **Corticeira Amorim** to participate in the "**12th European Forum on Eco-innovation - Scaling-up Sustainable Construction**

through **Value Chain Innovation**", in Amsterdam, as a case study within the scope of sustainable construction, which took place between the 25th and 26th April;

- ✦ Also in regard to sustainable construction, **Corticeira Amorim** was awarded the **Seal of Sustainability** in 2012, by the Platform for Sustainable Construction as the managing authority for the Sustainable Habitat cluster in Portugal. **Corticeira Amorim** fulfilled 11 of the criteria subject to assessment, and was given the Gold level award.
- ✦ The **international Crystal Cabin Award** given to the LIFE project (Lighter, Integrated, Friendly and Eco-Efficient aircraft cabin), in the "Visionary Concepts" category, where thermal and acoustic comfort, provided by the use of CORECORK sandwich panels, is one of the innovative aspects of the interior designed for the aircraft;
- ✦ The nomination of **Corticeira Amorim** for the final edition of the 2012/13 European Business Awards. The company was selected for the TOP10 in the Innovation category, a recognition that awards excellence associated with innovation, always in strict compliance with rigorous ethical principles.

The employees are an integral part of this success. The new chapters of **Corticeira Amorim** and cork's century-old history shall continue to be strongly based on their action, which will continue to lead to the creation of value for different stakeholders and the well-being (economic, social and environmental) of future generations.



CORK.IN

AMORIM INNOVATION PROGRAM



ANTI-STRESS CUBES DISTRIBUTED TO EMPLOYEES AT THE LAUNCH OF CORK.IN WITH MESSAGES ABOUT DISRUPTIVE THINKING

4.1.1. CORK.IN PROGRAMME

Corticeira Amorim undertakes an RDI Policy, which respects the following principles:

- ✦ Develop new products and markets for cork;
- ✦ Seek out new technological solutions concerning the product and processes, in partnership with customers, suppliers and other entities;
- ✦ Strengthen the brands' reputations with the constant evolution of supply in response to new market and consumption trends;
- ✦ Promote an innovation culture through an environment conducive to creativity, critical thinking and initiative among employees, fostering teamwork and mutual assistance throughout the company;
- ✦ Create an environment that encourages daring, accepting risk and failure as a component of the innovation process;
- ✦ Enhance the value of innovative practices;
- ✦ Provide ongoing training to employees to promote their professional and personal fulfilment;
- ✦ Facilitate internal and external communication, establishing new and improved channels for the exchange of information;
- ✦ Seek to implement the best management practices and continuously monitor its processes, identifying opportunities for improvement.

Within the framework of the parameters defined as a priority to get CORK.IN off the ground, which aim to promote the (internal) culture geared towards Innovation and value creation, the implementation of the idea management system was made a priority, because from among the various criteria of the programme, it also includes project management and knowledge management, which shall boost creativity, and, more directly, mobilise employees to identify and develop opportunities for value creation.

In 2012, the implementation of CORK.IN in Portugal and all its Business

Units was concluded, on the basis of its Idea Management. Until the end of 2012 and under the programme, employees submitted around 1200 ideas, most of which were considered as incremental innovation (or continuous improvement) and related to process Innovation.

On the whole, and in the majority of the BUs, it was found that there is great potential for the implementation of continuous improvement programmes, that would promote a greater rate of ideas in terms of jobs, and, in particular, the faster implementation of the ideas approved.

With the strengthening of skills in tools fostering continuous improvement, as well as group management and leadership, the different BUs have implemented their own programmes - customised and tailored to their needs - , but which have the common goal to promote "an (internal) culture geared towards Innovation and value creation".

These programmes which are conducive to continuous improvement have already been successfully implemented in a consolidated and successful manner in the Cork Stoppers BU, while the remaining BUs have initiated the work (and pilot-teams) necessary, throughout 2012, for the effective implementation of their programmes in 2013.

The emphasis placed on these programmes, namely in terms of manufacturing operations, has led to a greater number of ideas (and their implementation) in positions with registration and approval procedures, so that they no longer require the use of the idea management platform created under the CORK.IN programme. This was one of the reasons why the number of ideas registered on the platform decreased, particularly from the second half of the year, and therefore the goal of 2500 ideas for 2012 was not achieved.

The CORK.IN Programme's future challenges shall not only be the implementation of a logic of complementarity and the strengthening of the alignment with the continuous improvement programmes implemented by the BUs, but also its development towards a structured management system of RDI knowledge and projects. In regard to the generation and management of ideas, the issue must include work tools to foster creativity and the generation of so-called "disruptive" ideas.

In terms of R&D activities, the events considered most important are described below.

4.1.2. CORK STOPPERS BU

The R&D effort in the Cork Stoppers BU focused on the following lines of action in 2012:

- ✦ improving the quality of corks produced;
- ✦ increasing the understanding of the interaction between the cork stopper and wine;
- ✦ product and process innovation.

In regard to **product and process innovation**, those highlighted among the projects developed are the following:

- ✦ study of the contribution of the cork stopper in the fight against the counterfeiting of premium wines;
- ✦ development of a new surface treatment of natural origin, the laboratory and semi-industrial phases have been passed with positive results;
- ✦ conclusion of the study of new quality criteria for natural cork stoppers, namely their internal analysis, which contributes to greater in-depth knowledge of the performance of cork stoppers and their sealing function. The most important conclusion of the project was that the internal image of natural cork stoppers is not a significantly important criteria in its performance;
- ✦ Research leading to the optimisation of new types of cork stoppers with attributes that meet consumers' needs;
- ✦ Development of a new natural cork stopper wash, which shall be extended to the whole range of natural cork and technical stoppers throughout 2013;
- ✦ Marketing of a new feature in agglomerated stoppers, for slow-selling wines: the possibility of having different colours.



NATURAL WINE CORK STOPPERS COMBINE UNBEATABLE SUSTAINABILITY CREDENTIALS WITH TECHNICAL PERFORMANCE.

As for the **knowledge of the interaction of cork stoppers with wine**, in 2012 a new closure comparison bottling test was launched in a wine region in Portugal and the results of other tests currently being carried out were obtained, namely from a bottling test for red wine conducted in Australia, a Champagne comparison in cooperation with a national client and a comparison with wines conducted in Burgundy.

The permeability of the closures being an important factor in their quality and performance, it was subject to various bottling tests in order to determine the behaviour of the cork stoppers produced by the BUs as well as alternative stoppers according to different variables.

The study ended on the physical and mechanical parameters which determine the performance of the Top Series stoppers as well as their permeability.

The improvement of the quality of the cork stoppers produced is a crucially important area for the BU, as clients' demands have considerably increased.

Individual TCA analysis was a pioneering project which merited most attention in 2012. Although throughout the year individually analysed client samples were delivered and as on a mechanical level the equipment was deemed to have been concluded, on an analytical level the optimisation of the equipment continues, where work still needs to be done.

Other aspects, which are important from a qualitative point of view, were the focus of particular attention in 2012, among which the development of a cork stopper moistening process and the study and characterisation of surface treatment products are highlighted.

4.1.3. FLOOR & WALL COVERINGS BU

Throughout 2012, the Floor & Wall Coverings BU presented new technical solutions for coverings, highlighting its skills in terms of product innovation. These solutions, besides offering a range that is more comprehensive and efficient, also provide new arguments in market segments where growth has been somewhat slow.

The new **ARTCOMFORT** range, composed of three collections: Wood, Stone and Fashion, its development was based on state-of-the-art technology in regard to respecting the reproduction of authentic and natural surfaces. A careful selection of natural visuals and their combination with some of the most noble cork decoratives, enable each collection to offer a sustainable solution in wood visuals, perfect stone visuals (with greater thermal efficiency) and abstract visuals normally associated with textiles, with the unique advantages of cork flooring, which is easy to maintain and healthier. The use of this new technology has enabled the Floor & Wall Coverings BU to develop fully customised solutions for their clients.

FastConnect, the new technical installation solution was distinguished with the HolzLand Award at Expo HolzLand 2012, in Hannover. It is a truly revolutionary application system, which allows easy and fast installation, without the need for glue. Just 5,5 mm thick, it is suitable for practically all kinds of underlay. The tiles are inter-connected and overlap by means of a grip-strip system. The solution, despite floating, offers the same acoustic performance as a glued solution.

VinylComfort glue down, the combination of the main advantages of cork, i.e. greater walking comfort, as well as superior acoustic and thermal properties, with the main advantages of Luxury Vinyl Tile (LVT) for commercial flooring, provides a glue down floor solution with improved properties in relation to traditional LVT.

During 2012 other projects began with the aim of identifying solutions for alternative flooring in which cork is clearly the differentiating factor, and where new production technologies were used in some cases. Partnerships with suppliers and the development of the skills of both the R&D team and production, once again played a fundamental role in this process. To highlight:



WICANDERS® CORK FLOORING, VINYLCOMFORT RANGE BY AMORIM REVESTIMENTOS

VinylComfort with “Registered Embossing” – the development of new visuals began in which the surface embossing process shall be changed so that it is perfectly synchronised with the wood grains, thus increasing its authentic look.

New surface finish – the quest for new finishing solutions continues to be a priority and research and the specification of technologies with the potential to offer a better relationship between wear and tear and flexibility has started.

HPS alternative finish for commercial areas – a project has begun to identify alternative and more environment-friendly solutions, which ensure that all the properties that a PVC surface layer offers are maintained.

4.1.4. COMPOSITE CORK BU

As a result of ongoing market analysis, observing trends and addressing the challenges from customers, 2012 was another year full of activity in the field of R&D and Innovation for the Composite Cork BU. Among the new products and solutions launched in the year under consideration, the following are highlighted:

- × in the area of **Construction**, the portfolio was improved with the addition of solutions for various applications, such as: new underlays for thermal and acoustic insulation of heated flooring and insulation for resilient linoleum and vinyl floors; an

application for expansion joints and a waterproof membrane for ceramic flooring; and a solution in the form of resilient supports for masonry;

- × in the area of **Industrial Applications**, two solutions were developed for vibration control in electricity power transformers, thus broadening the use of cork composites with rubber in this industry;
- × in the area of **Transport**, the development was concluded and production began of a new floor system for the Inspiro surface metro by Siemens Transportation, one of the world’s lightest metro trains, but with a higher passenger capacity and lower energy consumption, influenced by a series of efficiency measures, including the innovative AluCORK floor system, by this BU. A lightweight and durable flooring, offering outstanding technical performance, it improves the acoustic and thermal insulation of the Inspiro, alongside significant weight savings, of around 30 percent. The choice of AluCORK was also influenced by the fact that the flooring is made from cork, a sustainable and recyclable material, in a vehicle that after a 40-year lifespan, is due to be completely recycled;
- × the development and placing on the market of a new 100% natural product for filling synthetic turf and obtaining a cushioning layer for athletes. This cork-based product replaces the traditional filling made with recycled tyre granulates and boasts several distinguishing properties: reduction of the physical risk to players, it does not emanate any odours or harmful emissions and is a thermal regulator of the turf surface.

In regard to R&D projects developed in a consortium, the following activities are highlighted:

- × the **LIFE** project - a vision for executive aviation of the future, was awarded the **Crystal Cabin Award 2012** in March 2012. This international award for excellence in innovation of aircraft interiors, considered the “Oscar of Aircraft Interiors” is promoted by the Senate of the city of Hamburg and includes an extensive voting panel encompassing representatives from aircraft manufacturers, specialist engineers, academics and journalists renowned worldwide. LIFE is a full scale demonstrator, which offers a comfortable and sophisticated travel experience by combining cutting-edge solutions with natural and sustainable materials such as leather and CORECORK cork composites which were used on the ceiling, side panels and seats of the aircraft;
- × in the field of train interiors, under the **ECOTRAIN** project, which included the partnership with Alstom Transportation, a new modular solution was presented for train floors which results in gains in regard to its installation on the assembly line, weight saving and increased thermal and acoustic comfort. A new design of composite side panels was also presented, incorporating CORECORK materials which have enabled total weight savings of an interior window panel of around 30%. In both cases, the solutions developed have less environmental impact and ensure a higher rate of recyclability in railway equipment;
- × the participation in **BIOBUILD**, which gathers together a group of well-known European companies associated with design and the production of materials, components and structures for construction sector. The project teams are currently finalising the designs of the demonstration parts - an interior wall unit, elements of the exterior facade and false ceiling - and selecting materials and manufacturing processes. The goal is to develop functional pieces, which can be produced on an industrial scale and have consumed the least amount of energy possible (embodied energy) in their manufacture. The first prototypes shall be made in 2013.



ECOTRAIN PROJECT MAKES USE OF CORK COMPOSITES IN HIGH-SPEED TRAINS

This BU concluded an investment of around six million euros in 2012 for a new production line equipped with completely new technology for the cork sector. The new line, developed by the BU in close cooperation with the selected technology providers, began to produce new references of components for the flooring industry at the end of 2012. The potential of this new technology shall lead to new opportunities for the development of innovative materials, and, it is hoped, new applications for cork.

The motivation across the company continues to be as always, i.e. the creation of new applications for cork composites which offer distinguishing and eco-efficient performances - from the point of view of the use of more "green" materials and the reduction of energy consumption over the products' lifespan - the Cork Composites BU hoping, in this manner, to consolidate and increase the turnover of new products in the years ahead.

Various events supported by the BU, have shown, during the year, endless possibilities for the use of cork and its composites, increasing its notoriety and perception of its real value. The following are highlighted:

- ✦ International cork design competition, promoted by the Vitra Design Museum and Domaine de Boisbuchet;
- ✦ Shelter, the habitable sculpture created for the celebrations of Guimarães, the European Capital of Culture;
- ✦ The international Crystal Cabin Award, in the Visionary Concepts category, given to the LIFE Project - Lighter, Integrated, Friendly and Eco-Efficient aircraft cabin developed in partnership with various companies, including Amorim Cork Composites;
- ✦ Serpentine Gallery Pavilion 2012, in London. Cork was selected as a distinguishing feature of the Serpentine Gallery Pavilion in London, the most ambitious world architecture programme, led by renowned architects office Herzog & de Meuron and artist Ai Weiwei.

4.1.5. INSULATION CORK BU

In 2012, the R&D activity of this Business Unit continued to focus on the following projects:

- ✦ **WaterCork:** aims to research the application of materials and/or by-products from the cork industry with a view to enhancing the value of cork as a pesticide and cyanotoxin absorbent;
- ✦ **BloCork:** the development of a model of a masonry block, using as a raw material light concrete incorporating regurgulate from expanded cork in its composition.

Within the framework of the partnership between Amorim Isolamentos and Gyptec Ibérica an innovative product was launched onto the restoration market, the Composite Board - GYPCORK. The new board with cork-incorporated insulation aims to meet the growing need for sustainable products and systems which contribute to greater energy efficiency.

Also worth highlighting is the international recognition for expanded cork agglomerate (this BU's main product), in particular:

- ✦ considered to be one of the 10 most environment-friendly products for the field of construction, it is included in the BuildingGreen Top-10 Product for 2013, by Building Green, a publication by GreenSpec and the Environmental Building News (EBN), **the largest North American directory of products for sustainable construction (EBN)**.
- ✦ Sustainability Certificate given by the Sustainable Construction Portal, taking into account its 10 sustainability principles: reduction in the use of resources, reuse and/or recycling, CO₂ absorption, renewal, purity in its composition, low incorporated energy, nationality, safety for human health, durability and/or low maintenance, accredited certification.

4.2.

GLOBAL WARMING



Corticeira Amorim, as the world leader in the cork sector, is aware of the role it plays in ensuring the viability of the cork oak forest which, in Portugal alone, is responsible for the storage of 64 million tonnes of CO₂¹.

The Company's contribution to the fight against global warming includes, on the one hand, the promotion of cork solutions and development of cork oak forests, and, on the other, continuous improvement of its performance in terms of energy efficiency and the resulting reduction of greenhouse emissions.

The importance of this issue is clear in the priorities identified by **Corticeira Amorim's** customers, as well as the majority of its stakeholders.

¹In accordance with the National Forest Inventory, made available in 2010.

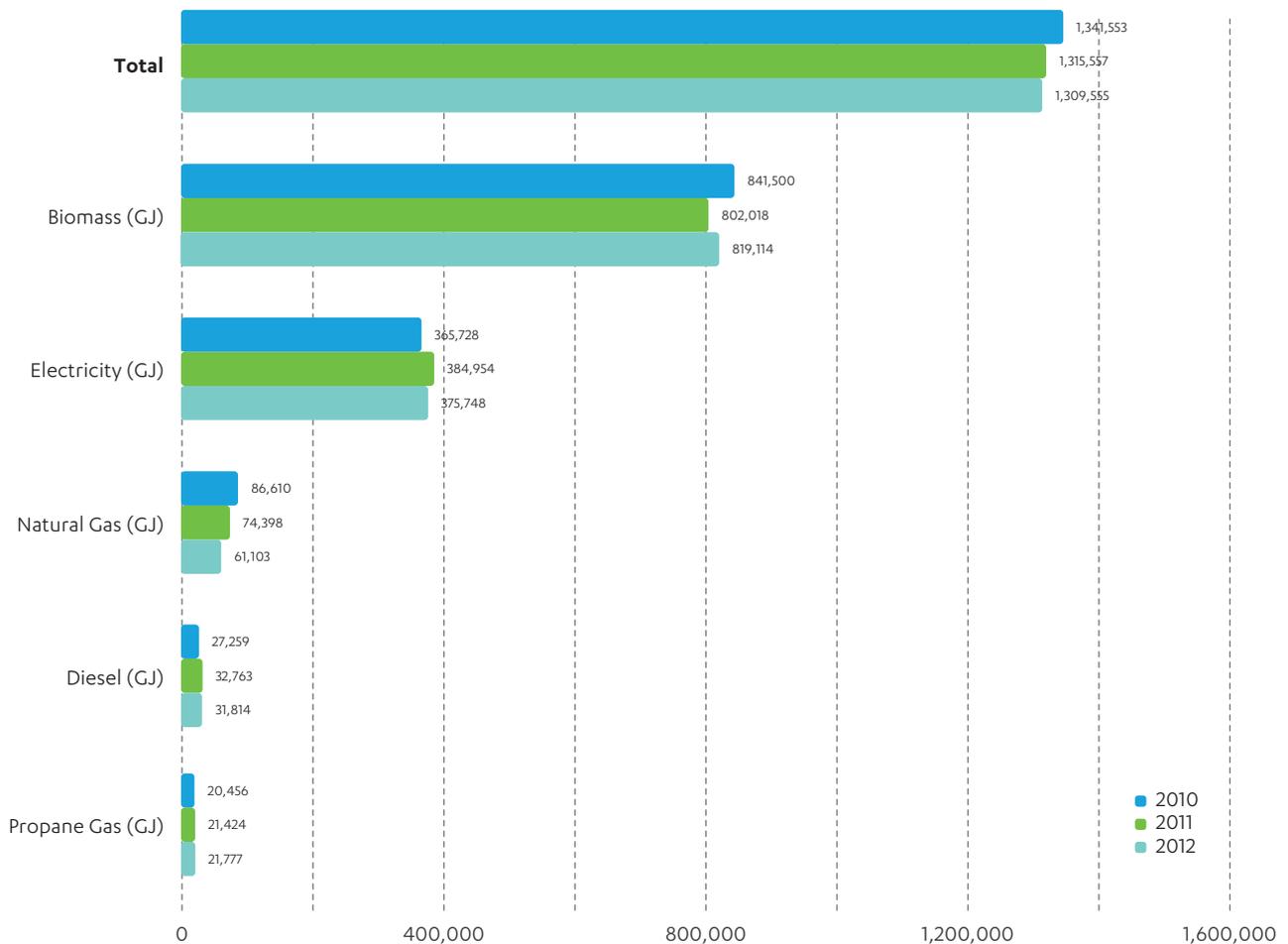
In this context, **Corticeira Amorim's** intervention has focused primarily on the following guidelines:

- ✦ undertaking internal and external awareness-raising actions (under the Natural Choice Programme);
- ✦ improving process performance and efficiency;
- ✦ increasing knowledge relating to the impact of the Company, its products and the ecosystem they make viable;

In regard to the **improvement of process performance and efficiency**, in 2012 another reduction in energy consumption was seen, as a result of the work that has been carried out in all the BUs, in terms of energy efficiency. For this performance there has been the contribution of various actions and investments in fields such as: lighting (indoor and outdoor); new generation engines; thermal energy and boiler operations; optimisation of compressed air; thermal fluid systems and thermal insulation of structures and equipment.

As a result, in consolidated terms, energy consumption at **Corticeira Amorim**, measured in GJ/year, fell (-6.002 GJ in 2012 compared to the previous year), despite an increase in activity. Therefore, worthy of mention is the greater efficiency and optimisation in terms of thermal and electrical energy consumption, which has resulted in reductions both in natural gas and electricity consumption.

Energy Consumption by source (GJ/year)



In 2012, the same conversion factors were used as the previous year based upon information made available by the Portuguese Environment Agency.

Biomass (a neutral source of energy in regard to CO₂ emissions), which is mainly the result of cork dust generated in the production process, thus ensures the supply of 62.5% of **Corticeira Amorim's** energy needs.

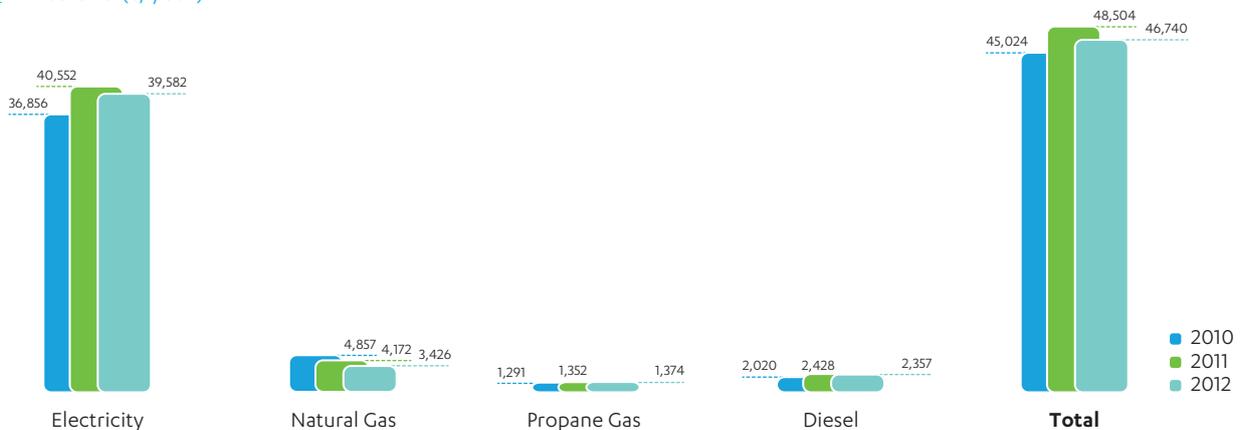
In 2011 the electrical energy supplier of the Portuguese industrial units was changed (to Iberdrola), which was kept in 2012 in the industrial units with greater consumption. As a result of this change, and based on the information made available by the Electricity Services Regulatory Entity² (ERSE), in regard to electricity, the primary energy used in 2012 was the following:

	Sources of energy mix	Consumption 2012 (Gj)
Hydropower	21.2%	79,781
Wind Power	3.4%	12,838
Renewable Cogeneration	3.9%	14,537
Other Renewables	0.5%	1,879
Urban Solid Waste	0.2%	683
Fossil Cogeneration	10.2%	38,312
Natural Gas	26.1%	98,066
Nuclear	8.5%	32,107
Fuel Oil	0.9%	3,275
TOTAL	100%	375,748

² In the case of the supplier Iberdrola, on the date this report was prepared, the sources of energy mix was not yet available for the 12 months of 2012 and thus the information available for 2011 was used.

Motivated by issues of an economic nature, with the change of the electricity supplier, the conversion factor of CO₂/KWh emissions also changed significantly. Indeed, this alteration has an impact not just on emissions reported in the year under consideration, but also in the previous year. Therefore, in the 2011 sustainability report an emission factor was used of 244.4 g CO₂/KWh, when it should be 379 g CO₂/KWh, resulting in the following development in CO₂ emissions between 2010 and 2012.

CO₂ Emissions (t/year)

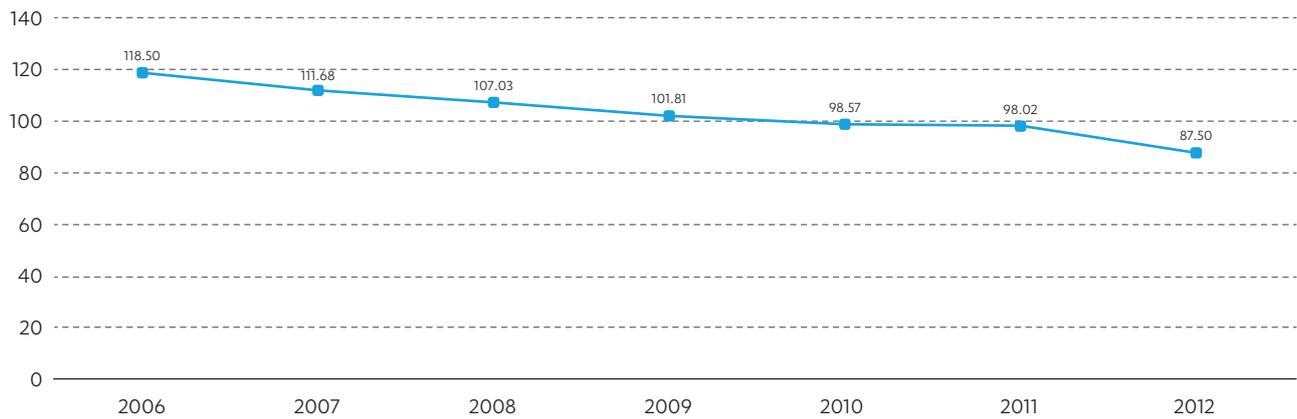


Note: To calculate the CO₂ emissions associated with Propane Gas, Natural Gas and Diesel, the factors considered were the same used in the 2010 SR, namely: Propane Gas: 63.1 kg CO₂/GJ (source: Portuguese Environment Agency); Natural Gas: 56.1 Kg CO₂/GJ (source: Portuguese Environment Agency); Diesel: 43.1 Kg CO₂/GJ (source: Portuguese Environment Agency). As regards Electricity, an alteration was made to the conversion factor (from 362.3 g CO₂/KWh, in 2010, to 379.0 g CO₂/KWh in 2011), based on the most recent information from Iberdrola (obtained from the ERSE website).

In relative terms, there has been a gradual decrease in the level of carbon intensity of **Corticeira Amorim's** activity, and by 2012 the figure reached 87.5 tonnes of CO₂ per million euros of sales.

Since 2006, the year in which **Corticeira Amorim** began the consolidated monitoring of its emissions, a reduction of 26.2% in this carbon intensity indicator can be seen, thus not reaching (due to the increase of the emission factor) the target of a reduction of 45% which was initially defined.

Carbon intensity of the activity (Tonnes CO₂ / 1 million € of sales)



	2006	2007	2008	2009	2010	2011	2012
Total CO ₂ emissions (tonnes)	52,443	50,683	50,122	42,273	45,024	48,504	46,740
Sales (million euros)	443	454	468	415	457	495	534

Under the guideline to **increase knowledge of the impact of the Company in regard to the carbon footprint**, **Corticeira Amorim** has once again shown a pioneering stance by promoting the study, which includes the calculation and independent verification of its carbon footprint in accordance with ISO 14064 standard and which concludes that **in regard to greenhouse gases, the company's activity benefits the environment**. In the calculation carried out by PwC, with independent verification by Deloitte, it is shown that **Corticeira Amorim's** activity results in an annual carbon capture greater than 2 million tonnes of CO₂, which is 15 times higher than the gas emissions of the whole value chain.

The scientific community recognises that the majority of greenhouse gas emissions (GHG) result from anthropocentric activity. These gases, carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFC), perfluorocarbons (PFC) and sulphur hexafluoride (SF₆), are responsible for the global warming of the planet.

Therefore, forests play a crucial role in climate change. Trees, such as the cork oak, capture and store CO₂ (the main GHG) through photosynthesis. This CO₂ is transformed into organic tissue containing 50% carbon content. The carbon is stored, among other gases, in the forest soil, branches, roots, tree trunk and in its bark (i.e. cork).

The cork oak forest plays a crucial role in carbon sequestration, mainly because the trees have a long lifespan (they can live around 200 years) and promotes the storage of carbon for long periods of time. Among other services, the cork oak forest contributes to the regulation of the hydrological cycle and protection of the soil, preventing desertification, thus contributing to the conservation of one of the most richest ecosystems in terms of biodiversity. Recyclable and reusable, the motto "nothing is wasted, everything is transformed" (Pereira J.S. et al, 2008) applies itself to cork perfectly.

Cork, being a natural product, comes from the cork oak's renewable bark. Due to its unique properties, it is a good environment-friendly alternative for high impact non-renewable materials, found in various products and applications. Cork therefore represents an important contribution to the reduction of the carbon footprint of end products. Furthermore, cork products make an ecosystem viable (the cork oak forest), promoting various environmental services including carbon sequestration.

Therefore, the carbon footprint of **Corticeira Amorim** and its products, must be seen from the perspective of a life cycle, which takes into account the entire value chain and, as a result, the upstream impact of the materials used in its processes. Thus, where cork is involved, it is imperative to consider the carbon sink effect of the cork oak forest, made viable by the harvesting of the cork and the cork industry, as it is recognised by the International Vine and Wine Organisation (OIV) in its resolution OIV-CST 431-2011³.

During 2012 the carbon footprint of all **Corticeira Amorim's** Business Units (BU) was calculated, on the basis of the activities and information from 2011. In regard to the Raw Materials BU (due to the fact that it supplies raw material - cork - to the other BUs and does not have the

³Principles of the OIV greenhouse gas accounting protocol for the vine and wine sector.

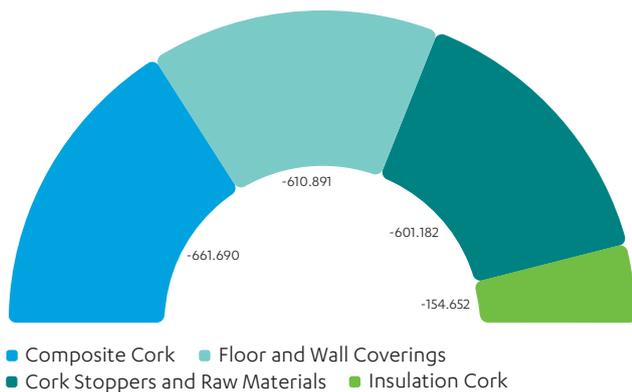
marketing of end products as a goal) the impact associated with its activity was considered together with the Cork Stoppers BU (the main customer of the Raw Materials BU).

In the calculation and having as a reference international standard ISO 14064, the activities and sources of emission associated with the operation of the facilities, including activities undertaken by third parties were taken into account. The operational borders were defined according to the GHG Protocol, in accordance with three parameters:

- ✦ Framework 1: direct greenhouse gas (GHG) emissions which are controlled by the company, as a result of the BU's activity;
- ✦ Framework 2: indirect GHG emissions which are not controlled by the company, related to the purchase of electricity from an external entity;
- ✦ Framework 3: other indirect greenhouse gas emissions, resulting from the company's activity, associated with the company's value chain (upstream and downstream).

From the calculation carried out in all the BUs and considering the carbon sink effect of the cork oak forest, it can be seen that **Corticeira Amorim's activity enables the annual carbon sequestration of 2.028.415 tonnes of CO₂**, divided between the BUs as follows:

Carbon sequestration by BU (-2.028.415 ton CO₂)

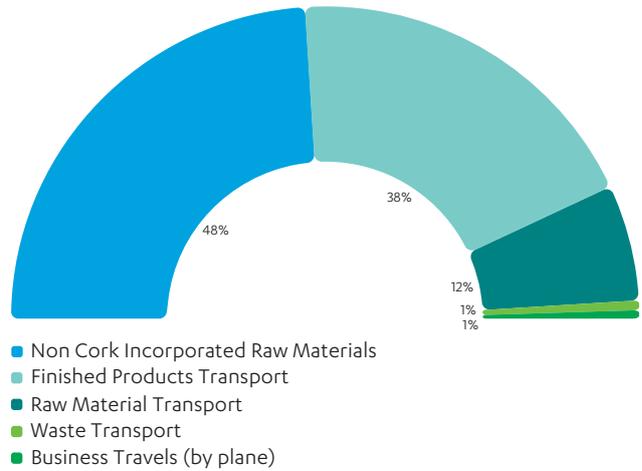


Note: In addition to the carbon sink of 2,005,657 tonnes associated with cork, the carbon contained in the HDF incorporated in the products of the Floor & Wall Coverings BU was also taken into account, which corresponds to the sequestration of 22,624 tonnes of CO₂, as well as the sequestration associated with coconut fibre incorporated in the product of the Insulation Cork BU, which corresponds to 134 tonnes of CO₂ sequestered.

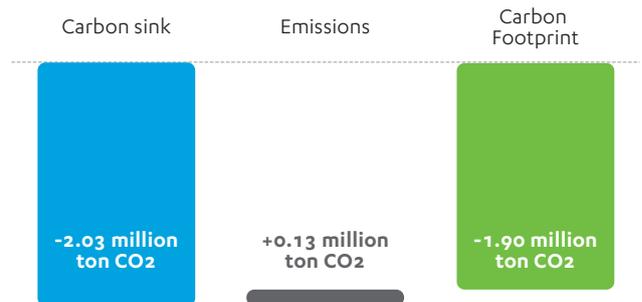
The total emissions of **Corticeira Amorim's** value chain represents less than 6.6% of the sequestration value. In regard to the origin of emissions, those taken into account in framework 3 (indirect emissions associated with the value chain) are those with the highest share - representing 69% - followed by the emissions in framework 2 (electricity consumption) which represent 27% and those in framework 1 (fuels used in the activity), with 4%.

The composition of the emissions in framework 3, is as follows:

Breakdown of the emissions in Framework 3



The calculations carried out by the PwC, therefore results in a **negative footprint (-1,9 Mio Ton CO₂)**, i.e. **Corticeira Amorim's activity also benefits the planet in regard to greenhouse gases**, capturing more CO₂ than it emits, as shown below:



The calculations carried out by PwC in each BU were submitted for independent verification by Deloitte, resulting in the first carbon footprint studies in the cork industry, carried out and verified in accordance with ISO 14064 standard.

... Corticeira Amorim's activity benefits the planet in regard to greenhouse gases, capturing more CO₂ than it emits.

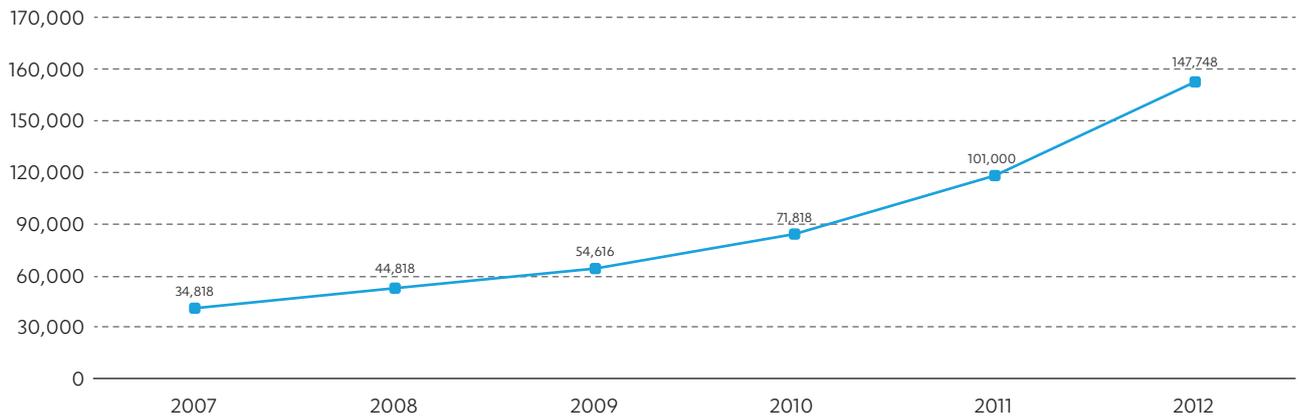
4.3.

FSC FOREST MANAGEMENT SYSTEM

The area of certified cork oak forests in the Iberian Peninsula has gradually increased, initially as a result of the efforts of certification groups, connected mainly to forest producer associations. More recently, the boost to the growth of FSC certification has resulted not only from the appearance of certification groups, but also from the development of the FSC in Spain and Portuguese State incentives for certification.

At the end of 2012, the cork oak forest area with FSC certification had already reached approximately 150.000⁴ ha, showing a significant increase, as shown in the graph below:

FSC cork oak forest (ha)



Corticeira Amorim was at the origin of raising the awareness of forest producers on the importance of FSC principles and criteria for more responsible forestry management, and a pioneer in obtaining the first FSC chain of custody certificates in the cork industry. Year after year, the Organisation has increased the number of companies with FSC chain of custody certificates and it must be highlighted that **Corticeira Amorim** boasts 36 establishments (industrial and/or distribution) - six more than the previous year - certifying the chain of custody in accordance with this standard and providing the market additional guarantees of business ethics with the preservation of forest resources.

⁴Source: "State of Mediterranean Forests 2013" Report by the FAO (Food and Agriculture Organization of the United Nations).



4.4.

BIODIVERSITY AND ECOSYSTEM SERVICES

Under the European Business & Biodiversity initiative, a protocol was signed in October 2007 by **Corticeira Amorim**, the Portuguese Forest Authority (AFN), the Institute for Conservation of Nature and Biodiversity (ICNB), Quercus and the World Wildlife Fund (WWF), with a view to the "Enhancement of the Value and Sustainability of the Cork Oak Forest and Associated Biodiversity".

Under this initiative, it was sought not only to enhance scientific knowledge on sustainable management in cork oak areas and its biodiversity (awarding the best research work), but also to promote good management practices (awarding and distinguishing good management practices and funding a technical advisory service).

Therefore, **Corticeira Amorim** has funded a free technical advisory service for forest producers since 2008, with the aim of identifying and adopting best practices in the management of cork oak forests and associated biodiversity. Since 2008, this technical advisory service has been applied to around 17,500 ha of cork oak forest in Portugal and most of the forest properties that benefited from it subsequently chose to obtain FSC certification of their forestry management systems.

With the integration of two government entities of the partnership - the ICNB and the AFN - in the Institute of Conservation of Nature and Biodiversity (ICNF), there was the need to redefine the terms of the partnership and leading team in the Initiative. Contrary to the initial forecast, this redefinition did not take place in 2012, which was decisive in the non-achievement of the measures forecast, only one meeting having been held with the Assessment Committee of the Initiative in the second half of the year - where guidelines to be developed in 2013 were outlined.



CORK OAK FORESTS FOSTER BIODIVERSITY, WHOSE IMPORTANCE IS EQUIVALENT TO THAT OF REGIONS SUCH AS THE AMAZON, THE BORNEO OR THE AFRICAN SAVANNA.

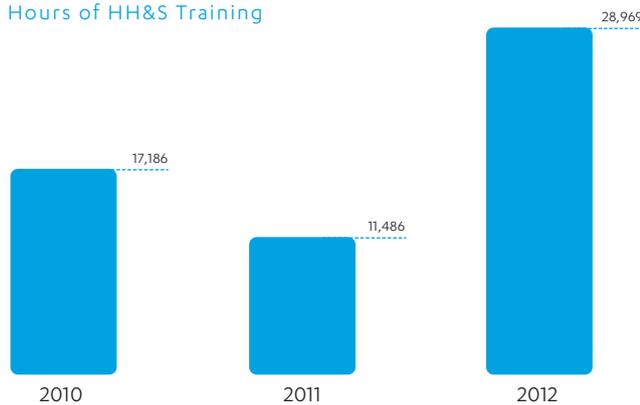
4.5.

HEALTH, HYGIENE AND SAFETY

Corticeira Amorim reaffirms the importance which it attaches to issues related to Health, Hygiene and Safety (HH&S) in the workplace. The Company's commitment in this regard is clear in the investments being made in the ongoing review of safety plans and the monitoring of their efficacy or adjustment in light of risks, reiterating its focus on awareness-raising and Employee training.

Training Employees in HH&S is, therefore, fundamental for the pursuit of the respective goals, which in 2012 continued with significant investment, with the training volume reaching around 29000 hours - an increase exceeding 150% -, to a large extent caused by the extraordinary investment made by the Cork Stoppers BU during the year under consideration.

Hours of HH&S Training



Corticeira Amorim has always boasted accident rates well below the average for the sector. As a result of the investments made, in the year under consideration an improvement can be seen in the overall main indicators, as shown in the following table:

	2010	2011	2012
No. of deaths	0	0	0
Accident frequency index	7.1	5.36	5.27
Work-related illness rate	1.1	1.1	1.2
Lost working days rate	174.8	159.9	150.3
Absenteeism rate	3.20%	2.97%	2.95%
Total Employees	3,002	3,002	3,066

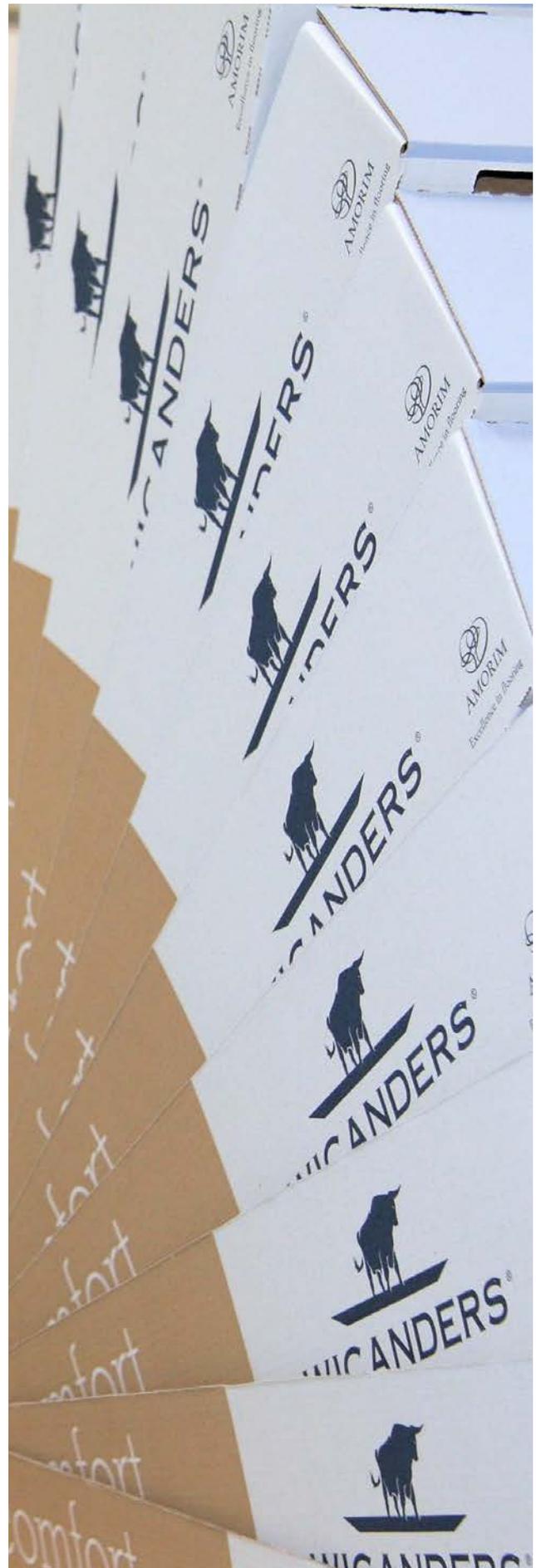
Definitions:

Frequency index = No. of Accidents / Hours Worked x 200,000.

Work-related illness rate = No. of Cases of Work-related Illness / Potential Hours of work x 200,000.

Lost working days rate = No. Days Lost / Potential Hours of work x 200,000.

Absenteeism rate = Days Missed / Potential Days of Work.



05

PERFORMANCE INDICATORS



5.1.

ENVIRONMENTAL

5.1.1. MATERIAL CONSUMPTION

Despite the sales increase in 2012, lower increases were seen in most Business Units (and in some cases, reductions) in regard to material consumption. In regard to consumption of other raw materials, the inclusion of 37,583 tonnes of materials (such as HDF) of the Floor & Wall Coverings BU should be highlighted, which to date had not been taken into account. Thus, excluding this effect, it can be seen that there was a slight decrease in 2012 in total material consumption, against the previous year for the same materials.

Materials consumed

	2010	2011	2012
Cork	123,303	132,043	129,886
Other Raw Materials	6,636	3,114	45,416
Chemical Products	13,801	14,595	15,006
Packaging Material	8,980	9,146	10,037
Paper	39	30	42
TOTAL	152,759	158,927	195,651

(tonnes)

5.1.2. RECYCLING

One of the environmental benefits of recycling cork is the fact that it incorporates carbon captured by the cork oaks, which remains there throughout the product's life cycle. Therefore, any increase in the cork's life cycle through recycling, delays the emission of the carbon back into the atmosphere.

The cork stoppers collected in various European countries are sent to **Corticeira Amorim's** Cork Waste Recycling Unit in Portugal. In regard to cork stoppers collected in North America under the ReCORK programme, they are processed by Sole, for the production of footwear.

The cork granulates obtained at **Corticeira Amorim** from recycling are used in various products, such as: coverings, insulation, competition kayaks, aerospace applications and design products.

As a result of cork stopper recycling programmes launched by **Corticeira Amorim** – such as Green Cork – and partnerships established with other cork stopper recycling programmes (mostly implemented in Europe), in 2012 **Corticeira Amorim** incorporated 161.8 tonnes of used cork stoppers (of a total of 179.42 tonnes of cork stoppers collected) in the production of other high added-value cork products.

The cork stoppers collected under the ReCORK programme (which are not used in **Corticeira Amorim's** industrial processes) rose to 75.96 tonnes. Therefore, 255.38 tonnes of used cork stoppers were collected, which represents an increase of 34.4% in relation to the amount of cork stoppers collected in 2011 (190 tonnes). Thus, the recycling

campaigns implemented enabled approximately 1.56% of the amount of cork stoppers sold annually by **Corticeira Amorim** to be collected.

As regards the reuse of other cork products, in particular expanded cork agglomerate, a significant increase was observed in the reuse of this type of material. The incorporation of rubber in products developed by the Composite Cork BU increased significantly, mainly making use of recycled materials, which explains the increase in consumption of tyre waste.

Consumption of recycled materials

	2010	2011	2012
Tyre Waste	48	729	1104
Cork Stoppers	99	85	162
Other Cork Products	250	265	355
TOTAL	397	1080	1621

(tonnes)

5.1.3. WATER CONSUMPTION

The development of **Corticeira Amorim's** activity in 2012 only partly explains the increase in water consumption, given that an important part of this rise was due, on the one hand, to the occasional, yet significant occurrence of water leaks and, on the other, to the introduction of manufacturing processes which have resulted in greater water consumption, therefore the goal originally set to reduce consumption was not achieved.

Water consumption

	2010	2011	2012
Public network	49,703	39,487	41,428
Groundwater abstraction	362,490	385,857	429,979
TOTAL	412,192	425,343	471,408
Sales (Million euros)	456.8	494.8	534.2
Water consumption / €1M sales	902	860	882

(m³)

5.1.4. BIODIVERSITY

Corticeira Amorim does not operate in zones classified by the Institute for the Conservation of Nature and Biodiversity (ICNB) as protected areas, thus there is no significant impact on biodiversity at this level.

It is highlighted, however, that this is an issue which the Company has focused on in different initiatives (the initiative for the "Enhancement of the Value and Sustainability of the Cork Oak and Associated Biodiversity"), with the aim to boost the strong positive effects which, at least indirectly, result from its activity.

5.1.5. EMISSIONS, EFFLUENTS AND WASTE

5.1.5.1. Atmospheric emissions

	2010	2011	2012
Particles	132	153	258
SOx	5	7	12
VOC	105	112	159
NOx	152	142	169

Note: Emissions calculated from the results of the monitoring of gaseous emissions in 2012.

(t/year)

5.1.5.2. Liquid Effluents

	2010	2011	2012
Industrial Effluents	126,626	148,020	179,160
Domestic Effluents	36,232	28,737	23,625
TOTAL	162,858	176,757	202,785

(m³)

In regard to industrial effluents, 91.1% are treated in industrial unit treatment plants and the remaining 8.9% in municipal systems. Concerning the destination of the treated effluent, around 13% has as destination the surface water environment and the remaining 87% is channelled to the municipal collection system.

As regards domestic effluents, most (98.5%) is treated by municipal systems and the remaining in the units' treatment plants. Around 98% of the total of domestic effluents have as destination the municipal collection system.

On the concentration of industrial effluents, current information systems consider this data collection only for industrial units in Portugal, while ensuring the coverage of **Corticeira Amorim's** materially relevant operations, having analysed the BOD (Biological Oxygen Demand), Chemical Oxygen Demand (COD) and Total Suspended Solids (SST) parameters. Therefore, overall, in 2012, concentrations of 0.0039 kg/m³ of SST, 0.0397 kg/m³ of COD and 0.0159 kg/m³ of BOD were recorded.

5.1.5.3. WASTE

In the year under consideration, the reduction in waste caused by an important decrease in waste destined for elimination should be highlighted. Therefore, in 2012, around 93% of waste was destined for recovery, i.e. incorporated into other value chains.

	2010	2011	2012
Hazardous industrial waste	140	222	184
Recovery	52	31	56
Elimination	88	191	129
Non-Hazardous industrial waste	14,523	22,223	21,541
Recovery	11,856	18,797	20,103
Disposal	2,666	3,426	1,438
TOTAL	14,662	22,446	21,725

(t/year)

No significant spillages were recorded in 2012. As regards ozone-depleting gas emissions, the processes involved in the processing of cork do not anticipate the use of this type of substances. No leaks were recorded of these gases in air conditioning equipment.



MORE THAN A DOZEN NEW WORLD WINERIES MOVED BACK TO USING NATURAL CORK STOPPERS OVER THE LAST 12 MONTHS

5.2.

HUMAN RESOURCES

5.2.1. EMPLOYMENT

This Sustainability Report covers 87.6% of the jobs at **Corticeira Amorim** as of 31 December 2012 where no changes were recorded to the scope of information now reported compared to 2011.

	2010	2011	2012
Permanent	2749	2712	2740
Fixed term contract	253	290	326
Total part-time employees	34	81	34
Total full-time employees	2968	2921	3032
Total Workforce	3002	3002	3066

The following shows the details of **Corticeira Amorim's** employees by gender and age range.

	Age			Gender		Total
	< 30	30 to 50	> 50	Female	Male	
Directors	1	20	18	1	38	39
Managers	0	65	22	12	75	87
Heads of Department	1	60	25	21	65	86
Sales Staff	10	84	32	22	104	126
Management Support Technicians	19	90	26	39	96	135
Team Leaders	2	78	51	15	116	131
Administrative Staff	22	180	37	140	99	239
Maintenance, Quality and Logistics Technicians	34	205	76	80	235	315
Production Operators	189	1150	569	503	1405	1908
TOTAL 2012	278	1 932	856	833	2 233	3066
TOTAL 2011	277	1979	746	823	2179	3002

The staff turnover rate observed in 2012 (evaluated by the number of staff who left) remained at the same level as the previous year.

	2010	2011	2012
Total Departures	146	155	133
Overall Staff Turnover Rate	8.8%	8.8%	6.5%
< 30	1.9%	2.4%	2.0%
30 to 50	4.7%	3.6%	3.0%
> 50	2.2%	2.8%	1.5%
Women	2.9%	2.9%	1.9%
Men	5.9%	5.9%	4.6%

5.2.2. WORK AND MANAGEMENT RELATIONS

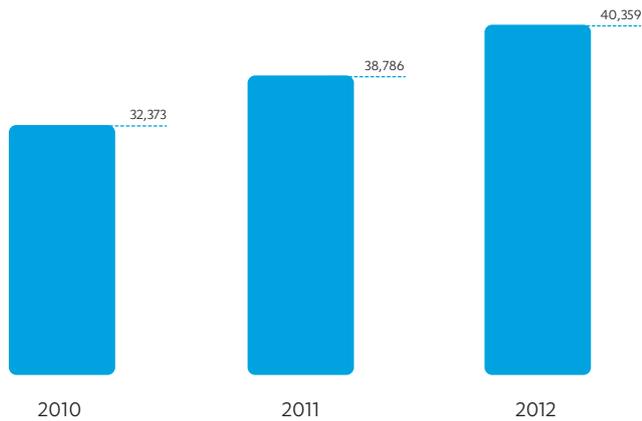
Freedom of association is a right of all employees, and exercised by 30.6% of **Corticeira Amorim** employees covered by this report.

With the purpose of regulating the working conditions of employees in Portugal, collective work contracts were established between APCOR (Portuguese Cork Association) and the sector's trade unions, covering 100% of the workforce.

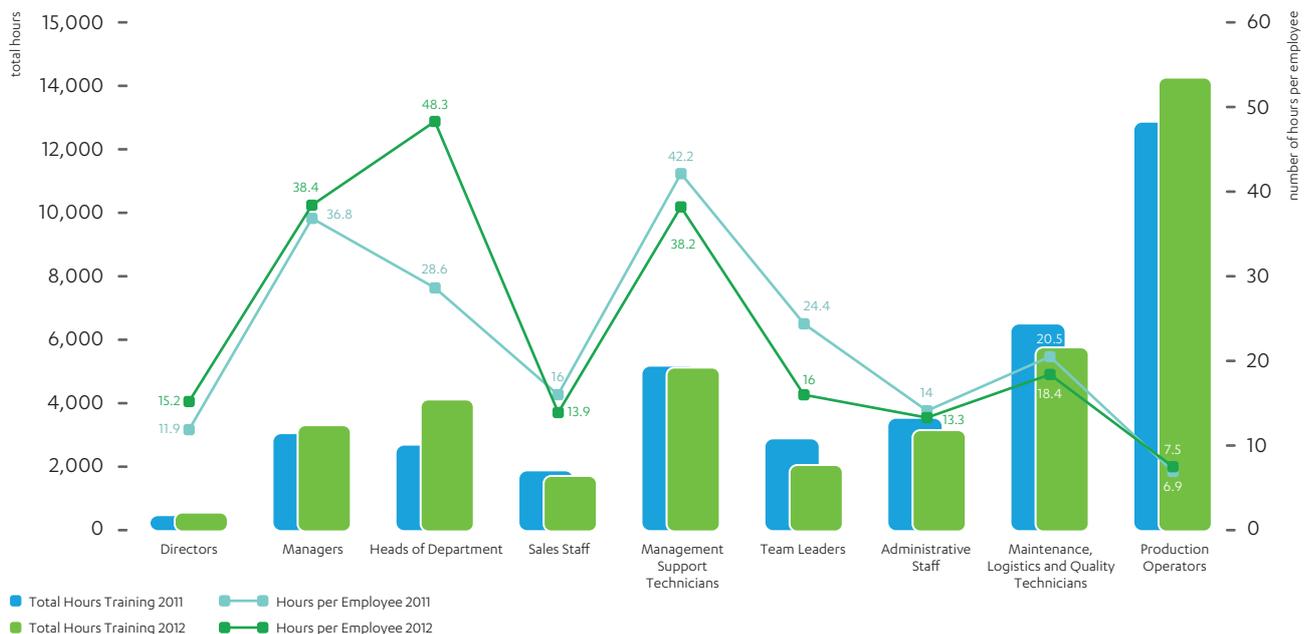
5.2.3. TRAINING AND QUALIFICATION OF HUMAN RESOURCES

In regard to training and qualification, there was a further increase in the amount of training provided in 2012, compared to 2011. The strengthening of skills in the commercial field was seen in all BUs in the recruitment of new employees and the continuation of the strategic plans in regard to commercial training. Hygiene and Safety was the target of a significant increase in the number of training hours, largely due to the actions promoted by the Cork Stoppers BU during the year under consideration. An example of a specific project to prepare for the future of **Corticeira Amorim** to be highlighted is the “Young Managers” project by the Cork Stoppers BU with a wide range of initiatives, namely mentoring actions with the aim of developing creativity skills, without overlooking the participation and involvement of this segment in the initiative of the “CORK +” project. The specific aim of this project is the integrated development of transversal skills in a group of the Company’s young staff.

Total hours of training



Thus, the number of training hours increased by an average of 0.3 hours per employee. For the growth of this indicator, the reinforcement of 9% in the amount of training for the category of production operators, as well as the increase in training for managers with a view to the management and motivation of their teams should be highlighted. The year under consideration was marked by investment in the development of leadership skills of line managers. Combining them with the empowerment programmes in operation, specific projects were created for the development of listening/communication/leadership skills in the Cork Stoppers and Composite Cork BUs (Life Leader) and performance management skills in the Floor & Wall Coverings BU.



5.2.4. DIVERSITY AND EQUAL OPPORTUNITIES

Corticeira Amorim practices a policy of non-discrimination in regard to creed, gender and ethnic group. It has a modern corporate structure based on assessing merit and rewarding performance.

The cork sector is one of the most traditional sectors in Portugal. There has been some discussion regarding the difference in remuneration for functions which are different but considered to be equally demanding. Bearing in mind that there are collective work contracts agreed with trade unions, this is a sector issue for which **Corticeira Amorim** sought in recent years, on its own behalf, the establishment of an agreement which would enable the level of payment associated with the functions in question to be gradually increased. Such an agreement was reached and signed by APCOR and the respective trade unions in 2008, and is now in operation.

Ratio between the average salary for men and women in the same category.

	2011	2012	Variation 2011/2012
Managers	1.31	1.31	0.2%
Heads of Department	1.38	1.43	3.4%
Sales Staff	1.25	0.96	-23.3%
Management Support Technicians	1.33	1.09	-18.4%
Team Leaders	1.10	1.12	1.0%
Administrative Staff	1.02	0.94	-7.8%
Maintenance, Quality and Logistics Technicians	0.96	1.00	3.5%
Production Operators	1.08	1.02	-5.3%

5.3. ECONOMIC PERFORMANCE

5.3.1. SUMMARY OF ACTIVITY

The recession in the second semester in Europe, particularly at the end of the year, could not fail to affect **Corticeira Amorim's** activity, 60% of whose sales are channelled to this economic area.

This impact did not have serious consequences for the Company only because it has managed to maintain the pace at which it has gained market share in European markets, while it has expanded its business to geographical areas unaffected by the European virus.

Wine consumption has grown constantly in these new markets over the past few years, which has more than offset the fall in consumption in Europe. The increasing importance of the North American market is highlighted, which has become the world's largest wine market. For **Corticeira Amorim**, it is also the largest market for its products as a whole. From Cork Stoppers and Floor & Wall Coverings to Cork Composites, the United States is among the top destinations of its sales.

Corticeira Amorim's growth in sales has not just been due to gains in market share for stoppers, which were seen not only for cork stoppers, but also for alternative closures (screwcap and plastic), in particular



THE QUALITY OF CORK STOPPERS IS OF CRUCIAL IMPORTANCE TO THE CORK STOPPERS BU

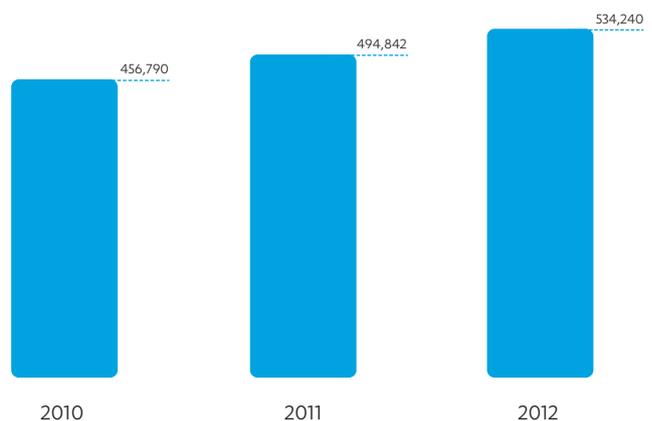
because of the continued drop in sales of plastic closures. Most of the BUs also recorded an increase in sales, where sales in new products and applications also contributed.

Consolidated sales for **Corticeira Amorim** broke the 500 million euro barrier for the first time. By recording sales of 534 million euros (M€), **Corticeira Amorim** broke its sales record once again. Even without the effect of the entrance of Trefinos into its scope of consolidation from the start of the second semester, and the effect of Timberman during the first semester, that same barrier would still have been greatly surpassed (511 M€).

5.3.2. CONSOLIDATED RESULTS

2012 was the third consecutive year of growth in sales and income. Indeed, after the fall recorded in the second semester of 2008 and the first semester of 2009 as a result of the global recession, **Corticeira Amorim's** key performance indicators have continued to improve.

Consolidated sales (thousand euros)



As already mentioned, sales broke the 500 million euro barrier for the first time, having risen to 534 M€, an increase of 39 M€ (+8.0%) which benefited from the entrance of the activity of Trefinos in the second semester (16M€). In comparable terms, i.e. excluding the effect of Trefinos in the second semester and Timberman in the first semester, sales would have increased by around 4%.

The effects of the exchange rate, in particular resulting from the evolution of the USD, was also favourable in the development of sales, and it is estimated to have reached 10 M€. It should be pointed out that this effect arises from the positive record of average exchange rates in 2012 versus 2011, although this effect deteriorated and even reversed, at the end of 2012 (31/12/2012: 1,3194 vs 30/12/2011: 1,2939). The remaining growth in sales is mainly as a result of the price effect.

All Business Units (BU) recorded sales increases. The Insulation Cork BU, which is the smallest, showed the lowest increase, of around 2.3%, managing to recover from an extremely difficult start to the year. The Raw Materials BU showed a significant rise in sales for the Group's value chain (+15%), as a result of a greater amount of cork being processed due to the 2011 campaign. In Floor & Wall Coverings, manufactured products are highlighted, which grew 7.4%. In Cork Composites, sales to clients outside the Group also rose significantly (+6.3%). Finally, the growth of 9.4% in the Cork Stoppers BU should be highlighted (+3.8% excluding the Trefinos effect).

The Gross Margin percentage fell slightly once again, with a recorded value of 50.5% (51.2% in 2011). The increase in the price of raw material cork ("reproduction cork" in the 2011 campaign and waste cork) is the main cause of this decrease. However, the strong increase in sales enabled the absolute value of this indicator to increase by around 19 M€ (+7.4%) which rose to 274 M€.

The behaviour of the cost of supplies and services continues to be heavily penalised as a result of the development of the headings connected to energy, in particular the cost of electricity and transport. For a number of years the cost of electricity has grown above **Corticeira Amorim's** increase in sales and production and much higher than the country's general price index. The increase in the cost of transport, affected by the rise in fuel prices, as well as the current imbalance between goods shipped for export versus import, has made logistic costs a critical factor in **Corticeira Amorim's** business. New solutions must be found to prevent this factor from becoming another disproportionate cost of the activity, which would further affect international competitiveness.

The increase of 7.6% under this heading is to a large extent attributable to the scope effect caused by the consolidation of Trefinos and Timberman. Excluding this effect, the increase would be 4.2%. In this variation, the negative effect under the electricity (+17%: +6.6% comparable) and transport (+13%: +5.4% comparable) heading must be mentioned. It should be noted that on the other hand, this year benefited from the fact that 2011 was the last year in which costs with

the international promotional campaign for cork were recorded.

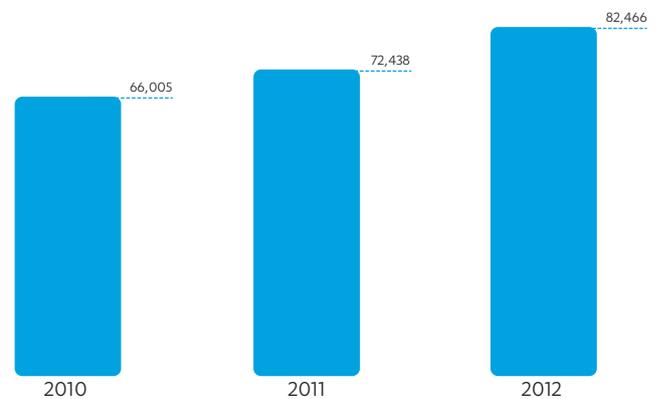
In regard to personnel costs, the increase in productivity achieved through rapid return investments has allowed this heading to continue to grow below the increase in **Corticeira Amorim's** activity. Therefore, the increase of 4.2% under this heading, is virtually justified by the entrance of Trefinos and Timberman.

The average number of employees was 3470 (2011: 3379). If we exclude the Trefinos effect, the average number of 2012 was 3396. Personnel costs in consolidated sales decreased again, reaching 18.3% (2011: 18.9%).

Current operating costs rose to 191.5 M€ (+4.9%), a significantly lower variation in comparison to the growth of production (+8.8%).

An increase in sales significantly higher than operating costs led to further improvement in the EBITDA/Sales ratio. For the first time in a full financial year, this ratio exceeds 15% and has reached 15.4% (2011: 14.6%). The EBITDA value rose to 82.5 M€, a 13.8% variation in relation to the 72.4 M€ recorded in 2011.

EBITDA (thousand euros)



5.3.3. OWNERSHIP STRUCTURE AND FINANCIAL SITUATION

The growth in Assets of around 43 M€ is largely due to the investment in Trefinos. This resulted in an increase of around 32 M€, distributed more or less equally among clients, inventories and tangible fixed assets. If we take into account the swelling of the balance sheet caused by the increase in the value of Cash and Cash Equivalents and Interest-bearing Debt, which reached over 15 M€, it can be concluded that the value of comparable Assets decreased, be it slightly. This was the case in such important headings such as customers, inventories and tangible fixed assets.

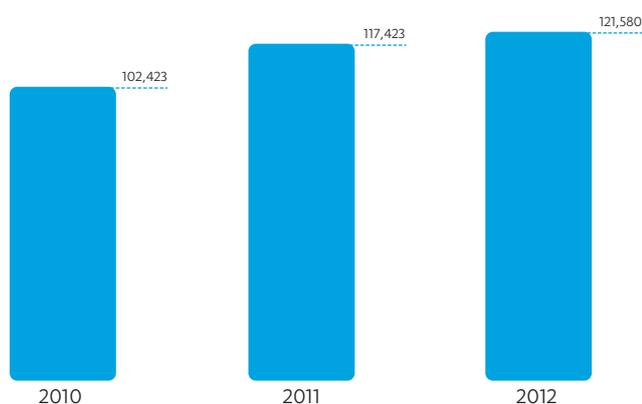
The Asset value at the end of 2012 was 644 M€ (2011: 605 M€). In view of the above, the comparable value would be 597 M€.



VISUAL INSPECTION IS DONE BY EMPLOYEES OF AMORIM CORK COMPOSITES

Net interest-bearing debt at the end of 2012 rose to 121.6 M€, a slight increase compared to 117.4 M€ at the end of 2011. For a better understanding of this comparison, it must be taken into account that 2012 was affected by the occurrence of relatively exceptional records. First, the investment in the acquisition of around 90% of the Trefinos Group (15.1 M€), to which around 6 M€ of debt on the Trefinos Balance Sheet must be added. This amount compares to previous average values of the acquisition of affiliates which have been within a range from zero to 5 M€. Second, it should be noted that at the end of the year, **Corticeira Amorim** carried out a distribution of reserves to shareholders, which amounted to 12 M€. **Corticeira Amorim's** situation in 2012 concerning the VAT refund by the Tax Administration should also be noted. At the end of 2011, the amount overdue in light of legal deadlines had already reached 3 M€, which increased over the following quarters. At the end of 2012, the amount overdue reached 9 M€.

Net interest – bearing debt (thousand euros)



During the year a new credit line for 20 M€ was negotiated with a foreign financial institution with a maturity of three years.

The Equity value reached a total of 295 M€ at the end of 2012. The debt-to-equity ratio was of 45.9% on the same date (2011: 46.7%). The swelling of the above mentioned Balance Sheet and additional distribution of dividends, fully justify the decrease recorded in this ratio.

5.3.4. WEALTH GENERATED

The following table summarises the main economic¹ performance indicators:

	2010	2011	2012
Direct economic value generated	456,928	497,988	539,370
Revenue	456,928	497,988	539,370
Economic value distributed	413,409	457,180	503,260
Operating costs	302,327	330,769	362,370
Employee wages and benefits	90,712	93,751	97,678
Payment to Providers of Capital	5,384	19,955	27,840
Payments to Government	14,784	12,550	14,819
Community investments	202	155	552
Accumulated economic value	43,519	40,809	36,110

Note: Consolidated figures of **Corticeira Amorim** (100% of companies included).

¹Definitions used:

Revenue – corresponds to the sum of the following items: Sales and Services Provided; Supplementary Income, Operating Subsidies; Own Work Capitalised; Other Operating Income; Financial Income and Gains; Real Estate Capital Gains (after the deduction of capital losses).

Operating costs – Does not include amortisations.

Community investments – only includes cash donations and does not include investment in kind (5.75 thousand euros in 2012).

5.3.5. CONTRIBUTIONS TO SOCIAL SECURITY SYSTEMS

Corticeira Amorim contributes in all the countries in which it operates, and under the terms of the specific legislation applicable, to local social security systems which cover all employees. The total amount rose to 15.25 million euros in 2012.

5.3.6. FINANCIAL INCENTIVES

In 2012, the group's Portuguese companies benefited from 1543 thousand euros in incentives, aimed mainly at supporting Research, Development and Innovation projects.

5.3.7. PURCHASING POLICY

Corticeira Amorim's main suppliers are suppliers of raw materials, essentially cork, and suppliers of transport services. The purchase of cork for the most part takes place in Portugal, and therefore the greatest economic impact is felt in this country, particularly in the Alentejo region, where greater economic impact is seen.

Cork purchases

	2010	2011	2012
Portugal	126,142	133,976	127,574
North Africa	2,047	5,754	6,263
Other origins	9,621	26,979	27,531
Total	137,811	166,709	161,369

(thousand euros)

5.3.8 LOCAL RECRUITMENT OF STAFF

Policies geared at local staff recruitment are combined with efforts to increase staff mobility between different countries. This policy enriches the Group and its Corporate Culture and has resulted not only in the integration of various Portuguese members of staff into Companies overseas, but also to employees of different nationalities taking up seats on the Boards of Directors of different BUs (which have their headquarters in Portugal). In 2012, around 87% of external company Managers and Directors were recruited from local communities.

5.4. HUMAN RIGHTS, SOCIETY AND PRODUCT LIABILITY

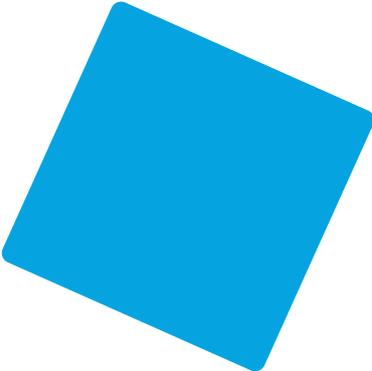
Corticeira Amorim's approach and policy in regard to Human Rights, Society and Product Liability is presented at www.sustainability.amorim.com



COMBINING THE TECHNICAL CHARACTERISTICS OF CORK WITH WOOD RESULTS IN INNOVATIVE COLLECTIONS SUCH AS WICANDERS® PARQUET

06

REPORT FRAMEWORK AND GRI INDEX



6.1.

REPORT FRAMEWORK



This Sustainability Report prepared by **Corticeira Amorim** contains information referring to 2012, including, whenever possible, appropriate and relevant, information relating to the main indicators for 2010 and 2011 to provide stakeholders with a view of the company's recent evolution. The Company undertakes to publish a new edition of the report every year in which it details its performance in the area of sustainability and the level of compliance with its established commitments, including independent validation of this compliance. In 2012, PricewaterhouseCoopers was responsible for the validation of the Sustainability Report and the group's Annual Report and Financial Statements.

In view of the need identified above to initiate an internal reflection process aimed at introducing improvements to the definition of objectives in regard to sustainability and organisational dynamics with a view to pursuing them, it is deemed appropriate not to include the definition of targets for the following year in this report, or to undertake the commitment to produce next year and in future years a sustainability report with the same terms and structure that has been presented to date.

In preparing this report we have followed the G3 Guidelines of the Global Report Initiative (GRI), according to which it is awarded level A in regard to GRI Reporting Guidelines.

This document is available at www.sustainability.amorim.com. Clarifications may be requested from the company using the email address corticeira.amorim@amorim.com.

The group of Companies covered by this report includes all those which generate a significant impact in terms of sustainability. All of the national and international production units have been included (except the Algerian unit, whose sustainability information systems cannot supply the necessary data). In terms of distribution companies, those which may have a significant impact because of their size (turnover and number of employees) have been selected. The companies covered in this report, marked in blue on the organisational chart presented in Chapter 3, correspond to 85.7% of **Corticeira Amorim's** sales and 87.6% of its Employees. In regard to the Scope of the Report and vis-à-vis 2011, only the inclusion in 2012 of the Raw Materials BU establishment of Salteiros needs to be taken into account.

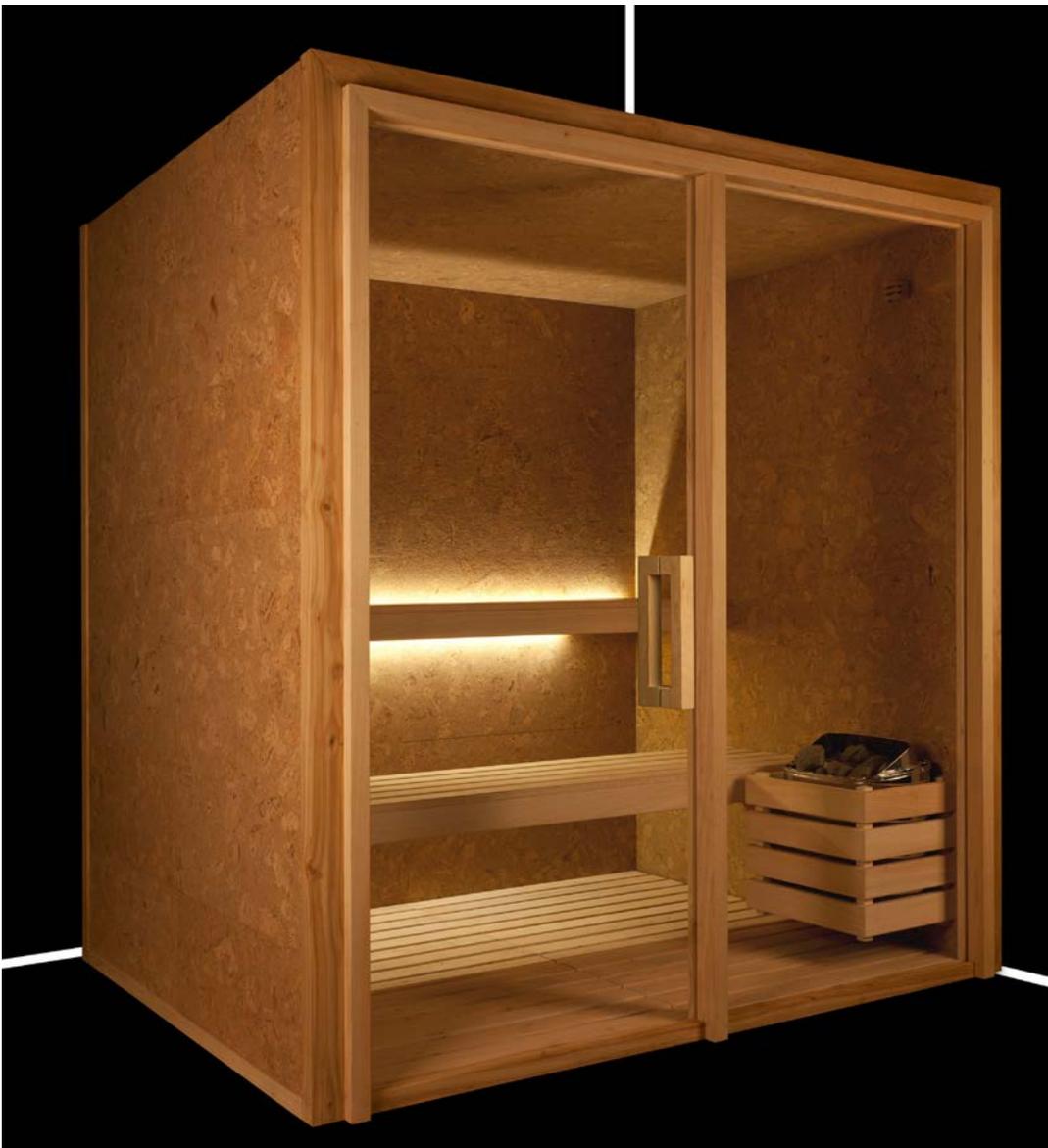
Application Level A		
G3 Standard Disclosure	Profile	Report on 1.1. – 1.2. 3.1. – 3.13. 2.1. – 2.10. 4.1. – 4.17.
	Management Approach	Management approach disclosures for each indicator category
	Performance Indicators and Sector Supplement Performance Indicators	Responds to each essential indicator of G3
		Report Externally Assumed by PwC

Therefore, the scope of the report does not include all the companies, largely due to the difficulty of implementing sustainability information systems in smaller companies (and with limited resources) and in recently acquired companies - such as Trefinos, with 79 employees, and Timberman (with 10 employees). In light of the above on the need to initiate a reflection process aimed at defining goals and organisational dynamics, it is also appropriate not to define a target date in this report for broadening the scope of the sustainability report. However, should the Company opt to maintain a sustainability report with the same terms and structure that have been presented to date, then it shall have to evolve so as to include Trefinos within the scope of the report - given its industrial activity.

The topics covered in the report were chosen in accordance with their importance in the current context of sustainability, their substance and the expectations and opinions of stakeholders. To this end, the results of the consultation process presented at www.sustainability.amorim.com were taken into consideration.

The methodology used to calculate indicators that have been used in addition to the GRI G3 Guidelines is explained throughout the report.

Whenever the data does not refer to all the Companies covered, the missing information will be indicated. Similarly, whenever the data results from estimates, the basis on which these estimates are calculated is presented.



CORK-LINED SAUNA DESIGNED BY JOSÉ CARLOS TINOCO IN PARTNERSHIP WITH AMORIM REVESTIMENTOS

6.2.

GRI INDEX

GRI ref.	Description	Value/Location
1	Strategy and Analysis	
1.1.	Statement of the CEO	Page 4; 5
1.2.	Description of key impacts, risks, and opportunities	Page 7; 40 - 51
2	Organisational Profile	
2.1.	Name of the organisation	Page 11
2.2.	Primary products and/or services	Page 11
2.3.	Operational structure of the organisation	Page 11 - 13
2.4.	Location of organisation's headquarters	Page 11
2.5.	Countries where the organisation operates	Page 14; 15
2.6.	Nature of ownership and legal form	Page 11
2.7.	Markets served	Page 14; 15
2.8.	Scale of the reporting organisation	Page 16
2.9.	Significant changes during the reporting period	Do not exist
2.10.	Awards received in the reporting period	Page 40
3	Reporting Parameter	
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3.2.	Date of the most recent report	Page 64
3.3.	Reporting cycle	Page 64
3.4.	Contact point for questions regarding the report or its contents	Page 65
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3.9.	Data measurement techniques and the bases of calculations	Page 65
3.10.	Explanation of the effect of any re-statements of information provided in earlier reports	Page 46
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4.4.	Mechanisms for shareholders and employees to provide recommendations or direction to the Board of Directors	Page 20; AR&A Page 79
4.5.	Linkage between compensation for members of the Board of Directors, senior managers, and executives and the organisation's performance	AR&A Page 77-79
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GRI ref.	Description	Value/Location
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4.11.	Explanation of whether and how the precautionary approach or principle is addressed by the organisation	Page 64; 65
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4.13.	Memberships in associations and/or national/international advocacy organisations	Page 60
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4.15.	Basis for identification and selection of stakeholders with whom to engage	Page 22 - 30
4.16.	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	Page 22 - 30
4.17.	Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns, including through its reporting	Page 22 - 30
<hr style="border-top: 1px dashed #00aaff;"/>		
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EC2	Financial implications and other risks and opportunities for the organisation's activities due to climate change	Page 45 - 48
EC3	Coverage of the organisation's defined benefit plan obligations	Page 60
EC4	Significant financial assistance received from Government	Page 60
Aspect: Market Presence		
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation	Page 60
EC7	Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation	Page 60
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EN2	Percentage of materials used that are recycled input materials	Page 54; 55
Aspect: Energy		
EN3	Direct energy consumption by primary energy source	Page 45
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Aspect: Water		
EN8	Total water withdrawal by source	Page 54
Aspect: Biodiversity		
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EN12	Impacts of activities, products, and services on biodiversity	Page 50
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EN19	Emissions of ozone-depleting substances by weight	Page 55
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GRI ref.	Description	Value/Location
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EN22	Total weight of waste by type and disposal method	Page 55
EN23	Total number and volume of significant spills	Page 55
	Aspect: Products and Services	
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	Page 34 - 36; 45
EN27	Percentage of products sold and their packaging materials that are reclaimed by category	Page 54
	Aspect: Compliance	
EN28	Monetary value of significant fines and total number of non-monetary sanctions (thousand €)	1.7
	Social	
	Management approach (IA, HR, SO and PR indicators)	Page 7; 20 - 22
	Aspect: Employment	
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LA2	Total number and rate of employee turnover by age group, gender and region	Page 56
	Aspect: Labor/Management Relations	
LA4	Percentage of employees covered by collective bargaining agreements	Page 56
LA5	Minimum notice period(s) regarding significant operational changes	It is not defined
	Aspect: Occupational Health and Safety	
LA7	Rates of injury, occupational diseases, lost days, absenteeism and total number of work-related fatalities	Page 51
LA8	Education, training, counselling and prevention programmes in place to assist workforce members regarding serious diseases	Page 51
	Aspect: Training and Education	
LA10	Average hours of training per year per employee by employee category	Page 57
	Aspect: Diversity and Equal Opportunities	
LA13	Composition of governance bodies and breakdown of employees per category according to gender and age group	Page 56
LA14	Ratio of basic salary of men to women by employee category	Page 58
	Aspect: Investment and Procurement Practices	
HR1	Percentage of significant investment agreements that include human rights clauses	0%
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken	0%
	Aspect: Non-Discrimination	
HR4	Total number of incidents of discrimination and actions taken	Page 60
	Aspect: Freedom of Association and Collective Bargaining	
HR5	Operations identified in which the right to exercise freedom of association or collective bargaining may be at significant risk	Page 60
	Aspect: Child Labour	
HR6	Operations identified as having significant risk for incidents of child labour	Page 60
	Aspect: Forced and Compulsory Labour	
HR7	Operations identified as having significant risk for incidents of forced or compulsory labour	Page 60
	Aspect: Community	
SO1	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities	Do not exist
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SO2	Percentage and total number of business units analysed for risks related to corruption	Page 60
SO3	Percentage of employees trained in organisation's anti-corruption policies and procedures	Page 60
SO4	Actions taken in response to incidents of corruption	Page 60
	Aspect: Public Policy	
SO5	Public policy positions and participation in public policy development and lobbying	Page 60
	Aspect: Compliance	
SO8	Monetary value of significant fines for non-compliance with laws and regulations (thousand euros)	€ 0

GRI ref.	Description	Value/Location
	Aspect: Customer Health and Safety	
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement	Page 60
	Aspect: Product and Service Labeling	
PR3	Type of product and service information required by procedures and percentage of significant products and services subject to such information requirements	Page 60
	Aspect: Marketing Communications	
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications	Do not exist
	Aspect: Compliance	
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services (thousand euros)	€ 0



DETAIL OF THE BRAQUE PROJECT DESIGNED BY TANIA DA CRUZ

07



VERIFICATION REPORT





To the board of Directors of
Corticeira Amorim, SGPS, S.A.

***Independent verification report
of the Sustainability Report 2012***
(Free translation from the original in Portuguese)

Introduction

In accordance with the request of Corticeira Amorim SGPS, S.A. (CA), we performed an independent verification of the "Sustainability Report 2012" (Report), regarding the performance indicators listed in the Scope below, included in the "GRI index" and presented in different sections of the Report. Independent verification was performed according to instructions and criteria established by CA, as referred in the Report, and according to the principles and extent described in the Scope below.

Responsibility

CA'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 verification 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 (GRI3) 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.

The scope of our verification consisted on information from 2012 regarding Portugal and Spain, on the following GRI3 indicators:

- Direct economic value generated and distributed (GRI3 EC1)
- Coverage of the organization's defined benefit plan obligations (GRI3 EC3)
- Significant financial assistance received from government (GRI3 EC4)
- Materials used by weight or volume (part of GRI3 EN1, cork consumption was verified)
- Percentage of materials used that are recycled input materials (part of GRI EN2, used tires consumption was verified)
- Direct energy consumption by primary energy source (part of GRI EN3, natural gas consumption was verified)

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- Indirect energy consumption by primary source (GRI3 EN4)
- Total water withdrawals (GRI3 EN8)
- Total direct and indirect greenhouse gas emissions by weight (GRI3 EN16)
- Total weight of waste by type and disposal method (GRI3 EN22)
- Monetary value of significant fines and total number of non-monetary sanctions (GRI3 EN28)
- Total workforce by employment type and employment contract (GRI3 LA1)
- Total number and rate of employee turnover by age group and gender (GRI3 LA2)
- Percentage of employees covered by collective bargaining agreements (GRI3 LA4)
- Rates of injury, occupational diseases, lost days, and absenteeism and number of work related fatalities (GRI3 LA7)
- Average hours of training per year per employee by employee category (GRI3 LA10)
- Composition of governance bodies and breakdown of employees per category according to gender and age group (GRI3 LA13)
- Ratio of basic salary of men to women by employee category (GRI3 LA14)

The verification of the management's self declaration on the application level of the Global Reporting Initiative (GRI3), based on GRI's Reporting Framework Application Levels, consisted on the verification of the consistency with the requirements regarding the existence of data and information but not on their quality and accuracy.

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 economical, 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;
- (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 economical data with 2012 Annual Report and Accounts, audited by the external auditor;
- (vii) Confirming the existence of data and information required to reach level A of compliance with GRI3, self declared by CA on the Report.

Data and information analyzed include, beside the contents of the Report, information referred on the Report and available at the 2012 Annual Report and Accounts.

Independence

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 the assumptions described on the scope, we conclude that the Report includes the data and information required for level A, according to GRI3.

As external auditors of CA, our opinion on economic indicators analysed is expressed on the 2012 Annual Report and Accounts.

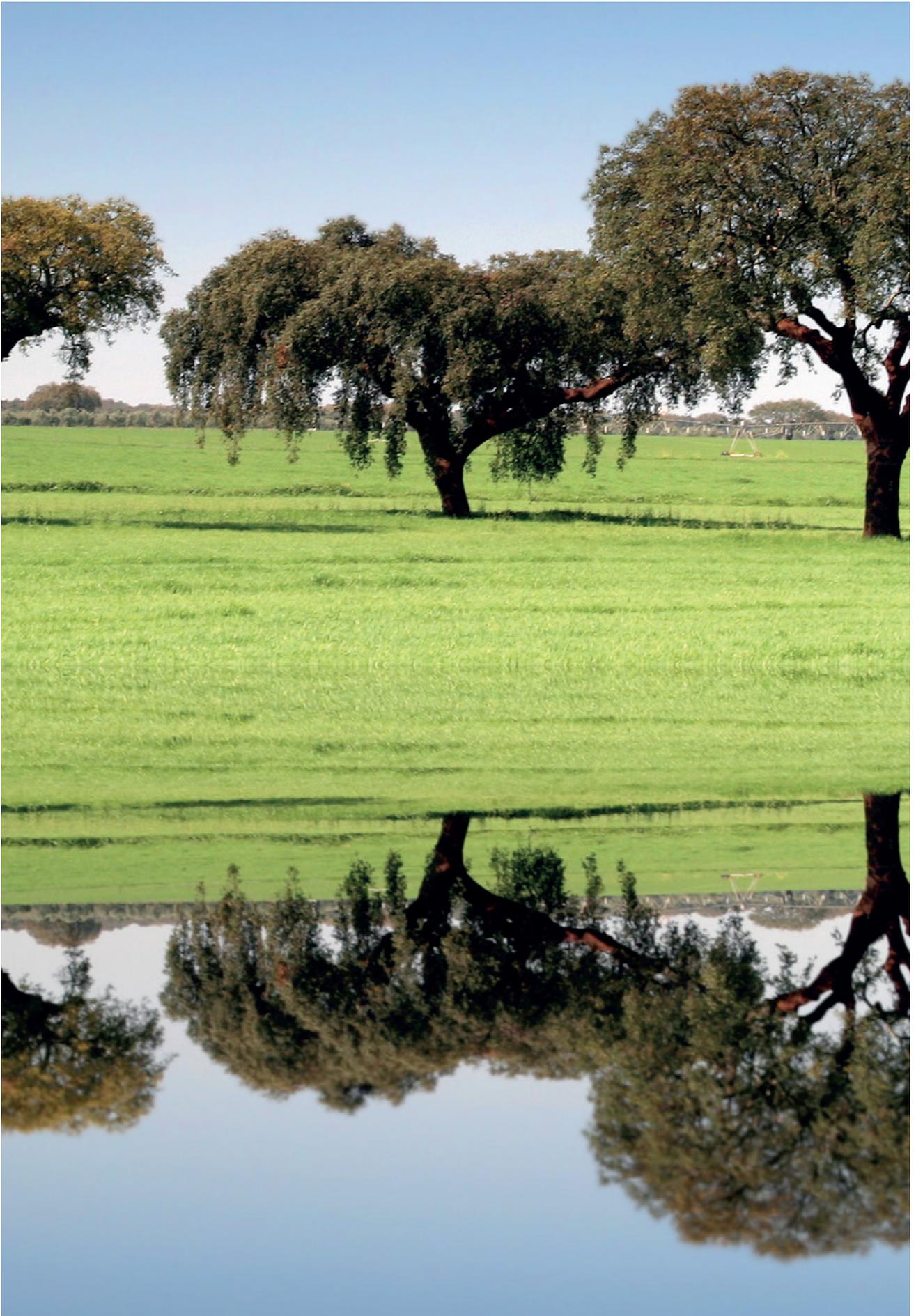
Lisbon, June 04, 2013

PricewaterhouseCoopers & Associados SROC, Lda.

Represented by:

A handwritten signature in blue ink, appearing to read 'António Brochado', followed by a period.

António Joaquim Brochado Correia, ROC



TITLE

Sustainability Report 2012 – CORTICEIRA AMORIM, S.G.P.S., S.A.

PROPERTY AND COORDINATION

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