



Sustainability Report 2018

MESSAGE FROM THE DIRECTOR OF SUSTAINABILITY

Dear Stakeholder,

Global megatrends, such as climate change, scarcity of resources, population growth, acceleration of urbanisation, changes in global economic power and technological advances, are changing the way that organisations, industries and society interact. Corticeira Amorim is no exception.

In this ever-changing world, our choices and actions must increasingly be aligned with the actual capacities of Planet Earth, our common home, and the absolute necessity to promote global sustainable and inclusive development, eradicating the abysmal asymmetries that currently exist.

At Corticeira Amorim we have always assumed a firm commitment to developing resource-efficient products and solutions, produced in a sustainable manner and based on a sustainable raw material – cork. But we always want to go further. There are research, development and innovation projects that allow us to offer a portfolio of products and solutions that achieve their functions in an irreproachable way, offering incomparable advantages: they reduce the carbon footprint of the final product, save energy or water, clean the environment, improve indoor air quality, and foster well-being and comfort.

We therefore believe that our efforts contribute to the Agenda 2030 and to the United Nations' Sustainable Development Goals (SDG).

One of the key highlights of 2018 was the confirmation of the sustainability credentials of the *Neutrocork* stopper, a latest generation cork stopper, which guarantees excellent quality with a significant positive impact on the environment. And also WISE, the first generation of Amorim-branded flooring, that is a totally PVC-free, a carbon-negative product that incorporates cork and recycled materials.

Over the past year, following an unprecedented stakeholders consultation process, we reviewed our sustainable development strategy and identified priority targets aligned with the SDGs. We underscored our contribution to integrating the values of ecosystems and biodiversity through the ongoing Forestry Intervention Project that over the coming years will foster, the planting of 50 thousand hectares of cork oak forest, with greater density and productivity than the traditional *montado* (cork oak forest); and to protect labour rights and promote safe and secure workplaces we set the objective to reduce the number of work-related accidents by 2020.



This is a one-way journey. Overcoming challenges, innovating, exploring new ways of achieving more with less, influencing our value chain by setting an example, promoting the well-being of communities, create value in harmony with nature, make our work fascinating and rewarding.

This is the work of a vast team – almost 4,500 employees all over the world – who invest their skills and enthusiasm in this mission. We would like to express our sincere gratitude to everyone.

Also, a word of thanks is due to all our stakeholders for their collaboration and trust during 2018.

Cordially,

Cristina Rios de Amorim

Board Member and Director of Sustainability



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ABOUT THE SUSTAINABILITY REPORT

Corticeira Amorim has regularly published a sustainability report since 2006 – an unprecedented practice in the cork sector – promoting transparency, improving practices and fostering the adoption of the principles of sustainability both in its value chain and among its principal stakeholders. In 2017, we once again began to produce an annual sustainability report, included in the Consolidated Annual Report, thereby increasing the dissemination of this information to a wider number of stakeholders.

This current report, generically entitled the 2018 Sustainability Report, details the economic, social and environmental performance of the Corticeira Amorim in 2018 (perimeter indicated below). It has been drawn up in accordance with the latest GRI guidelines – GRI Standards 2016 for the core level and meets the legal requirements introduced by Portugal’s Decree-Law no. 89/2017 of July 28, being, under article 508-G of the Commercial Companies Code, a Consolidated Non-Financial Statement of Corticeira Amorim, SGPS, S.A..

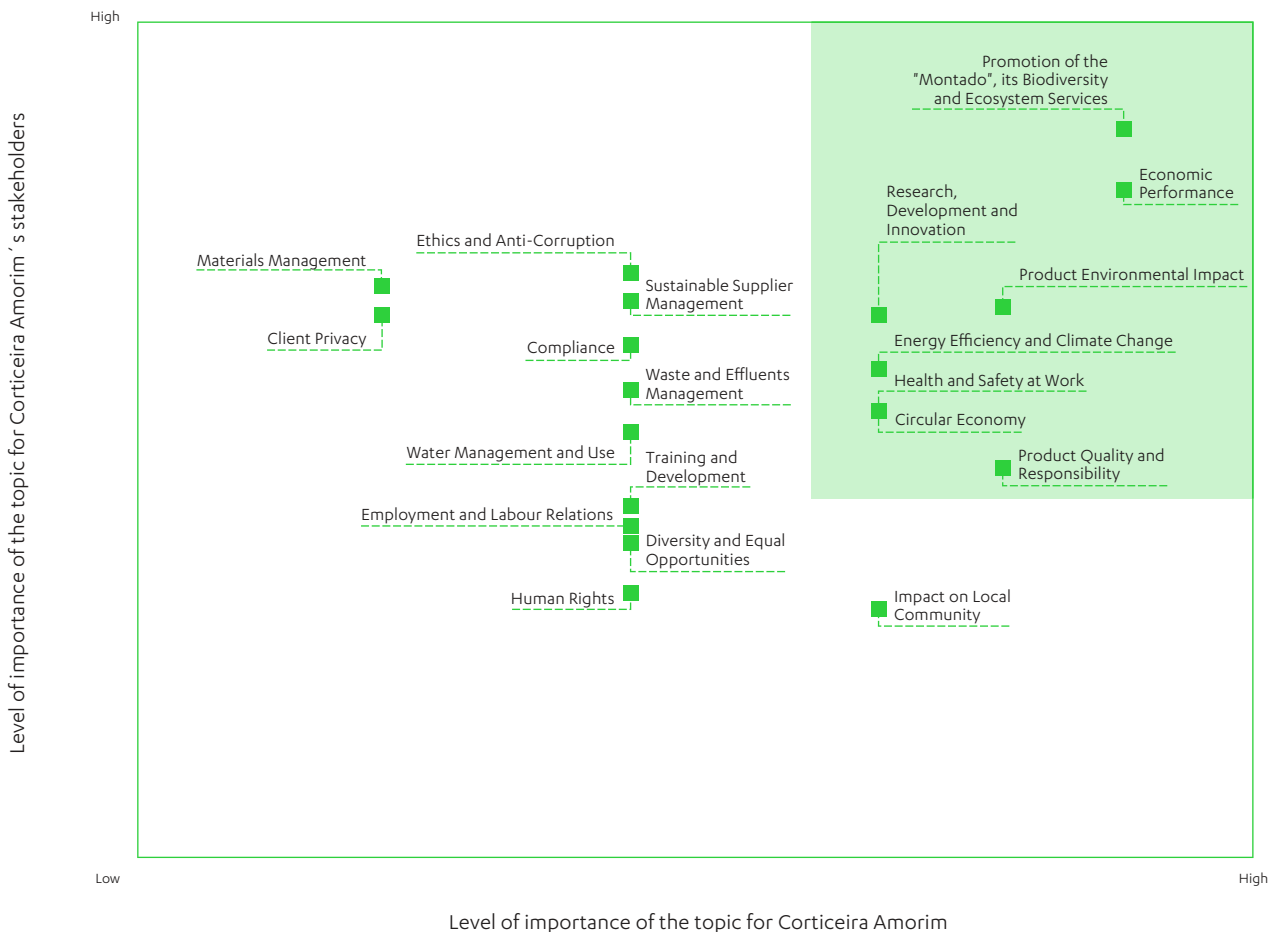
Key indicators from previous years are included, where possible, appropriate and relevant, to provide stakeholders with a perspective of the company’s development.

The content of this report is complemented by publically accessible information contained in the Group’s Consolidated Management Report, the Corporate Governance Report and on the company website – www.amorim.com.

In 2018, Corticeira Amorim implemented a stakeholder consultation process, which made it possible to identify the sustainability issues that stakeholders consider to be relevant in the framework of the Organisation’s activities.

Combining the importance that various sustainability themes have for stakeholders and for Corticeira Amorim, a matrix was built illustrating the materiality of the various themes of the social, environmental and economic pillars, which served as the basis for the selection of information to be considered in this report.

Materiality Matrix – Corticeira Amorim



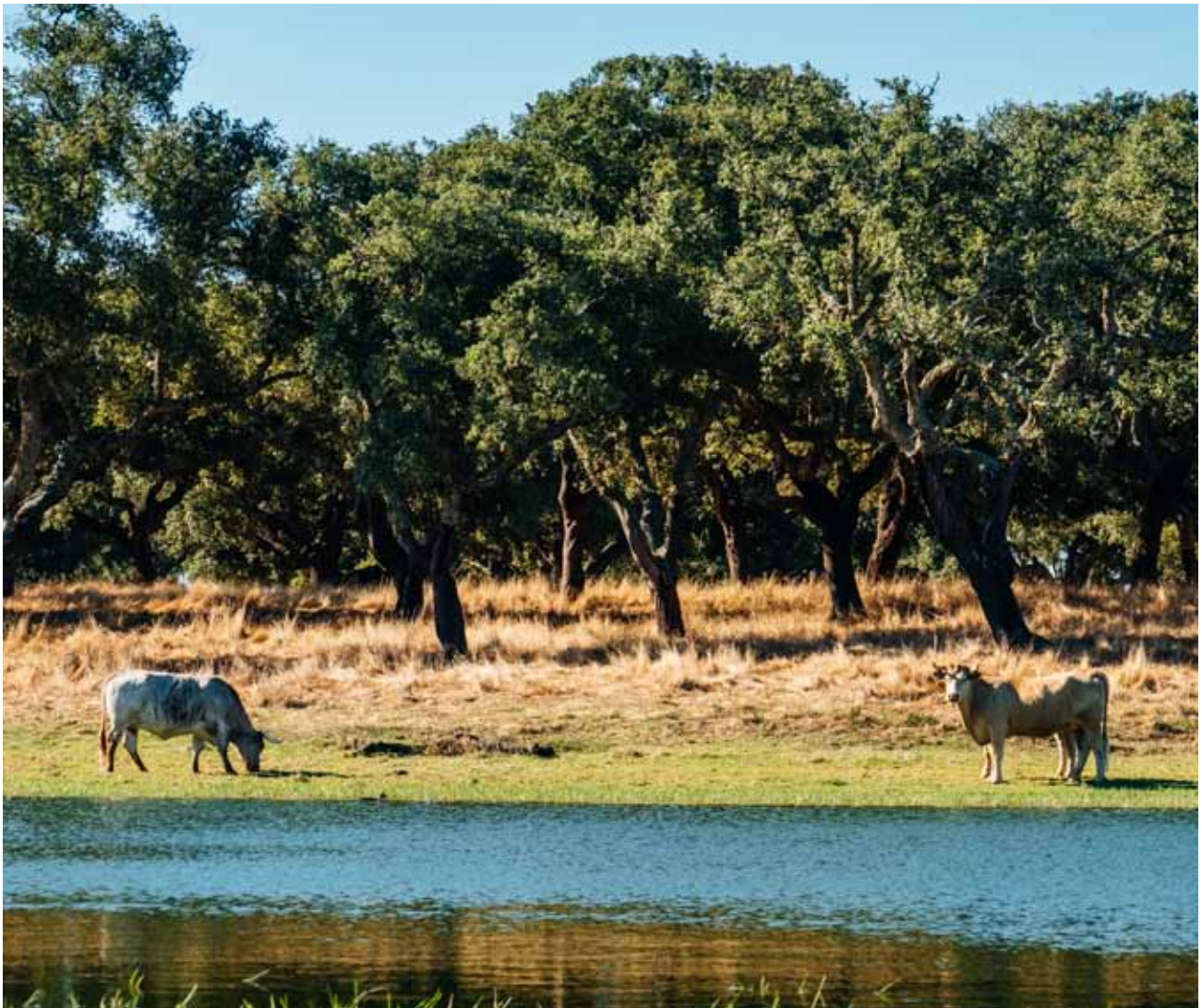
The process showed that the most significant topics for Corticeira Amorim and its stakeholders are: Promotion of the *Montado*, its *Biodiversity and Ecosystem Services*; Economic Performance; Research, Development and Innovation; Energy Efficiency and Climate Change; Health and Safety at Work; Circular Economy; Product Environmental Impact (including the topic of Product Quality and Responsibility). In view of its importance for the Organisation, the topic of Training and Development was also considered to be relevant for the purposes of this report.

The criterion adopted to define the universe of companies covered by this report was to include all units that generate significant impacts in regard to the areas referred to above. The scope of the report therefore does not include all the companies in the Corticeira Amorim group, largely due to the difficulty of implementing sustainability information systems in smaller companies. A plan for its gradual inclusion is underway. The companies covered include 86% of the Corticeira Amorim group's industrial units and corresponded to 74% of its employees at the end of 2018.

The methodologies used to calculate indicators, used in addition to the GRI Standards Guidelines 2016, are explained in chapter 7. Methodological Notes. Whenever the reported data does not refer to all the companies covered, the area covered considered is indicated. Similarly, whenever the reported data are derived from estimates, the basis on which these estimates are calculated is presented.

Validation of the sustainability information included in this report was conducted by Ernst & Young Audit & Associados, SROC, S.A..

This document is available at <https://www.amorim.com/en/sustainability/sustainability-reports/>. Clarifications can be requested from Corticeira Amorim using the email address: natural.choice@corticeira.amorim.com.



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CORTICEIRA AMORIM

2.1. ORGANISATIONAL PROFILE

2.1.1. Identification

Corticeira Amorim, SGPS, S.A. is a holding company with its registered office in Mozelos, Santa Maria da Feira. The shares that represent its share capital currently amount to €133 million and are listed on Euronext Lisbon.

2.1.2. Operational Structure

Corticeira Amorim's operations are organised into five Business Units (BUs).

Corticeira Amorim adopts a management model based on a strategic-operational holding concept, where the BU are coordinated by Corticeira Amorim's Executive Board.

Each BU has its own Board of Directors, composed of non-executive members and executive members, which has the power to decide on all matters that are considered to be relevant. Each BU also has an Executive Board, which is composed of highly qualified, independent executives, who have suitable technical and professional skills to manage the respective business activities and the specific challenges associated to current and potential future activities. In the BU, executive management is the exclusive responsibility of independent professional managers. In other words, it is the CEO of the BU, rather than the Chairman of the Board of Directors who is responsible for executive management. In the case of the Cork Stoppers BU, given the complexity of the business, there are two independent professional Joint CEOs.

The use of the balanced scorecard method by Corticeira Amorim and its BUs enhances the strategic alignment of the whole organisation. It is the responsibility of Corticeira Amorim's Board of Directors to approve the objectives and strategic initiatives that (i) apply to the whole organisation, (ii) that are specific to Corticeira Amorim and (iii) of each BU in strict collaboration with the respective Executive Boards.

2.1.3. Main Products and Services

Corticeira Amorim is continually deepening its knowledge of cork as a raw material, through research, development and innovation of a vast portfolio of sustainable products and applications that anticipate market trends and exceed the expectations of some of the world's most demanding industries – such as wines and spirits, aerospace, construction, and interior design. Highlights include:

Cork Stoppers BU: world leader in the production and supply of cork stoppers with an annual production of 5,5 billion units. Its extensive portfolio of natural cork stoppers (for wine, sparkling wine and spirits) and its own distribution network place it in an unparalleled position to supply the ideal cork stopper for every wine segment and in any part of the world;

Floor and Wall Coverings BU: world leader in the production and distribution of cork flooring and wall coverings. In line with sustainability and nature-inspired values, the Floor and Wall Coverings BU produces high quality and sustainable flooring, thereby ensuring better quality of life, while preserving the environment. The use of a multi-layer structure, which combines the natural and exclusive properties of cork with state-of-the-art technology, has made it possible to develop superior floors, which offer unique benefits, such as greater acoustic and thermal insulation, greater walking comfort and superior indoor air quality;

Composite Cork BU: focuses on the production of granulated cork, agglomerates and cork composites. The natural properties of cork, enhanced by combination with other materials, result in the development of cutting-edge solutions for a wide range of business sectors including construction, footwear, aerospace, railways, electricity transformers and interior design, among others;

Insulation Cork BU: is dedicated to the production of insulation materials with excellent technical performance standards that are rigorously 100% natural. The unique characteristics of expanded cork agglomerate ensure a high level of thermal, acoustic and anti-vibration insulation – as well as practically unlimited durability – making it a material of choice for sustainable construction projects. Because of its tactile appeal, it is also being increasingly used in interior design.



2.1.4. Participation in Associations

The companies of the Corticeira Amorim group are members of the governing bodies, and participate actively in the discussions of several Portuguese and international associations and organisations of interest to its activities and the sustainable development of the countries where it operates. They include:

Organisation	Aim	Corticeira Amorim's Representative
	Cork sector business association that represents, promotes, disseminates and researches the Portuguese cork industry. http://www.apcor.pt	Vice-President of the Management Board and Chairman of the General Meeting's Board
	Business association that is a member of the world network of the WBCSD – World Business Council for Sustainable Development, the largest international organisation working in the field of sustainable development, with more than 200 associated companies in different countries and 68 independent organisations across five continents, which jointly represent over 20,000 companies and an international network of partnerships. https://www.bcsdportugal.org/	Vice-President of the Management Board
	A body that supports the competitiveness and technological advancement of forest-based industries with the aim of protecting forests and guaranteeing their future without neglecting ecological, social and economic issues. http://www.aiff.pt/	Secretary of the General Meeting's Board and Member of the Management Board
	A non-profit organisation whose purpose is to contribute to the production and dissemination of knowledge in the area of waste. It encourages action to enhance cooperation between entities operating in the waste sector by promoting and supporting the activities and projects of its associates that contribute to achieving the association's goals. http://www.smartwasteportugal.com/pt/	Member of the Management Board
	A body that brings together companies, municipalities, research and development centres, business associations and other entities that believe in sustainability as a rallying banner for innovation and competitiveness. http://www.centrohabitat.net/pt	Member of the Management Board
	Platform for all those involved in the area of research, technological development and innovation of the Spanish wine industry. http://www.ptvino.com	Member of the Technical Section
	The University of Minho initiative that brings together more than 80 researchers from diverse fields of knowledge, with the goal of finding solutions to the complex societal challenges associated with sustainability. http://ib-s.uminho.pt/	Member of the Strategy Board

2.2. PEOPLE AND CULTURE

Aware of its responsibility as a critical player in its area of activity, Corticeira Amorim fully assumes its leadership role, fostering the ambition to continuously develop new cork solutions that combine exceptional technical performance, a premium factor and unique sustainability credentials and that add value to the market when compared with more conventional solutions.

It is a source of pride to work with a natural raw material as versatile as the thousands of applications that cork gives rise to and, Corticeira Amorim believes, that it will continue to generate.

However, it is, in fact, the company's employees all around the world who support Corticeira Amorim's growth and innovation strategy. This is why the company advocates a people management policy that promotes ambition and challenge, commitment and demand, cooperation and working in partnership. Developing a work environment where transparent communication, internal equity and diversity of every kind are imperatives is the fundamental goal underpinning the company's policies and practices as they relate to people and work environments.

Corticeira Amorim believes that to go far, a group of women and men from different countries with different roles should all converge in a shared culture, in which identification with its products and its business is something that everyone can share.

This shared culture is based on:

Mission:

To add value to cork in a competitive, differentiating and innovative manner, in perfect harmony with Nature.

Values:

Pride – We take pride in the tradition of our business, in our Company history and in the knowledge that we have accumulated in the many years of work of different generations. We are proud to work with a raw material that comes from the earth that is sustainable, has an identity, and combines tradition, modernity and innovation.

Ambition – We take pleasure in what we do, we drive ourselves to do more and better, attracting new customers, new markets and new applications for cork.

Initiative – We find solutions for commitments and challenges, responding quickly, effectively and positively to different circumstances and contexts, always focused on the development of the business and the industry.

Sobriety – We celebrate victories and commemorate successes internally, favouring discretion in our relationship with the outside world, never forgetting that we must always learn more and continuously do better.

Attitude – We remain loyal to the company through good and bad times, via our effort, commitment and availability, giving our best and always respecting Colleagues, Customers, Suppliers, Shareholders and other stakeholders relevant to the sustainability of Corticeira Amorim.

2.3. PRINCIPLES AND POLICIES

Matters relating to the governance, risk and internal control of Corticeira Amorim are subject to wide and regular reflection within the organisation. Reflecting the professionalism and the ethics of its leaders and managers – as well as their culture – some aspects related to these issues are not formally set down in writing or publicly available.

While being convinced that the risks to which the Company's activity is subject are fully covered and the interests of its stakeholders safeguarded, the Company is aware of the increasing emphasis and scrutiny given to such matters and has begun a detailed analysis of its current practices. This analysis is underway and aims, wherever possible and appropriate, to give formal expression to these matters and to disseminate them.

The policies adopted by Corticeira Amorim reflect a set of commitments by the Company in the areas of ethics and economic, environmental and social responsibility. Together, they embody the responsibilities assumed by the different companies within the framework of a management model that advocates responsible competitiveness. Full details can be found at <https://www.amorim.com/en/sustainability/integrated-management-system/policies-and-management-system/> and: <https://www.amorim.com/en/for-investors/institutional-informations/board-members/>.

2.3.1. Human Rights

Defending and respecting human rights is a fundamental practice for Corticeira Amorim. No cases of discrimination have been identified in any of the group's activities or operations, nor has any risk of child labour, forced or compulsory labour or restrictions on the freedom of association or freedom of unionisation been identified.

The work with Corticeira Amorim's chain of suppliers is carried out in accordance with institutional and legal structures. Working conditions in the supply chain satisfy the labour legislation in force in each region where Corticeira Amorim operates. Although no such risks have been identified in the company's activities or in the supply chain, Corticeira Amorim's aim is to continue adopting practices which distinguish it positively in terms of sustainable development and the safeguarding of human rights, promoting – by example and awareness-raising initiatives – these practices throughout the supply chain. Thus, Corticeira Amorim's methodology for the qualification and assessment of suppliers includes, among other means, the use of social responsibility indexes, as detailed in subchapter 2.4. Supply Chain, and at <https://www.amorim.com/en/sustainability/integrated-management-system/policies-and-management-system>.

2.3.2. Code of Ethics and Professional Conduct

Corticeira Amorim has formalised a Code of Ethics and Professional Conduct to guide the professional behaviour of all its employees. The Code is the subject of regular reflexion and revision, most recently in 2017. The Code currently covers 12 areas:

- ✘ Professional use of the company's assets;
- ✘ Privacy and confidentiality;
- ✘ Rules governing the use of information technology;
- ✘ Relations between employees;
- ✘ Community;
- ✘ Corruption/bribery;
- ✘ Customers and suppliers;
- ✘ Communication with the exterior;
- ✘ Corporate image;
- ✘ Industrial property;
- ✘ Data protection;
- ✘ Human rights/preventing harassment.

2.3.3. Corruption and Bribery

The identification and assessment of the risks of corruption and bribery in the markets where Corticeira Amorim operates is carried out jointly by the Executive Board and the BU' management teams, taking into account the specific characteristics of each market and is complemented by internal control process audits that assess the conformity of processes and identify inefficiencies.

Corticeira Amorim has defined a procedure for communicating irregularities and it is incumbent on the company's Statutory Audit Committee, a body composed entirely of independent members, to receive, in accordance with its operating regulations, any notice of irregularities (addressed to the Statutory Audit Committee and sent by post to the company's registered office) communicated by shareholders, employees or other persons or entities, and to deal with them appropriately. After analysing the irregularities communicated, it is also the committee's responsibility to suggest measures for preventing the occurrence of such irregularities.

No irregularities were communicated in the 2018 financial year. More information on this can be found in the Corporate Governance Report, chapter C. Internal Organisation, II. Communicating irregularities.

2.3.4. Management Systems

29 Industrial units / distribution with FSC certification in the chain of custody

5 Industrial units / distribution with certification ISO 50001

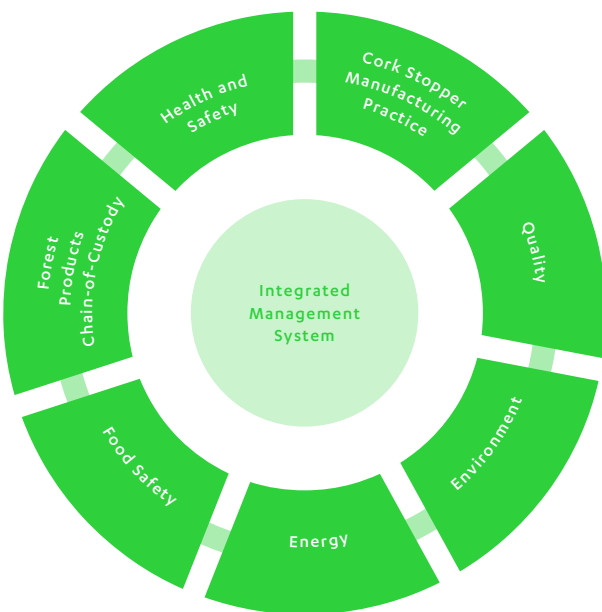
4 Industrial units / distribution with certification ISO 14001

1 Industrial unit with certification OHSAS ISO 18001

Corticeira Amorim's management system certifications are considered fundamental for ensuring the effective management of environmental and social issues and are geared towards achieving the company's strategic goals. The BUs are certified in different management systems appropriate to safeguarding against and mitigating the non-financial risks arising from their activities.

In 2018 this practice was reinforced through the renewal of the certifications of different management subsystems in the different companies and the beginning of the process for implementation of new certifications: an industrial unit for ISO 50001 certification; four industrial units for ISO 14001 certification; five industrial units for ISO 45001 certification.

Further information is available in the table in chapter 6 of the Consolidated Management Report, Approaching Sustainability.



2.3.5. Voluntary Commitments

Charter of Principles of the Business Council for Sustainable Development (BCSD Portugal)

BCSD Portugal is part of the world network of WBCSD – World Business Council for Sustainable Development. In Portugal it is the umbrella organisation of more than 90 leading companies that are actively committed to ensuring a smooth transition to sustainability. Corticeira Amorim subscribed in November 2017 to the Charter of Principles which sets out the fundamental principles of sustainability that subscribing companies voluntarily adopt, seeking to absorb them into their value chain and sphere of influence. The Charter also encourages subscribers to go beyond compliance with legal norms by adopting recognized norms and practices, aligned with ethical, social, environmental and quality standards, in any context of the global economy.

Like all subscribers to the Charter, Corticeira Amorim:

- ✦ recognises the importance of sharing information about sustainability with its stakeholders, giving answers and clarifying any doubts or concerns in the area of sustainability, thus contributing towards stressing the importance and relevance of adopting sustainable practices;
- ✦ considers the Charter to be an initiative that is applicable throughout the value chain and will seek to open a dialogue with its direct and relevant suppliers in order to encourage them to sign up to the Charter;
- ✦ commits itself to the ambitions set out in the United Nations' Sustainable Development Goals.

The Charter can be consulted at:

https://www.bcsdportugal.org/en/wp-content/uploads/2019/02/Carta_Principios_BCSDPortugal_ENG.pdf

Charter of Principles of the Porto Protocol

The Porto Protocol is a new movement, founded in Porto by Adrian Bridge, president of The Fladgate Partnership group, which began with over 96 companies to share and discuss solutions to tackle climate change and minimise its impacts. For the global launch of the initiative, the Climate Change Leadership Porto Summit 2018 was held in Porto, attended by countless personalities, including Barack Obama, former president of the USA, Mohan Munasinghe, 2007 nobel peace prize winner and Irina Bokova, general director of UNESCO. The summit focused on the issue of climate change and solutions to mitigate this problem. The Porto Protocol and its Charter of Principles were also presented during the summit. This movement aims to create synergies between companies committed to fighting climate change in the awareness that, by their example, they can influence other entities to support this cause. The members of the Porto Protocol undertake to pursue their activity on the basis of good environmental principles, and execute projects that improve the sustainability of their respective organisations. The Porto Protocol also foresees the development of partnerships among members, the possibility of disseminating ideas and providing access to new learning tools, reports and expertise produced by official entities.

For further information: <https://climatechange-porto.com/porto-protocol/>.



2.4. SUPPLY CHAIN

29 Units with FSC certification in the chain of custody

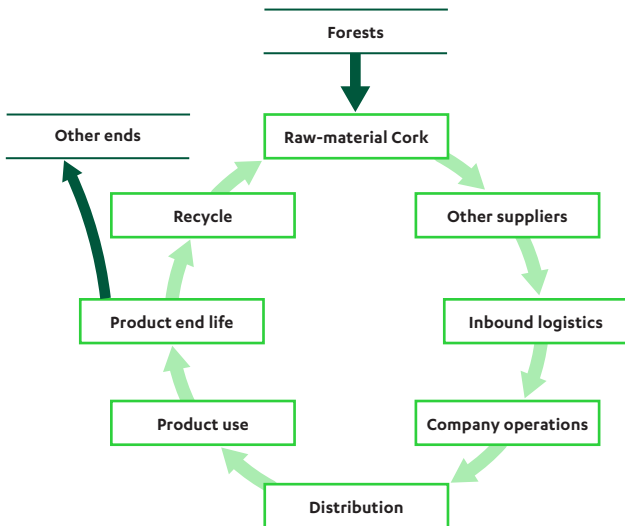
72% Purchases of cork in Portugal

Main means of transport is maritime

Reflecting the ethical, economic, environmental and social responsibility commitments referred to in subchapter 2.2. People and Culture, Corticeira Amorim gives preference, wherever possible, to suppliers who provide raw materials according to the best sustainability practices – in terms of both source of origin and manufacturing processes.

Corticeira Amorim considers that raw material suppliers (mainly of cork) and transportation services assume dominant importance in its value chain, given their critical importance to the business and their relative weight in the company's cost structure.

Corticeira Amorim has a vertically integrated business model, encompassing all stages of production, from purchase of the raw material to commercialisation of a varied portfolio of cork products, sold to over 25,000 customers, wherein 93% of products are exported – to over 100 countries.



UN SDGS AND TARGETS



SDG 8.7 Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms.

SDG 8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.

SDG 12.2 By 2030, achieve the sustainable management and efficient use of natural resources.

SDG 12.4 By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimise their adverse impacts on human health and the environment.

SDG 12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.

SDG 12.8 By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature.

SDG 17.16 Enhance the global partnership for sustainable development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the sustainable development goals in all countries, in particular developing countries.



2.4.1. Procurement and Supply of Cork

The integrated management of the business begins with the Raw Materials BU. Its mission is to guarantee the supply of all types of cork raw materials for the different BUs and their respective market applications, wherein it is responsible for preparing, discussing and deciding on Corticeira Amorim's multi-annual supply strategy.

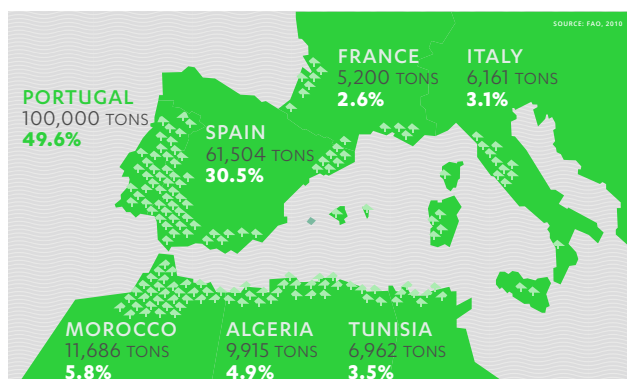
The Raw Materials BU assumes other important missions, and has a significant impact on the accumulation of knowledge about cork oak forests (*montado*) and improvements in the quality of the cork produced. Among other activities, the BU promotes the forest certification of cork producers, including Forest Stewardship Council (FSC) certification. The BU is characterised by its strong research and forestry development policies. Introducing new cork production techniques by means of improved irrigation processes is one of its priority areas with the aim of increasing the quality and quantity of the cork produced to ensure the sustainability of the business. Further information is available in the subchapter 5.1.2. Forestry Intervention Project.

Over recent years, this BU has adopted a policy of diversification of its supply sources, in order to take proactive action in all regions of cork production (Mediterranean Basin, as shown below), being concentrated in Portugal (72%). These are also the areas where Corticeira Amorim's operations are mainly located. Of the total number of employees identified in this report, 95% (more than 3 100 jobs) belong to units located in this geographic area, demonstrating the importance of the Company's activity for the social and economic promotion of these areas, while preserving cork forests – one of the largest natural treasures of the Mediterranean Basin.

Cork purchases (thousands of euros):

	2018	2017	2016
Portugal	189,673	197,785	162,015
North Africa	10,909	9,373	14,562
Other Origins	62,407	55,313	55,127
Total	262,989	262,472	231,705

Annual production of cork by country:



Traceability – Forest Stewardship Council (FSC) Certification

Cork oak forests occupy an estimated area of more than 2,2 million hectares in the Western Mediterranean Basin. Portugal has the largest area of cork forest in the world, which corresponds to about one third of the world's total cork forests. About 126 000 hectares of this area have FSC certification (FSC Portugal, 12/31/2017).

In 2004, Corticeira Amorim became the first company in the cork industry to receive the FSC chain of custody certification. In anticipation of the needs of the wine industry – the customer for its main product – it also became the first packaging company in the world to receive this certification.

Among other initiatives, Corticeira Amorim was responsible, between 2008 and 2015, for a free technical advice service for forest producers who are jointly responsible for more than 20 000 hectares of cork oak forest in Portugal. The advice was aimed at identifying and adopting best management practices and supporting biodiversity. The service was launched in October 2007, when Corticeira Amorim joined the European Commission's Business and Biodiversity Initiative, through a protocol established in partnership with Portugal's Institute for Nature Conservation and Forests (ICNF) and two NGOs – World Wildlife Fund (WWF) and Quercus – Associação Nacional de Conservação da Natureza (Quercus). As well as the technical advisory service for forest producers, the agreement was also aimed at encouraging forestry research and disseminating best management practices.

Corticeira Amorim continues to focus on product development in accordance with FSC principles and aims to maintain FSC certification, a well-known international standard. By the end of 2018, around 29 Corticeira Amorim (industrial and/or distribution) units had received chain of custody certification in accordance with FSC regulations, providing the market with increased guarantees in terms of protection of biodiversity, workers' rights, rights of indigenous peoples and areas of significant environmental and cultural importance.

2.4.2. Procurement and Supply of Non-Cork Products

To manage the purchase of all non-cork materials, services and contracts, including transportation, the company runs a Central Purchasing Department. Its mission is to manage the portfolio of suppliers professionally and from a global perspective to maximise the sustainable creation of value by Corticeira Amorim, seeking excellence in the goods and services acquired and in permanent harmony with the goals of Corticeira Amorim companies. In this context, Corticeira Amorim privileges the establishment of stable and lasting partnerships with suppliers and enjoys a high degree of loyalty among its main suppliers.

During 2018, this Department supervised a global volume of purchases of more than €140 million, carried out in several countries, predominantly in Portugal

Pre-qualification, Qualification and Evaluation of Suppliers

The company has defined a methodology for the pre-qualification, qualification and evaluation of suppliers, partly based on social responsibility (IRSoc) and environmental responsibility indexes (IRAmb): suppliers are qualified to supply Corticeira Amorim in function of the quality of the good or services they supply, their delivery times and their social responsibility and environmental responsibility indices.

Methodology for Evaluating the Social Responsibility Index (IRSoc)

The IRSoc is calculated according to the percentage of requirements met by the supplier. If the supplier is certified in accordance with the NP 4469 standard, they will be given an IRSoc of 100%. For each requirement that the supplier does not undertake to comply with, 25% will be subtracted from their IRSoc.

Methodology for Evaluating the Environmental Responsibility Index (IRAmb)

The IRAmb is calculated according to the percentage of requirements met by the supplier. If the supplier is certified in accordance with the ISO 14001 standard, they will be given an IRAmb of 100%. For each requirement that the supplier does not undertake to comply with, 25% will be subtracted from their IRAmb.

If a supplier is found not to meet one or more of the requirements to which they have committed, they will be given an IRSoc or IRAmb of zero.

Further information on the requirements of these indices can be found at <https://www.amorim.com/en/sustainability/integrated-management-system/policies-and-management-system/>.

A supplier audit programme is drawn up each year, based on a specific set of criteria, including the following: supplier performance in the previous year, criticality of the products / services provided or whether it is a new supplier, and including quality, environmental and social aspects. After each audit, the supplier's performance is evaluated. When nonconformities are identified, a plan of action is requested and, in function of the criticality of the detected nonconformities, the companies of the Corticeira Amorim group can conduct follow-up audits to check implementation of the specified actions. There may also be a need to collaborate with the supplier to resolve nonconformities or find alternatives to that supplier. During 2018, Corticeira Amorim did not substitute suppliers as a result of the pre-qualification, qualification and evaluation process of suppliers.

2.4.3. Transport

The company runs a Department of Transportation within the Central Purchasing Department that is governed by values of commitment, credibility, integrity (ethics) and the pursuit of excellence. Its strategic goals include:

- ✦ positioning purchasing as a value generator for the organisation;
- ✦ optimising the purchasing structure with a view to achieving goals common to the whole organisation;
- ✦ differentiating its approach according to the category and nature of the process in question;
- ✦ aligning the technological platform with management processing and information requirements.

In recent years, the transport area has become a critical factor for the business in both economic and environmental terms. This is due, on one hand, to an increase in costs caused by fuel price rises, and, on the other, by the weight transport has in the consumption and emissions of upstream and downstream operations in the value chain.

Upstream and Downstream Activities in the Value Chain

Emissions generated in the value chain occur mainly during the transport of raw materials and products, which are primarily handled by external logistics service providers. Upstream and downstream transport and distribution accounts for 96% of scope 3 emissions ascertained.

The values presented below consider the most important aspects of Corticeira Amorim's value chain, for its activity in Portugal. In 2018, there was an increase in scope 3 emissions compared to 2017, as a result of an increase in business activity.

Information on scope 1 and 2 emissions can be found in subchapter 5.2. Energy Efficiency and Climate Change.

	2018		2017	
	Consumption outside the Organisation (GJ) (Portugal Scope)	CO ₂ Emissions – Scope 3 (t CO ₂) (Portugal Scope)	Consumption outside the Organisation (GJ) (Portugal Scope)	CO ₂ Emissions – Scope 3 (t CO ₂) (Portugal Scope)
Transport and upstream distribution	444,101	32,916	364,681	27,022
Waste generated in operations	3,820	283	3,199	237
Business travel	14,137	1,020	16,420	1,175
Employee transport	36,039	2,677	32,458	2,405
Transport and downstream distribution	983,750	71,917	911,767	67,072

New actions have been undertaken to minimise this impact and ensure that it continues to be a positively differentiating factor of Corticeira Amorim's international competitiveness, maximising, whenever possible, the maritime transport of goods rather than road transport, wherein the former is the main means of transport used by the company. The group also encourages projects aimed at maximising the amount of product transported per unit of packaging, with a view to rationalising transport flows.

CASE STUDY

Maximisation of Product Packaging in the Cork Stoppers BU

Objective:

Developed by Amorim Top Series, in order to reduce the amount of packaging material used; reduce, at source, the quantity of materials channelled towards waste / recycling; maximise the amount of product transported per packaging unit; optimise stocking space along the supply chain.

Initiatives:

Development of a pallet-size box which uses less cardboard, including the design of more ergonomic solutions for opening/use:

- ✦ Identification of a partner to produce it;
- ✦ Testing the solutions along the supply chain to evaluate their robustness and rigidity;
- ✦ Promotion of the idea with stakeholders;
- ✦ Implementation.

Results:

This solution, already adopted by several clients and which is being evaluated and tested by others, enables the following:

- ✦ Insert another 20% of product in each packaging / transport unit, thereby increasing the quantity of product transported in each shipment;
- ✦ Increase the quantity of product that may be stocked in the same space;
- ✦ Reduce the amount of packaging materials by 30%.

3

SUSTAINABILITY MANAGEMENT AND STRATEGY

Amorim is not only a world leader in the cork industry, it's also an outstanding role model for companies everywhere, because of its high quality products and deep commitment to economic, social and environmental sustainability.

PROF. MOHAN MUNASINGHE, NOBEL PEACE PRIZE 2007

3.1. SUSTAINABILITY MANAGEMENT STRUCTURE

Corticeira Amorim reflects continually on its corporate governance in the light of Portuguese and international best practices, the developing circumstances of its business activities and the challenges to which it has to respond. As a result, it has implemented a set of measures that seek to strengthen internal control and oversight systems, increase transparency, encourage the participation of all stakeholders in the life of the company and ensure the sustained creation of value for stakeholders.

Best corporate governance practices are a cornerstone of Corticeira Amorim's sustainable development. The Corporate Governance Report sets out in detail the structure and practices of corporate governance, describing on the website <https://www.amorim.com/en/sustainability/management-of-corporate-sustainability/> the material considered relevant or complementary to this report, in particular:

- consultation and involvement of stakeholders;
- the organisational structure supporting corporate sustainability (CS) management.

The integrated sustainability management system is based on Corticeira Amorim's mission and values. It advocates:

Interaction with stakeholders, especially consulting them regularly. This is considered fundamental for validating strategic options and for gauging expectations regarding the matters that stakeholders want Corticeira Amorim to monitor and communicate to them. Additional information about stakeholder consultation in 2018 can be found in subchapter 3.2. Engagement with Stakeholders.

Strategy: The strategic alignment of the whole organisation is strengthened by the use of the balanced scorecard method. It falls to the Board of Directors to approve strategic goals, strategic initiatives and priority actions. The integration of processes with the strategic perspectives of the balanced scorecard strengthens sustainable development practices

by aligning the different management subsystems that promote efficiency, as shown here: <https://www.amorim.com/en/sustainability/integrated-management-system/policies-and-management-system/>.

Operations: the teams responsible for implementing sustainable development practices at each BU, acting in accord with a structured programme called Natural Choice, implement the initiatives and actions required to meet defined goals and regularly monitor performance.

Support structure: the organisational structure facilitates the management and alignment of the sustainable development strategy and policies and practices that derive from it. The support area focuses on coordinating the activities of each BU and their respective functional areas with the Executive Commission responsible for their periodic monitoring and supervision, as set out in the diagram in chapter B. Corporate Boards and Committees of the Company Corporate Governance Report. António Rios de Amorim, CEO and Chairman of Corticeira Amorim oversees Sustainability.



Management and Strategy in Corticeira Amorim:



3.2. ENGAGEMENT WITH STAKEHOLDERS

Corticeira Amorim recognises all its stakeholders as fundamental to the continuation of its activities and to the success of the company. Corticeira Amorim considers that all its stakeholders fulfil important roles in validating its strategic options. The sustainable management of Corticeira Amorim takes into account their concerns and expectations in deciding what issues require monitoring and communicating.

3.2.1. Corticeira Amorim’s Stakeholders

Corticeira Amorim’s stakeholders include all those persons or institutions that affect and/or are affected by the company’s activities, products or services and by its performance.



3.2.2. Main Means of Communication

Corticeira Amorim seeks to manage engagement and communication with its stakeholders in the best way possible for understanding and responding to their concerns and expectations. To this end, the company uses a differentiated range of communication methods and channels, as summarised in the following table. The communications methods used are subject to regular review.

	Shareholders and Investors	Clients	Employees	Official and Government Entities	Suppliers	Media	NGOs & Community	Partners & Civil Society
Report								
Shareholders' General Meeting	■							
Meetings with investors and analysts	■							
Periodic report of the evolution of the activity	■			■		■	■	
Report & Accounts	■			■	■	■	■	
Sustainability report	■	■	■	■	■	■	■	■
Promote & Disclose								
Initiatives to protect the <i>montado</i> and the environment			■	■			■	■
Environmental education / awareness actions		■	■		■		■	■
Community involvement initiatives							■	■
Support for initiatives / projects	■	■	■	■	■	■	■	■
Collaborate								
Selection and evaluation of suppliers					■			
Satisfaction surveys		■	■					
Participation in fairs and industry events		■		■	■	■		■
Awareness and technical support programs		■			■			
Innovate								
Collaboration protocols on R & D		■		■	■		■	■
Publication of technical articles		■		■	■	■		■
Involve								
Work groups		■		■	■		■	■
Meetings and periodic contacts	■	■		■	■		■	■
General and sectoral meetings				■			■	■
Inform								
Information panels			■					
Procedures and policies			■					
Intranet			■					
Performance management systems			■					
Seminars and workshops		■	■	■	■		■	■
Internal thematic and awareness raising actions			■				■	
Communicate								
Answering external requests	■	■	■	■	■	■	■	■
Visits to the <i>montado</i> and Corticeira Amorim	■	■	■	■	■	■	■	■
Web site	■	■	■	■	■	■	■	■
Newsletter and press releases	■	■	■	■	■	■	■	■
Information brochures	■	■	■	■	■	■	■	■

3.2.3. Consultation

Corticeira Amorim has defined a regular stakeholder consultation and engagement process that enables the company to identify the core sustainability issues to be considered among future priorities and for designing a strategy for their respective engagement. The most recent process occurred in 2018.

a) Procedures used and structure of the questionnaire

Procedures used:

Duration: the questionnaire was conducted from July to August 2018 by Pricewaterhousecoopers (PwC).

Distribution: the stakeholders of the various BUs were sent an email by the various contact persons at Corticeira Amorim inviting them to complete the questionnaire provided on an online platform. Whenever asked to do so by Corticeira Amorim, PwC sent stakeholders an email to emphasise the request to complete the questionnaire.

Types of questions: the questionnaire consisted of three groups of open and closed questions with the possibility of adding additional comments.

The questionnaire was divided into three main sections:

Sustainability vision: a question about whether Corticeira Amorim was considered to be an organisation with a clear vision of its economic, environmental and social responsibilities, with a field to add explanatory examples.

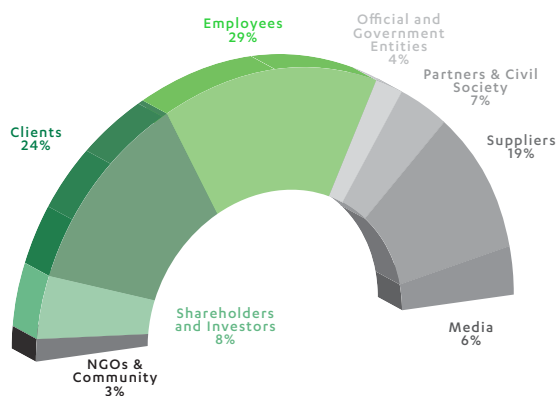
Sustainability performance: two questions: the first, multiple choice, identified Corticeira Amorim's importance and performance in sustainability themes, with a field to add other relevant non-predefined themes; the second, open-ended, was designed to identify opportunities for improvement in themes selected in the preceding questions that performed poorly.

Sustainability report: five questions: the first question aimed to identify whether the stakeholders had read the latest sustainability report; the second aimed to classify the information provided in the report overall; the third aimed to classify the sustainability report according to seven criteria; the fourth, open-ended, aimed to present suggestions for improvement for the sustainability report assessment criteria; and the fifth, also open-ended, aimed to include new themes in the sustainability report that had not been referred to in previous iterations.

b) Sample characterisation and response rate

Throughout the 2009-2018 period, various stakeholder consultation processes were held, with a gradual increase in the size of the sample. In the 2018 process, which involved many respondents (74%), 137 stakeholders and relevant sustainability themes were identified under GRI guidelines and in line with AccountAbility's AA1000 Stakeholder Engagement Standard (AA1000SES) criteria and the requirements of ISO 9001 and ISO 14001.

c) Distribution of responses by stakeholder group



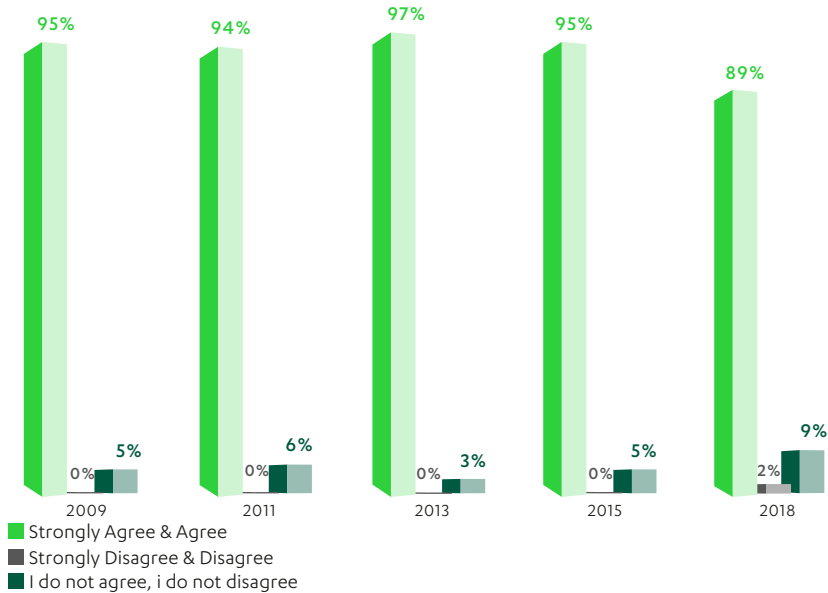
d) Main conclusions of the consultation process

Sustainability vision

Most (89%) of Corticeira Amorim's stakeholders felt the organisation had a clear vision of its economic, social and environmental responsibilities.

Question posed to stakeholders: "Do you consider that Corticeira Amorim has a clear vision of its social, environmental and economical responsibilities?"

Global Evolution 2009-2018



Relevant themes

TOP 5 2018 – Level of importance



Question posed to stakeholders: "Considering the Corticeira Amorim's business activity, classify the level of importance the various themes?"

Within the scope of Corticeira Amorim's activities, the five themes important to stakeholders include three themes from the environmental pillar and two themes from the economic pillar.

On the themes of "Human Rights", "Water Management and Use" and "Materials Management", stakeholders awarded a significantly higher level of importance compared to 2015.

The most important theme identified by stakeholders was "Promotion of the *montado*, its Biodiversity and Ecosystem Services". "Ethics and Anti-Corruption" is the third most important theme for stakeholders and the one that reveals the best perceived performance by respondents. "Economic Performance" is identified as the second most important theme and second best performing theme at Corticeira Amorim.

Sustainability Performance

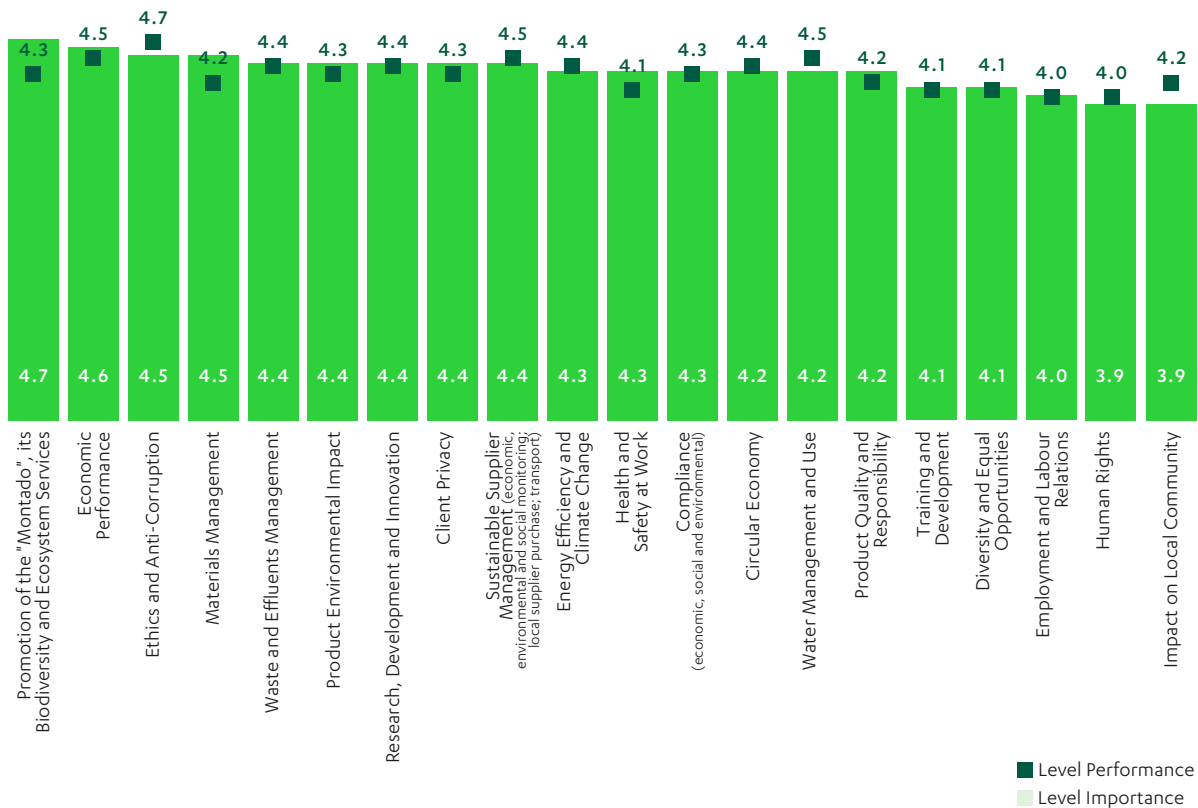
Question posed to stakeholders: “Considering the Corticeira Amorim’s business activity, classify the level of performance the various themes?”

“Human Rights” and “Employment and Labour Relations” show the most significant improvements in performance as perceived by stakeholders compared with 2015.

Declines were seen in perceived performance assessment with regard to the themes of “Promotion of the *montado*, its Biodiversity and Ecosystem Services” and “Impact on the Local Community”.

To a general degree, for the stakeholders consulted, Corticeira Amorim has performed well in the five themes considered most important. There is an opportunity to improve the themes of “Human Rights” and “Employment and Labour Relations” that revealed lower perceived performance compared to the results as a whole.

Level Importance Vs Level Performance

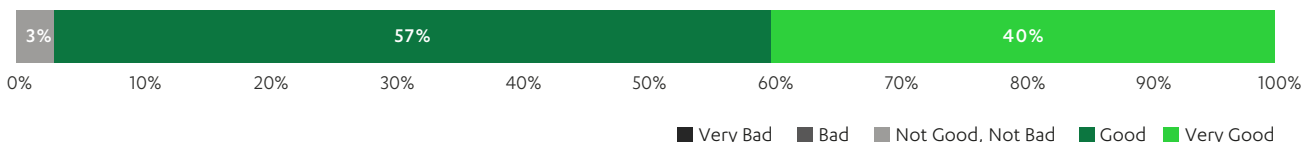


Sustainability Report

Question posed to stakeholders: “Classify the information provided in the 2017 Sustainability Report.”

Around 97% of the stakeholders who have read the Sustainability Report consider the information provided to be good or very good. There are no negative ratings from stakeholders. Only 3% are indifferent to the information provided. In comparison with the stakeholder consultation process in 2015, there was a slight 1-percentage-point rise in the positive rating of the information provided in the Sustainability Report.

Classify the information provided in the 2017 Sustainability Report



3.3. SUSTAINABLE DEVELOPMENT PRIORITIES

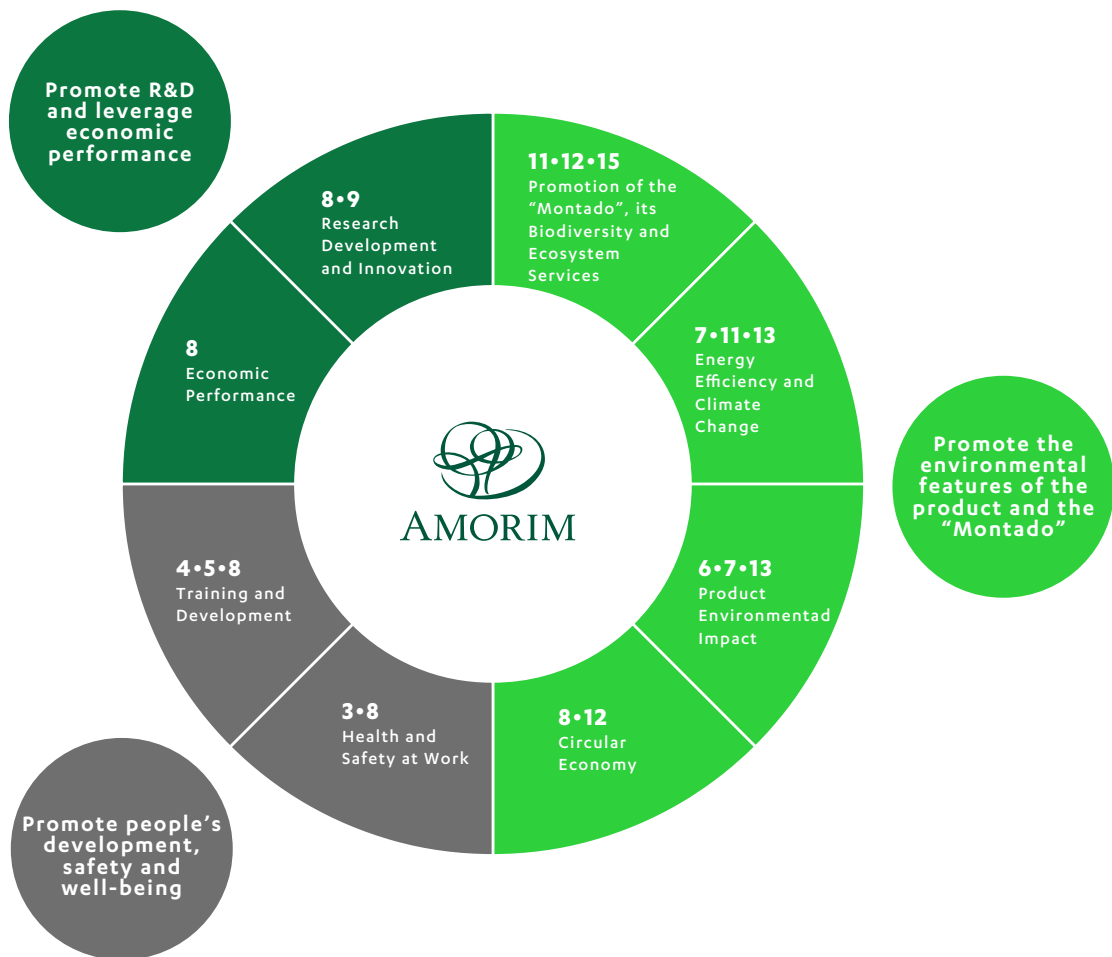
Strategy aligned with 12 of the 17 SDGs

The strategic priorities for sustainable development identified by Corticeira Amorim comprise economic, environmental and social concerns that take into consideration the results of consulting stakeholders, benchmarking analysis, internal commitments and policies and alignment with the United Nations' Sustainable Development Goals (SDGs).

Ambitions established by the United Nations Sustainable Development Goals

Approved by 193 countries in September 2015, the 17 SDGs make up part of the 2030 sustainable development agenda of the United Nations. They are the result of governments and citizens all around the world working together to establish a new global model capable of ending poverty, providing prosperity and well-being for all, protecting the environment and combatting climate change.

In 2018, Corticeira Amorim revised its sustainable development strategy based on materiality analysis, in order to foster alignment with stakeholders' expectations and feedback. It also identified the SDGs that are most related to the material themes, and selected performance indicators and key targets for each relevant SDG. Twelve SDGs and 44 targets were identified as priorities for Corticeira Amorim's sustainable development strategy.



4

PROMOTE RESEARCH, DEVELOPMENT AND INNOVATION AND LEVERAGE ECONOMIC PERFORMANCE

4.1. RESEARCH, DEVELOPMENT AND INNOVATION

€7.5 M€ average investment
R & D + I/year

25 New patents (3 years)

SDG 9 calls for the construction of resilient and sustainable infrastructures and promotes inclusive and sustainable industrialisation. It also recognizes the importance of Research, Development and Innovation to find long-lasting solutions to major social, economic and environmental challenges.

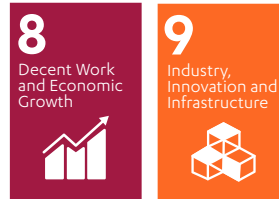
Cork is, by nature, such a formidable material that it might seem impossible to improve it. But that is precisely what Corticeira Amorim has done since its foundation – with a firm commitment to ensuring differentiation through quality and making a unique contribution, unparalleled in the industry, to the reinvention of an exceptional natural resource that responds to the main challenges of today's society, benefitting people, the planet and sustainable development.

Research, development and innovation (R&D+I) is strategic to business development and value creation for all of Corticeira Amorim's BUs. The company also has a decisive and autonomous transversal structure – Amorim Cork Research. Each BU also has its own R&D+I competences. More information is detailed in the Innovation, Research & Product Development chapter of the Consolidated Management Report for the financial year 2018. The company's R&D+I policy is guided by the following principles:

- ✦ Developing new products and markets for cork;
- ✦ Seeking out new technological solutions, in terms of both products and processes, in partnerships with customers, suppliers and other bodies;
- ✦ Strengthening the reputation of its brands through the constant evolution of product ranges in response to new market and consumer trends;
- ✦ Fostering a culture of innovation through an environment favourable to the creativity, critical spirit and initiative of employees, nurturing teamwork and mutual assistance;
- ✦ Valuing innovative practices;
- ✦ Establishing an environment that provides incentives for boldness, assuming risks and failures as an inherent part of the innovation processes;

- ✦ Providing continuous training for employees in support of their professional and personal fulfilment;
- ✦ Facilitating internal and external communications, establishing new channels for exchanging information and improving existing ones;
- ✦ Permanently seeking to implement the best management and monitoring practices and identify opportunities for improvement.

UN SDGS AND TARGETS



SDG 8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors.

SDG 8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services.

SDG 9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.

SDG 9.5 Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development workers per 1 million people and public and private research and development spending.

Corticeira Amorim's strategic commitment to R & D + I takes the form of an average annual investment of around € 7,5 million and much a higher amount invested in state-of-the-art technology and exclusive production processes, for the development of new products and solutions and reinforcement of Corticeira Amorim's position as a knowledge centre. In this context, 25 new patents have been registered over the last three years.

	2018	2017	2016
Submission of patents	9	5	11



4.2. ECONOMIC PERFORMANCE

€716.1 M distributed to stakeholders

Corticeira Amorim began trading in the nineteenth century and over its life has become the world's largest cork-processing company, currently generating turnover of more than € 763 million in more than 100 countries, through a network of dozens of subsidiaries. Cork is a 100% natural raw material and Corticeira Amorim has developed a varied portfolio of cork-based products, that are used by some of the world's most technologically advanced and demanding industries, such as the wine and spirits industries, aerospace, construction, sports, interior design and fashion.

The cork oak forest is of crucial importance to the economy and ecology of several Mediterranean countries. Portugal has 34% of the world's total cork forests, corresponding to an area of 736 thousand hectares and 23% of Portugal's forestry area. The cork oak is found mainly in Southern Portugal, with the *Alentejo* occupying a prominent place – with 84% of the total. Annual worldwide cork production is 201 thousands tons, and Portugal once again stands out as the world's biggest cork producer, with 49.6% of the world total. Portuguese cork exports account for about 2% of Portuguese exports, 1.2% of total exports and a trade balance of €815.6 million, equivalent to a coverage rate of 578%. (Source: 2018/19 APCOR Cork yearbook).

In 2018, Corticeira Amorim generated net income of €766,9 million, with €716,1 million distributed to the various stakeholders, corresponding to a 12% increase over the income distributed in 2017.

Economic Value Generated		Economic Value Accumulated	
2016	643,798	2016	56,736
2017	706,692	2017	66,111
2018	766,910	2018	50,856

Operating Costs	2016	400,188
	2017	451,264
	2018	523,777
Employees	2016	113,608
	2017	128,071
	2018	136,117
Capital Providers	2016	34,556
	2017	36,626
	2018	39,425
State	2016	38,560
	2017	24,397
	2018	16,525
Community	2016	150
	2017	224
	2018	209

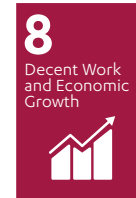
(thousand euros)

In every country in which the group operates, Corticeira Amorim contributes to local social security regimes covering all its employees in accordance with the specific legislation in effect. In 2018, this contribution rose to € 22,1 million, 10% higher than the amount in 2017.

	2018	2017	2016
Local Social Security Regimes	22,056	19,996	17,830

(thousand euros)

UN SDGS AND TARGETS



SDG 8.1 Sustain per capita economic growth in accordance with national circumstances and, in particular, at least 7 per cent gross domestic product growth per annum in the least developed countries.

5

PROMOTE THE ENVIRONMENTAL FEATURES OF THE PRODUCT AND THE MONTADO

5.1. PROMOTION OF THE MONTADO, ITS BIODIVERSITY AND ECOSYSTEM SERVICES

€100/year per hectare – value of the ecosystem services of the montado

50 thousand hectares of planned new plantations (Forestry Intervention Project)

The *montado* is a highly important national agricultural, forestry and pastoral system, both at the socioeconomic and environmental level. The pan-European conservation network Natura 2000 rates the *montado* as highly important for conserving biodiversity. This ecosystem is highly biodiverse, including threatened species such as the emblematic Iberian lynx and Iberian imperial eagle, and provides society with countless services, ranging from regulation of the climate and water cycles to protection against erosion and wildfires, carbon sequestration, cultural services such as open-air leisure activities, cork and firewood production, and cattle rearing.

The production of cork on the estate (key to its economic viability) does not affect the countless services provided by the ecosystem since the cork-extraction process – stripping – does not harm the tree. The cork oak lives for 200 years on average, during which it may be harvested between 15 to 18 times. The cork oak is the only oak species whose bark regenerates after extraction.

The WWF's Living Planet Report 2018 underlines the importance of nature to people and mentions that "all economic activity ultimately depends on services provided by nature, making it an immensely valuable component of a nation's wealth." The same report notes that the ecosystem services supplied by nature globally are worth around \$125 trillion per year.

Corticeira Amorim is conscious of its role in ensuring the viability of cork oak forests and considers that their defence/ preservation is a strategic priority. The company's contribution to the maintenance, conservation and enhancement of the cork oak forest is based on the following guidelines:

- ✦ Expand knowledge about the environmental impact of cork products and the ecosystem they support;
- ✦ Promote cork solutions and the development of the cork oak forest as guarantors of the ecosystem;
- ✦ Proactive discussion of policies and proposals for measures to protect the cork oak and conserve cork oak forests, as well as promoting the cork sector, the certification of forest management systems and remuneration of the environmental benefits of cork oak forests.

UN SDGS AND TARGETS



SDG 11.4 Strengthen efforts to protect and safeguard the world's cultural and natural heritage.

SDG 12.8 By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature.

SDG 15.1 By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements.

SDG 15.2 By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally.

SDG 15.3 By 2030, combat desertification, restore degraded land and soil, including land affected by desertification, drought and floods, and strive to achieve a land degradation-neutral world.

SDG 15.5 Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species.

SDG 15.9 By 2020, integrate ecosystem and biodiversity values into national and local planning, development processes, poverty reduction strategies and accounts.

SDG 15.a Mobilize and significantly increase financial resources from all sources to conserve and sustainably use biodiversity and ecosystems.

SDG 15.b Mobilize significant resources from all sources and at all levels to finance sustainable forest management and provide adequate incentives to developing countries to advance such management, including for conservation and reforestation.

5.1.1. Increasing knowledge relating to the impact of cork products and the ecosystem they make viable

Corticeira Amorim was the first company in the industry to promote the analysis of the environmental impact of its products, namely cork stoppers, comparing the life cycle of cork stoppers with those of aluminium screwcaps and plastic stoppers. The analysis concluded that cork stoppers are the most environmentally friendly. More information can be found at <https://www.amorim.com/en/sustainability/integrated-management-system/management-approaches/>.

In 2018, a number of life cycle analysis and Environmental Product Declaration (EPD) studies were carried out in the various BUs, through which it has been possible to highlight the superior environmental performance of cork solutions, based on internationally recognised standards.

CASE STUDY

Study on Neutrocork's carbon footprint in the Cork Stoppers BU

Objective:

The Neutrocork stopper is recommended for wines with a certain complexity and is used by thousands of wine producers around the world. The recent study, conducted by PwC, aimed to confirm that this stopper has a negative carbon footprint, thus reiterating the group's commitment to protecting the environment.

Initiatives:

In this independent PwC study, a life cycle analysis (LCA) methodology was used, following the guidelines of the Greenhouse Gas (GHG) Protocol, developed by the World Business Council for Sustainable Development and the World Resources Institute. The Cradle to Gate methodology made it possible to calculate the carbon emissions of the Neutrocork stopper across the entire production process and distribution process to the UK.

Results:

The study concluded that the Neutrocork stopper has a negative carbon footprint of -342 kg of CO₂ per ton of product, corresponding to -1.8 g of CO₂ per cork stopper. When considering the carbon retention capacity of the cork oak forest associated with cork production, the result is even more impressive: a total of -73 342 kg CO₂ per ton of product, or -392 g CO₂ per cork stopper. This independent study confirmed the environmental credentials of the Neutrocork stopper, a solution that, in addition to its technical excellence, highlights the value of cork as one of the world's most exceptional natural and sustainable materials.



CASE STUDY

Rigorous Quality Control in Amorim Isolamentos

Objective:

The Insulation Cork BU is dedicated to the production of acoustic and thermal insulation agglomerated cork, 100% natural and with a high technical performance. The goal is to recognize the superior quality and sustainability of its products in comparison with conventional products. With virtually unlimited durability, cork retains all its characteristics throughout the product's lifetime, in addition to being 100% natural and fully recyclable. It is industrially produced without recourse to additives and requires reduced energy consumption.

Initiatives:

Subjecting of processes and products to rigorous certification processes.

Results:

The following certifications:

- ✦ Quality control according to EN 13170 and consequent CE marking;
- ✦ DAPHabitat System by Centrohabitat – Association of the Platform for Sustainable Construction – Environmental Product Declaration based on ISO 14025;
- ✦ NATUREPLUS – International Association for Sustainable Construction and Accommodation (Germany) – certifies the best products for sustainable construction;
- ✦ ACERMI – Association Pour La Certification des Matériaux Isolants (France) – certifies specific materials used for insulation, evaluating their technical performance;
- ✦ ICEA – Institute for Ethical and Environmental Certification (Italy) – certification of the environmental and ethical aspects of products;
- ✦ R certificate from Positivlisten Arge kdR (Germany) – certifies energy consumption throughout the product's life cycle, depletion of resources and the emissions associated to the materials;
- ✦ LQAI – Indoor Air Quality Laboratory (Portugal) – certifies non-emissions of VOC, formaldehyde and other compounds related to the product;
- ✦ PCS – Sustainable Construction Portal (Portugal) – product sustainability certificate;
- ✦ Ecological Certification – Japan Environment Association (Japan) – certifies the environmental impact of products;
- ✦ ISO 9001 Certification;
- ✦ Thermal conductivity certification after 45 years of use, keeping characteristics intact.



5.1.2. Forestry Intervention Project

Corticeira Amorim has been working on a project aimed at ensuring the preservation and sustainable development of cork oak forests – the Forestry Intervention Project. Under the motto “take care of the present, build the future”, the main guidelines include improving the installation of irrigation systems, sequencing the cork oak genome, improving the cork oak species and combatting pests and diseases.

The project was born out of an experimental plantation of cork oaks that Francisco de Almeida Garrett, owner of the Herdade do Conqueiro estate in Avis, Alentejo (Portugal), began irrigating a few years ago. The success of his experiment – the first cork harvest for some trees was made after only eight years instead of the normal 20-25 years – motivated him to contact Corticeira Amorim. The company, aware of the importance of these results, immediately involved the University of Évora.

In this context, the first structured plantation of 50 hectares of cork oak trees was launched in 2017, which is innovative compared to other areas of cork forest, since it benefits from an improved irrigation system. This system provides drip irrigation for new trees until the first extraction of cork, at which point the cork tree returns to its normal growth pattern, with cork harvested at nine-year intervals.

In the plan defined for the Forestry Intervention Project, the goal is, with involvement and support of forest owners, to plant 50 thousand hectares of cork oak trees, with a higher density than current areas of cork forest, and thereby increase cork production by 30%.

CASE STUDY

Improving the cork oak and crossbreeding different species in the Raw Materials BU

Objective:

Select trees only by crossbreeding species naturally without any genetic manipulation. The goal is to produce trees that are better adapted to soil and climate conditions as well as to climate change to produce quality cork.

Initiatives:

- ✦ Mycorrhiza process – application of a fungus to the roots of cork oaks to increase their robustness and resistance;
- ✦ Sequencing the cork oak genome – mapping the cork oak’s genetic code will make it possible to identify the genetic markers for cork quality and to develop other markers for identifying pest- and disease-resistant trees, enabling an ideal selection of cork oaks while retaining genetic variability;
- ✦ Research focused on pest and disease control.

Results:

A combination of traps and volatile attractants (pheromones) will be in the final phase of experimentation, which will allow the bio-rational control of *Coraebus Undatus* – the flathead oak borer – reducing the number of affected trees.



CASE STUDY

Project LIFE+ SUBER in the Raw Materials BU

Objective:

To contribute to the better adaptation and resistance of cork oak forests to climate change, ensuring their conservation and the maintenance of the associated value chain. The programme also includes the objectives of combatting water stress, the growth of pests and the frequency of wildfires.

Launched in 2014, the project was led by the Consorci Forestal de Catalunya in association, besides Amorim Florestal, with the Centre Tecnològic Forestal da Catalunya, Forestal Catalana and the Centro de la Propiedad Forestal de Catalunya. It was supported by the European Commission under the LIFE programme and was co-financed by Amorim Florestal Mediterrâneo, the Diputació de Barcelona and the Institut Català del Suro.

Initiatives:

The project was developed in Catalonia and covered a total of 108 hectares of forest and associated control areas. A total of 28 measures were implemented grouped into different categories:

- ✦ Implementation measures: establishment of demonstrative pilot plantations with different innovative forest management techniques, from irregular management with selective cleaning to planting of cork oaks, restoration of degraded areas and massive removal of *Coraeus Undatus*;
- ✦ Continuation measures: to test the effectiveness of measures used and propose changes to improve techniques;

- ✦ Dissemination measures: to convey the techniques and tools developed under the project to owners and managers of *montado*.

Results:

Through the Life+ SUBER project, innovative forestry management models were applied to improve the vitality and production of the cork oak forest, reducing the risk of wildfires. With measures such as selective pruning and on-site treatment of the waste residues from cork harvesting, there is a reduction in the density of small trees and maintenance of the large trees. It is thereby hoped that cork production will increase. These interventions also lessened forest vulnerability, attaining important improvements with regard to treetop fires leading to high-density wildfires, in particular. Pest control measures were also applied, namely biorational control of *Coraeus Undatus*, contributing significantly to knowledge of this insect. Finally, cork oak restoration measures were applied by setting up protective systems for endangered trees, creating the conditions in which they can naturally regenerate and increase forest vitality.

5.1.3. Acquisition of the Herdade da Baliza estate

In 2018, Corticeira Amorim acquired the Herdade da Baliza estate, a property in the Castelo Branco/Tagus International region covering a total of 2 866 hectares for €5,5 million. This acquisition marked the company's first step as a forest owner, a strategic operation aimed at implementing new cork oak forest management techniques and leading by example.

5.1.4. Location of Operations

Corticeira Amorim's activities are conducted in areas outside those classified by the Instituto da Conservação da Natureza e das Florestas (ICNF) as protected. There is therefore no significant impact on biodiversity.



5.2. ENERGY EFFICIENCY AND CLIMATE CHANGE

Positive carbon balance

65% of energy used from biomass

72 thousand tons of CO₂ emissions avoided

Global megatrends, such as climate change and resource scarcity, population growth, heightened urbanisation, changes in global economic power and technological advances are affecting consumer and company decision-making all around the world. At Corticeira Amorim, we respond proactively to these trends, promoting the *montado*, adopting a business model based on the circular economy and developing high-added-value green products based on renewable and recyclable materials that facilitate the transition to a low-carbon economy.

Corticeira Amorim's contribution to the fight against climate change therefore involves continual improvement of its energy performance and the implementation of production technologies and processes that ensure the optimisation of the amount of cork used throughout the industrial process. As one of the main promoters of the *montado*, it also contributes in this way to fighting climate change as cork oak trees are major carbon sinks, since they use their roots, leaves, trunk and bark (cork) to store carbon during their lives, which may last over 200 years. Investing in cork recycling programmes globally is another important contribution, given that extending the life cycle of cork through recycling delays the release of emissions of carbon embedded in cork back into the atmosphere.

In 2013, Corticeira Amorim established an environmental policy common to all its BUs and subsidiaries. In alignment with its principles and sustainable management practices, it made commitments to:

- ✦ Guarantee compliance with all legal stipulations and other requirements agreed to by the organisation and applicable to all the environmental aspects of its activities, products and services;
- ✦ Control significant environmental impacts and contribute to preventing pollution;
- ✦ Act proactively to evaluate and take preventive measure appropriate to minimising the environmental impacts specific to each activity, applying, whenever viable, the best practices and technologies available.

In 2017, it subscribed to the Charter of Principles of BCSD Portugal (a member of the World Business Council for Sustainable Development – WBCSD), while also making a commitment to:

- ✦ Foster continual improvement of processes, products and services by identifying, monitoring and mitigating the environmental risks associated with its activities, aiming at reducing the negative impacts on the climate, air, water, soil, biodiversity, territory and communities;
- ✦ Reduce natural resource use and waste generation, maximising process efficiency, re-use and recycling;
- ✦ Foster environmental responsibility, use of innovative and clean technologies and stakeholder involvement with a view to adapting to global challenges.

To implement these commitments, the various Corticeira Amorim BUs have set up different management systems and gained certification under the various standards described in subchapter 2.3. Principles and Policies, namely ISO 14001 and ISO 50001, which, with regard to the whole reported perimeter, cover 23% of the industrial units (IUs), correspond to 56% of energy used and, amongst other things, foresee specific procedures and responsibilities in line with the respective standards, internal audits, executive monitoring and definition of objectives. The implementation of ISO 14001 in another four IUs and ISO 50001 in another one is currently ongoing, increasing the reach to 34% of the IUs.

In addition, it is important to note the existence of an Energy Efficiency Forum, which two or three times per year invites energy managers from the different BUs with a view to improving process performance and efficiency. In 2018, this forum was held for the 29th and 30th times, involving the participation of over 60 employees.

UN SDGS AND TARGETS



SDG 7.2 By 2030, increase substantially the share of renewable energy in the global energy mix.

SDG 7.3 By 2030, double the global rate of improvement in energy efficiency.

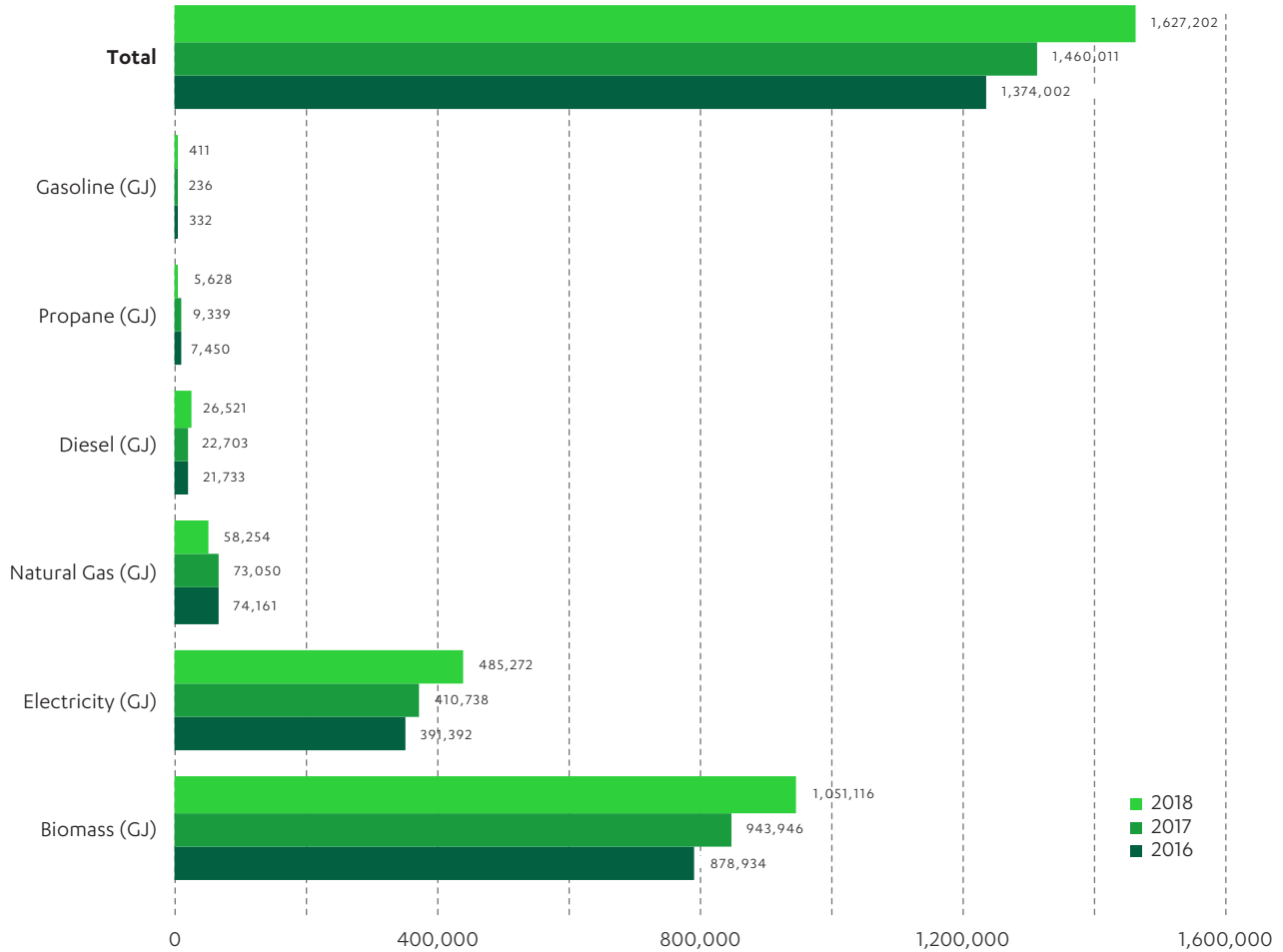
SDG 11.6 By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management.

SDG 13.2 Integrate climate change measures into national policies, strategies and planning.

SDG 13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.

5.2.1. Energy

Corticeira Amorim's energy consumption, measured in gigajoules (GJ) increased in 2018 compared to 2017, in line with the increase in the company's activity and integration of three new industrial units within the perimeter of the sustainability report. This is the result of the work implemented to date to increase the material dimension of the reported information. The energy mix remained practically unchanged, but there was a slight increase in the proportion of electricity used.



5.2.2. Energy Intensity

	2018	2017	2016
Energy Intensity (GJ/M€ sales)	2,160*	2,161	2,142

* includes increase in perimeter; maintaining the same perimeter: 2,069

There has been a reduction in energy intensity compared to the previous year, which is more noticeable if we exclude the perimeter effect (-4%), the result of the implementation of a set of 84 operating/energy efficiency measures split between various areas, notably thermal energy (20 measures), compressed air (37 measures) and drives/motors (10 measures).

Energy management system certifications – ISO 50001 – were renewed in the five plants in the Cork Stoppers BU used as an implementation pilot with certification underway for another plant in the Composite Cork BU. The adoption of this standard compels the establishment of systems and processes to improve energy performance and energy use and consumption, namely focusing on the more efficient use of the energy sources available while creating systematised work that is executed and adapted to other management systems underway.

In total, €3.5 million was invested, resulting in an annual saving of over 212 thousand GJ.

CASE STUDY

Energy Efficiency and Operational Optimisation Measures in the Cork Stoppers BU

Objective:

To improve energy efficiency and operational optimisation, to ensure more regular operation of all equipment and to therefore obtain a substantial improvement in process costs.

Initiatives:

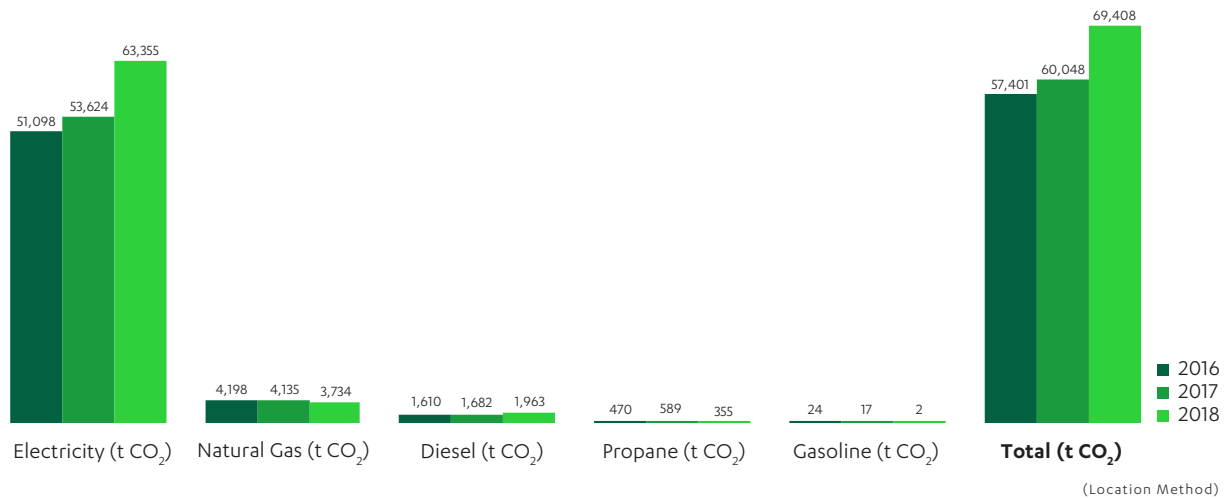
Forty-five operational and energy efficiency measures were applied. One of the main measures was the installation of a high/medium voltage substation with the improved operation of all the equipment dependent on it for energy. This project is part of the Lamas hub of the Cork Stoppers BU and covers three plants which share a production line.

Results:

The project makes annual savings in operational costs of roughly 20%, while providing improvements to the quality of energy supplied.



5.2.3. Emissions



Scope 1 and 2 emissions attained 69,408 t CO₂, recording an increase over the previous year. The reasons for this increase were essentially the variation in the perimeter, the increase in business activity and the increase in the weight of electricity in the energy mix.

Regarding electricity, similar to the consideration included in the 2016/2017 Sustainability Report, in order to align with the recommendations of the Greenhouse Gas Protocol, developed by the World Business Council for Sustainable Development and the World Resources Institute, in the present report, indirect energy emissions (scope 2) were calculated using the location-based method and the market-based method.

Indirect energy emissions using the market-based method are: 64,735 t CO₂ (2017: 54,792 t CO₂, 2016: 41,485 t CO₂).

Information on scope 3 emissions is available in subchapter 2.4.3. Transport.

5.2.4. Carbon Intensity

	2018	2017	2016
Carbon Intensity (t CO ₂ / M€ sales)	92.1*	88.9	89.5

* includes increase in perimeter; maintaining the same perimeter: 87.5

In 2018, despite the reduction seen in energy intensity, there was an increase in carbon intensity that essentially resulted in the higher share of electricity in the energy mix. A key contributing factor to this situation was the integration of three additional industrial units within the perimeter, which are undergoing a process of adjustment and adaptation to the processes in practice in the other plants. In comparison, the carbon intensity of Corticeira Amorim's activities saw a 2% reduction to 87,5 tons of CO₂ per M€ of sales.

The constant demand to implement production technologies and processes to ensure the optimisation of cork yield in the industrial cycle has led to a reduction in the availability of cork dust for energy purposes. This raises some challenges and drove investment in production systems to make it possible to produce the same amount of energy from less cork dust. In 2018, therefore, energy produced from biomass maintained its share of 65%, deemed CO₂ neutral, of Corticeira Amorim's energy mix (65% in 2017 and 64% in 2016) and achieved 72 thousand tons of avoided CO₂ emissions, as a result of the operational/energy efficiency measures and the mix considered. Among the main initiatives in 2018, of note was the Composite Cork BU's project to improve the efficiency of boilers.

CASE STUDY

Improved Boiler Efficiency – Burning and Heat Transfer (thermal fluid) in the Composite Cork BU

Objective:

The lack of temperature stability in thermal fluid and steam form at the industrial unit led to a considerable rise in gas use. The project's aim was to improve the energy efficiency of the boilers, ensuring temperature stability, raising the number of operating days of the main thermal fluid boiler and ensuring the delivery of superheated steam. These measures reduced natural gas use and minimised emissions of incompletely burned particles, improving the environmental impact of the boilers.

Initiatives:

Work on the thermal fluid and steam boilers.

Results:

- ✦ Thermal fluid temperature stability in the industrial unit;
- ✦ Increase of 63% in main boiler monthly working days;
- ✦ 10°C lower set point temperature;
- ✦ Lower cork dust use;
- ✦ Over 100% higher steam delivery temperature;
- ✦ Lower electricity use with savings of around 146 tons of CO₂;
- ✦ Lower compressed air use with savings of around 296 tons of CO₂;
- ✦ 50% lower cleaning frequency;
- ✦ Lower use of natural gas.



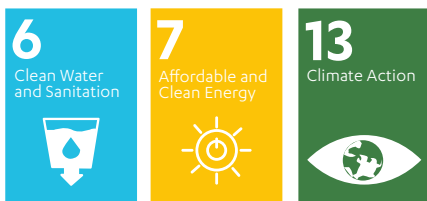
5.3. PRODUCT ENVIRONMENTAL IMPACT

A vast range of green products

Population growth places unprecedented pressure on the world's finite resources. The 2017 report, produced by United Nations Environment Programme's International Resource Panel, shows that global materials use is accelerating – it has more than tripled since 1970 and may double again up to 2050 – and if resource use does not become more efficient, the Sustainable Development Goals will not be attained.

As a 100% natural, 100% renewable and 100% recyclable product, cork is an excellent alternative to reduce global dependence on non-renewable products and lower the carbon footprint of final products. Corticeira Amorim plays a proactive role in enlarging cork's already extensive applications, sustained by the material's innate characteristics, which also stands out for its lightness, excellent insulation and consequent energy efficiency.

UN SDGS AND TARGETS



SDG 6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally.

SDG 6.4 By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity.

SDG 6.5 By 2030, implement integrated water resources management at all levels, including through transboundary cooperation as appropriate.

SDG 7.3 By 2030, double the global rate of improvement in energy efficiency.

SDG 13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.

5.3.1. Water Management and Use

Water is an important natural resource that is key to human survival and the functioning of many industries. Climate change affects the availability of fresh water and therefore economic growth, putting pressure on the global water supply. The lack of access to drinking water is a universal problem that is everyone's responsibility.

Water is especially important for the Raw Materials, Cork Stoppers and Insulation Cork BUs, responsible for the withdrawal of 86% of all water used by Corticeira Amorim. Public network water accounts for around 8% of all water collected, most of which is sourced from groundwater (92%). In 2018, water use rose by 5%, essentially due to variation in the perimeter. If the perimeter had remained the same, and despite the growth in activity, the rise would have been less than 1%, reflecting Corticeira Amorim's effort to manage water use efficiently.

Water withdrawal (m³) by source

	2018	2017	2016
Public network	41,692	30,259	31,073
Groundwater	465,673	453,863	440,664
Total	507,365	484,122	471,737

Various initiatives were implemented in the different plants to increase efficient water management, notably:

- ✦ Fitting of innovative equipment or technologies to reduce water use;
- ✦ Monitoring and rescheduling of times and length of irrigation;
- ✦ Implementing of measures to reduce pollutants disposed of in the water, namely via changes to the waste water treatment plants (WWTPs);
- ✦ Regular analysis of abstracted water, via competent external bodies, to detect and eliminate groundwater contamination.

CASE STUDY

Water Systems in the Floor and Wall Coverings BU

Objective:

To reduce water and energy use in the sanitary facilities of Amorim Revestimentos.

Initiatives:

Implementation of a water saving system via the fitting of flow restrictors on taps and showerheads and water-saving equipment on flushes.

Results:

The fitting of flow restrictors on taps and showerheads reduced water use and energy to heat water by over 50%.



CASE STUDY

Change to the Functioning of the WWTP at the Coruche Industrial Unit in the Raw Materials BU

Objective:

Due to a higher volume of water needing treatment after boiling the cork, the physical-chemical WWTP no longer had the necessary capacity and lost efficiency. Simultaneously, the biological WWTP, which treated the water to wash the disks, was being under-utilised. The aim was to raise efficiency in the treatment process by using the biological WWTP and:

- ✦ Raise the volume of liquid effluent treated;
- ✦ Lower the organic chemical compounds (OCCs) in liquid effluent;
- ✦ Lower WWTP chemical use;
- ✦ Move from 2 shifts to 1;

Initiatives:

In 2018, testing was undertaken on jointly treating two liquid effluents (physical-chemical, and biological) for the first time in a physical-chemical WWTP and then in a biological WWTP, via decantation in the biological reactor. A centrifuge to remove sludge, the junction of the physical-chemical and biological processes, and the reduction of chemical products in 2019 are planned.

Results:

After the first tests, OCCs fell by over 50% and coagulant and flocculent use dropped. At the end of the project, it is foreseen that the daily treatment of effluent will be doubled.



5.3.2. Product Quality and Responsibility

Cork is the bark of the cork oak tree. It is a natural raw material that is harvested, without harm, from the tree over a nine-year cycle and has a series of properties which make it unique. It is light, waterproof, elastic and compressible, thermally and acoustically insulating, burns slowly and is highly resistant to wear and tear. Moreover, it is totally biodegradable, renewable, recyclable, reusable and can be continually recirculated in the economy.

Cork is an excellent eco-friendly alternative to high-impact non-renewable materials and, in a world in which innovation and ecology go hand in hand, it is creating interest in more and more sectors which are exploiting its characteristics, creating new products and solutions that also help society to adapt, mitigate or correct the impacts of climate change, the dwindling of resources and environmental erosion, leading to industry's transition to a low-carbon economy.

Among the various projects implemented by Corticeira Amorim in this area, the following are of note:

- ✦ Development of 100% natural solutions (Cork Stoppers BU);
- ✦ Launch of WISE flooring solutions (Floor and Wall Coverings BU);
- ✦ Development of IMO-certified primary decking solutions (Composite Cork BU);
- ✦ GreenURBANLIVING, an innovative cork solution for green façades (Insulation Cork BU).



CASE STUDY



Development of 100% Natural Solutions in the Cork Stoppers BU

Objective:

To create a series of solutions with low environmental impact that provide an alternative to plastics. To that end, Amorim Top Series, in partnership with Amorim Cork Composites, has developed a 100% natural composite from granulated cork and natural polymer. This composite allows the production of more sustainable capsules.

Initiatives:

- ✦ Development of composites consisting of cork granules and polymer of natural origin;
- ✦ Characterisation of the aesthetic aspect and physical and mechanical resistance of the product, amongst other things, making it possible to develop optimisation actions;
- ✦ Pre-series production for market presentation.

Results:

This composite broadens the portfolio of Amorim Top Series by making available products with lower environmental impact consisting of at least 50% cork by volume and a 100% natural polymer. Prototype presented in 2018 with launch planned for 2019.

CASE STUDY

Launch of WISE Flooring by the Floor and Wall Coverings BU

Objective:

To introduce onto the market the first generation of Amorim flooring solutions in which sustainability is absolutely central. WISE is an innovative and sustainable solution, a totally PVC-free product, with a negative carbon footprint, made of cork and recycled products.

Initiatives:

Development of a product whose structure is composed of integrated cork underlay followed by an innovative core – Cork Rigid Core – consisting of 94% cork and recycled materials. An additional layer of cork serves to reinforce the acoustic and thermal comfort and it is finished with a cork or wood appearance – natural decoration (cork), digital printing (wood) or non-PVC printed film (wood).

Results:

WISE is a sustainable product with a negative carbon footprint. It is totally PVC-free and has all the main indoor air quality certifications: TUV, A+ and underway Green Guard, Blue Angel, F4stars and EPD. It was launched in January 2019.



CASE STUDY

Development of IMO-Certified Primary Decking by the Composite Cork BU

Objective:

Development of a cork solution for the primary decking of ships in compliance with International Maritime Organization (IMO) safety standards, in particular in terms of fire and smoke performance.

Initiatives:

- ✦ Compiling of requirements and creation of a value proposition. Analysis of international standards;
- ✦ Development of a new outdoor primary decking material in which cork's organic and recyclable nature, lightness and forestry origin meet the needs of green shipbuilding and sustainability in the naval sector.

Results:

- ✦ First cork solution for this purpose to comply with legislation and to stand out for its thermal and light weight properties (weight reduction of over 50%). This solution has unique credentials in economic and sustainability terms, namely with regards to origin, safety and the carbon footprint of materials used on ships in terms of the growing demand for alternative and sustainable solutions;
- ✦ First product from Amorim Cork Composites to be certified in this area. Used on renowned vessels, river cruisers and polar exploration ships, amongst others.



CASE STUDY

GreenURBANLIVING, Innovative Cork Solution for Green Façades by the Insulation Cork BU

Objective:

In a sector traditionally dominated by synthetic materials, this project aims to place expanded cork agglomerate, a 100% natural product, at the heart of new green façade systems.

Initiatives:

Project led by Amorim Isolamentos and developed by a national consortium bringing together the Instituto de Investigação e Desenvolvimento Tecnológico para a Construção, Energia, Ambiente e Sustentabilidade (ITeCons), Neoturf and the Associação Nacional para a Qualidade nas Instalações Prediais (ANQIP). The project is focusing on digitally modelling green roofs and façades that may be irregular in shape with the possibility of establishing different forms of flowerbeds and conceiving roofing systems to be applied in sloping environments.

Results:

A model of roofing which, by using cork, has higher environmental and energy performance than conventional roofing. Among its main technical benefits, also of note is thermal comfort and excellent drainage and retention capacity, with a major contribution to water efficiency in buildings and urban rainwater management.



5.3.3. Local Impact

All agents have an environmental impact. Corticeira Amorim is concerned about these impacts and is implementing measures to mitigate them, adapted to the specific characteristics of each unit:

- ✦ Regular noise measurements and active noise reduction measures, such as encapsulating machinery and engines;
- ✦ Chimney emission controls and specific measures to avoid dust and particle emissions by fitting filters;
- ✦ Employee training on best practices to avoid spills, with spill kits available;
- ✦ Emergency response procedures in force.



5.4. CIRCULAR ECONOMY

o Cork waste

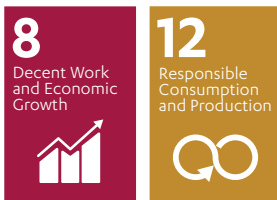
478 tons of recycled cork

90% valorised residues

According to the WBCSD – World Business Council for Sustainable Development, the Circular Economy is a \$ 4,5 trillion opportunity that offers major potential for global economic growth and will also help society accelerate towards a sustainable future.

Corticeira Amorim has identified optimising the use and consumption of cork throughout the production cycle as a key strategy. By-products generated during the cork stopper production process and cork that does not meet production standards are used in other high added-value applications. Cork not suitable for use in such products is used as a source of energy in the form of biomass, deemed neutral in terms of CO₂ emissions.

UN SDGS AND TARGETS



SDG 8.4 Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-year framework of programmes on sustainable consumption and production, with developed countries taking the lead.

SDG 12.2 By 2030, achieve the sustainable management and efficient use of natural resources.

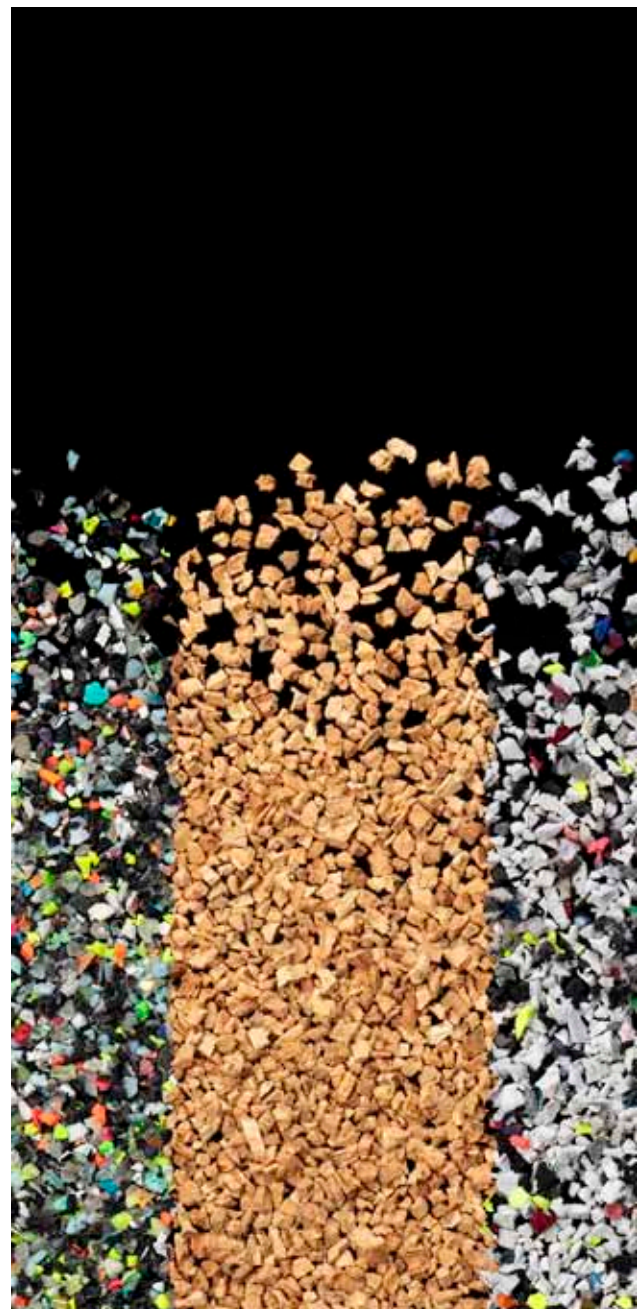
SDG 12.4 By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment.

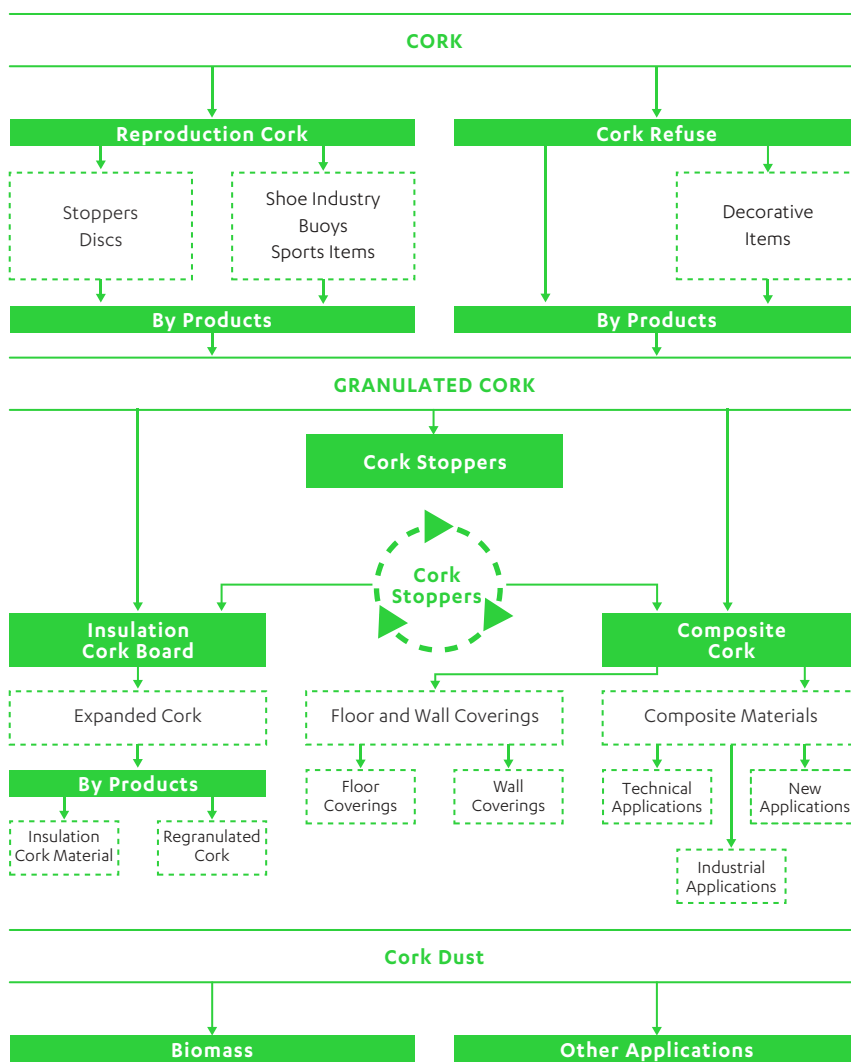
SDG 12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.

As a result, there is no wastage and no cork waste is generated – no cork is lost and everything is used to generate value. Even the raw material generated by the maintenance of cork oak forests (pruning trimmings) is used in the production of floor and wall coverings and insulation cork solutions, as well as for a multiplicity of other purposes. The diagram below illustrates the cork transformation process adopted by Corticeira Amorim, and some of the applications resulting from its integral application, a paradigmatic case of the circular economy.

Since cork is a material that promotes synergies with other materials, in addition to full use of cork, Corticeira Amorim uses by-products from other industries, whenever feasible, thereby saving the planet's natural resources and reducing the problems associated with their depletion .

Within this framework, the main initiatives include the "Circular Economy" project, implemented in the Composite Cork BU and various initiatives for selective collection and recycling of cork, which is noted in subchapter 5.4.1. Recycling Cork.





CASE STUDY

Circular Economy in the Composite Cork BU

Objective:

The creation of Amorim Cork Composites within the Corticeira Amorim group of companies exemplifies the use of by-products and other sources of cork that, due to their technical characteristics, are of little interest for the production of cork stoppers. The development of composite materials, which incorporate by-products from various industries, beyond the world of cork, makes it possible to give life to new products for a wide range of applications in the most diverse business segments. The “circular economy” project consists of identifying and valuing these materials.

Waste products generated by Amorim Cork Composites’ production operations are also incorporated into manufacturing processes. This circular economy model, complemented by other materials, covers several areas of the company, and focuses in particular on innovation, procurement and industrialisation, with the objective of valuing cork, using it in its optimal quantity, in combination with other materials.

Initiatives:

- ✦ Definition of a strategy for large scale procurement and contracting of alternative raw materials;

- ✦ Installation of a new grinding and agglomeration line;
- ✦ Identification and implementation of new agglomeration processes;
- ✦ Development of new products / raw materials based on the circular economy. These products combine cork with other carbon neutral raw materials, raw materials with a negative carbon footprint, or by-products from other industries.

Results:

- ✦ Identification of more than 5 thousand tons of materials of potential interest;
- ✦ Higher than 180% increase in the consumption of this type of material;
- ✦ Increased efficiency and production capacity by more than 260%;
- ✦ Development of a portfolio of new products based on the circular economy.

5.4.1. Recycling cork






One of the environmental advantages of recycling cork lies in the fact that it incorporates carbon absorbed by the cork oak tree, which is held there throughout the cork's lifetime. Increasing the life cycle of cork through recycling delays the release of this carbon back into the atmosphere.

Although not used in cork stoppers, recycled cork can have a second life and be used for a multiplicity of other purposes, extending its life cycle and the related environmental benefits.

Cork stoppers and other cork products are collected, treated and ground at one of three Corticeira Amorim industrial units in Portugal licensed for recycling cork. After being processed into granules, it can be reintegrated into the production process and used to produce composite and insulation cork agglomerates.

The company supports several initiatives for the selective collection and recycling of cork stoppers, a concept that originated in Portugal in 2008 with the launch of the Green Cork project, a partnership between Corticeira Amorim and Quercus, Portugal's leading environmental association. The project was subsequently extended to other countries, including Spain, the US, Canada, France, Italy, the UK, South Africa and Australia. In 2018, 478 tons of cork were recycled through the various programmes, corresponding to 87% stoppers and 13% other products.

The main ongoing initiatives in 2018 are listed below, highlighting the campaign developed in 2018 with the Auchan Group in France.

Program	Description
	<p>Implemented since 2008, Green Cork is a project managed by Quercus to collect cork stoppers for recycling. It is developed in partnership with Corticeira Amorim and several other partners. Its main objectives are to collect cork stoppers and finance the planting of native trees, through the Common Forest project. http://www.greencork.org/participe/</p>
	<p>In operation since 2011, this initiative involves associations and institutions that mobilise around 1 000 volunteers and manage more than 5 000 collection points throughout Italy. For every ton of cork stoppers collected, a donation is made to institutions, thereby financing charity projects, while favouring the circular economy, giving a new lease of life to recycled cork. http://www.amorimcorkitalia.com/campagna-etico</p>
	<p>Launched in France in 2009 with the aim of strengthening customer relations allied to environmental protection and various charity institutions. Today it is the world's biggest cork recycling initiative. http://www.ecobouchon.com/</p>
	<p>The largest cork stopper recycling programme in North America, adopted in 2008 by the Canadian shoe company SOLE. The cork stoppers collected via the project's network of more than 3 000 partners are forwarded to units that transform and subsequently incorporate them into the production of shoe soles produced by SOLE. https://recork.org/</p>
	<p>Launched in 2013 in South Africa, this initiative aims to collect used or surplus cork stoppers to give them a new lease of life. https://www.amorimcork.co.za/about-cork/</p>

CASE STUDY

Cork Stopper Recycling Campaign with Auchan

Objective:

In partnership with the French retail chain Auchan, a recycling campaign was conducted that aimed to raise consumer awareness of the importance of recycling cork stoppers, while emphasising the excellent environmental credentials of this natural raw material.

Initiatives:

During the traditional Autumn Wine Fair, 641 stores in the Auchan chain in France have collected used cork stoppers, by encouraging their customers to take part in one of France's biggest cork recycling initiatives. Subsequently, the corks collected were delivered to Amorim France, which is responsible for forwarding them for recycling.

Results:

The cork oak tree is a biological carbon sink. Using its roots, leaves, trunk and bark – i.e. cork – to retain CO₂ throughout its life cycle. Through recycling, this carbon retention capacity is prolonged. Since launch of the EcoBouchon programme in 2009, over 1 000 tons of cork stoppers have been collected and recycled in France. This recycling programme also has a social responsibility dimension: for every ton of corks collected, Auchan and Corticeira Amorim donate €300 to a charity.



5.4.2. Waste

Corticeira Amorim does not consider cork dust as waste, but uses it as an energy resource.

In 2018, 90% of the total waste generated by Corticiera Amorim was recycled by authorised agents and only 10% was eliminated.

	2018	2017	2016
Hazardous Industrial Waste	373	282	249
Recovery	237	170	116
Disposal	135	112	134
Non – Hazardous Industrial Waste	10,059	8,544	9,559
Recovery	9,114	7,811	8,683
Disposal	945	733	876
Total	10,432	8,826	9,808

(ton)

The company recognises the importance of recovering waste with a view to prolonging its useful life in the economy and reaping the associated benefits and has implemented work processes or technologies to reduce, recycle or reuse waste. In 2018, the most relevant examples of this practice are: the Recupera project of the Floor and Wall Coverings BU and the project to develop an underlay based on composites from the circular economy, in the Composite Cork BU.

It is also important to note the existence of processes in the different manufacturing plants for labelling, storing, handling and transporting dangerous products.

CASE STUDY

Recupera project by the Floor and Wall Coverings BU

Objective:

To incorporate cork waste in new composite cork products. In the production process of Amorim Revestimentos different product families, namely the cutting operation and creation of the locking system, "waste" is generated which, prior to the implementation of this project, had to be sent to landfills. With the *Recupera* project, these surpluses are incorporated into the production processes of technical solutions, using composite cork.

Initiatives:

- ✦ Separation of the surpluses resulting from the cutting operation (polymers vs natural fibres);
- ✦ Treatment and classification in order to be reintroduced into the production process;
- ✦ Incorporation of the waste with polymers into the processes of agglomerating cork composites with polymers (Subertech press);
- ✦ Incorporation of natural fibres into the cork agglomeration processes.

Results:

Project currently underway aimed at incorporating 600 tons per year of cork composite waste in agglomeration processes using the Subertech press and 700 tons per year of natural fibres in cork agglomeration processes.



CASE STUDY

Development of Underlay Based on Composites from the Circular Economy by the Composite Cork BU

Objective:

The circular economy concept and the development of materials which, in addition to being recyclable, use recycled raw materials themselves are increasingly central issues in a competitive market with growing environmental concerns.

With the aim of offering differentiating and sustainable products, Amorim Cork Composites developed an underlay with excellent acoustic and thermal performance. Using the optimal quantity of cork and combining it with other composites from the circular economy, it was possible to create a competitive product that meets the needs of the laminate flooring segment, which is currently the largest slice of the flooring market.

Initiatives:

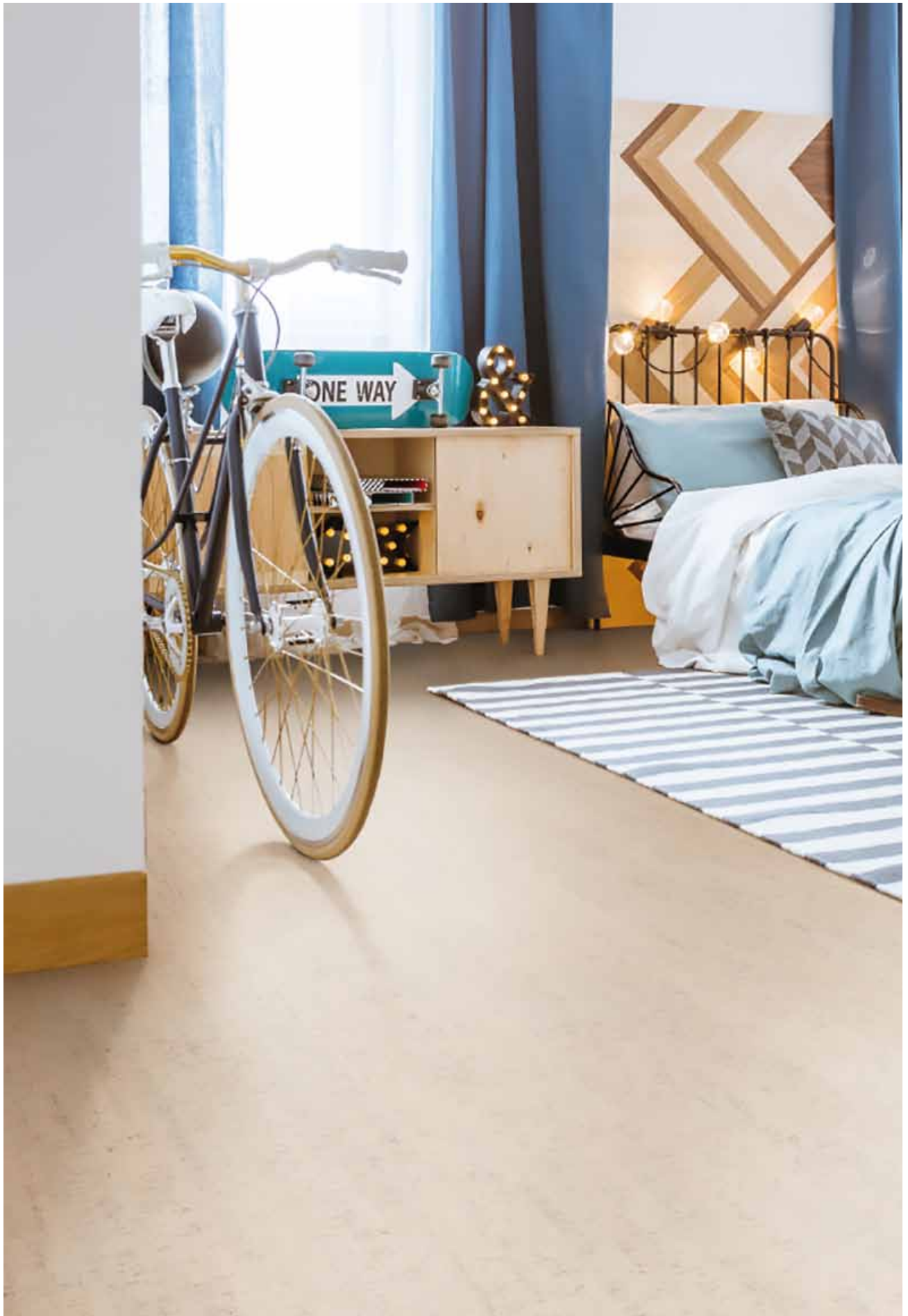
Initially, there was identification of, and procurement from, industries with the greatest potential for waste, as a source of complementary raw materials. After the existence of the raw material was ensured, there was internal development of the product:

- ✦ Definition of the requirements and identification of the main market needs;
- ✦ Development of different iterations, combining cork with different composites in perfect balance until achieving the product that fully complies with all the initially chosen requirements;
- ✦ Performance of tests in accredited laboratories for product certification;

Results:

The product is in full launch phase. The product's characteristics will contribute to bolstering a circular economy business model.





6

PROMOTE PEOPLE'S DEVELOPMENT, SAFETY AND WELL-BEING

Of the employees represented in this report, over 94% belong to industrial-based firms. The indicators shown in this chapter are therefore influenced by the predominance of operational management activities and should be relativized in that sense.

Firms not included in this analysis, whose workers account for around 26% of the population, predominantly encompass commercial and business support activities, which would alter some of the indicators.

6.1. TRAINING AND DEVELOPMENT

100% of employees covered by a collective employment contract (Portugal)

1.35 Ratio of the lowest salary to the national minimum salary (Portugal)

55 Thousand training hours

By developing knowledge, improving skills and increasing community resilience, employee training and development are key pillars of sustainable development. The employee dedication and commitment guarantee is a fundamental directive in Corticeira Amorim's personnel management policies and practices. Ensuring a safe and healthy working environment, promoting the development of skills in a challenging context and driving professional and personal development of its employees are specific aims of the company's human resources, with growing concern and consequent investment in this management area over recent years.

The management of human resources, geared to achieving these strategic objectives, follows people management and motivation policies set out here: <https://www.amorim.com/en/sustainability/integrated-management-system/policies-and-management-system/>. The policies:

- ✦ Adopt and assume the principle of freedom of association;
- ✦ Promote a physically, socially and psychologically safe and healthy work environment and continually seek to evolve by adopting the best techniques and practices in this field;
- ✦ Promote the implementation of the principles and the adoption of the practices set out in the Code of Ethics and Professional Conduct and in public commitments that should characterise internal relations between employees, as well as their interactions with different stakeholders;

- ✦ Implement people management practices in the field of recruitment and skill development that promote non-discrimination and equality of opportunity, building work environments where plurality and difference are a factor for continuous improvement and innovation;
- ✦ Adopt leadership practices by example, which value learning and development, as well as recognition and compensation practices based on merit and exempt from judgments of a discriminatory nature.

UN SDGS AND TARGETS:



SDG 4.3 By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university.

SDG 4.7 By 2030, ensure that all learners acquire the knowledge and skills needed to promote sustainable development, including, among others, through education for sustainable development and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and non-violence, global citizenship and appreciation of cultural diversity and of culture's contribution to sustainable development.

SDG 4.b By 2020, substantially expand globally the number of scholarships available to developing countries, in particular least developed countries, small island developing States and African countries, for enrolment in higher education, including vocational training and information and communications technology, technical, engineering and scientific programmes, in developed countries and other developing countries.

SDG 5.1 End all forms of discrimination against all women and girls everywhere.

SDG 5.2 Eliminate all forms of violence against all women and girls in the public and private spheres, including trafficking and sexual and other types of exploitation.

SDG 5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decisionmaking in political, economic and public life.

SDG 5.c Adopt and strengthen sound policies and enforceable legislation for the promotion of gender equality and the empowerment of all women and girls at all levels.

SDG 8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.

6.1.1. Employment

25% Female workers

84% Employees with permanent employment contract

99% Full time employees

86% Employees in Portugal

The demographic employment indicators did not change significantly in relation to previous years. The overall number of employees increased (in the sustainability and global perimeter) and the hiring structure remained stable (84% permanent employees), as well as the breakdown between male and female employees.

It should be noted that one of the main input streams are production operators in order to respond to variations in business activity. In general, these needs are filled by recruiting male workers, due to the physical demands of the jobs. If we look at other types of categories, in particular management support technicians, we see a trend towards more and more intense recruitment of female employees.

The prevalence of direct employment contracts and, within these, those of permanent employees demonstrates Corticeira Amorim's effective commitment to employment policies that favour stability and the company's medium- and long-term commitment to its workforce.

Total number of employees by professional category, gender and age range

	Age			Gender		Total
	< 30	30 a 50	> 50	Female	Male	
Directors	0	7	16	0	23	
Managers	0	50	42	12	80	
Heads of Department	14	61	25	33	67	
Sales Staff	5	62	26	13	80	
Management Support Technicians	75	114	28	90	127	
Team Leaders	6	42	46	16	78	
Administrative Staff	18	139	68	129	96	
Maintenance, Quality and Logistics Technicians	49	203	109	85	276	
Production Operators	306	1,076	699	453	1,628	
Total 2016	364	1,539	965	716	2,152	2,868
Total 2017	395	1,548	956	737	2,162	2,899
Total 2018	473	1,753	1,060	831	2,455	3,286

Number and rate of turnover and new hires by age range, gender and region

	2018	2017	2016
Number of hires	455	362	339
Rate of new hires	14%	12%	12%
<30	7%	6%	5%
30 a 50	6%	6%	6%
> 50	1%	1%	1%
Female	3%	3%	3%
Male	11%	10%	9%
Portugal	10%	9%	9%
Rest of the World	4%	3%	3%
Number of exits	475	344	323
Turnover rate	14%	12%	11%
<30	4%	4%	3%
30 a 50	6%	5%	5%
> 50	5%	3%	3%
Female	3%	2%	2%
Male	11%	10%	9%
Portugal	11%	9%	8%
Rest of the World	3%	3%	3%

6.1.2. Labour Relations

22% Employees exercise the right to freedom of association

100% Employees covered by collective bargaining agreements between APCOR and the trade unions of the sector (Portugal)

Freedom of association is a right of all Corticeira Amorim employees and is actively exercised by 22% of those covered by this report.

To regulate working conditions in Portugal, collective labour contracts that cover 100% of employees are agreed on by APCOR and the trade unions that represent the sector's workers. This agreement has covered topics such as work schedules, remuneration, access to training, among others. It is worth noting the ratio of 1.35 between the lowest wage agreed in the collective bargaining agreement (€ 775.51) and the national minimum wage.

The different companies also have internal bodies that represent employees (trade union commissions, workers' commissions, occupational health and safety commissions) and participate in various aspects of the day-to-day life of the companies.

In terms of labour relations, it should also be mentioned that the company awards salary bonuses and other supplements of a different nature, among other benefits. In particular employees have access to a hospitalisation insurance policy and workers in the units of the company's head office have access to curative medical consultations; support for the education of employees and their children, through the granting of school grants and merit scholarships to employees' children; two extra days of vacation; recognition and celebratory initiatives throughout the year, that include offering toys to the younger children of employees and Christmas baskets for all employees. There are also programmes implemented to monitor the organisational climate and internal communication plans, which are considered to be fundamental for the involvement and commitment of the employees in the company's day-to-day activities and projects.

The main initiatives include the organisational climate study carried out in the Raw Materials BU and the launch of the Linkpeople platform – a digital platform that enables interactivity between managers and employees (in particular performance management) between employees and human resource management departments and even between employees.

CASE STUDY

Study of the Organisational Climate at the Raw Materials BU

Objective:

Given the need to have an up-to-date portrait of the organisational climate, the Raw Materials BU conducted a study to discover employees' opinions about their working environment and to understand their needs and expectations and the importance and value given to their working environment.

Initiatives:

- ✦ Diagnosis: distribution of questionnaires to all employees, with voluntary involvement in the survey. The questionnaire addresses the most important aspects under climate surveys: communication, teamwork, relations with colleagues and bosses, salaries and recognition;
- ✦ Results analysis: data analysis, comparing the current situation with those in 2011 and 2014;
- ✦ Meeting with the direct bosses of each factory to disclose the results and create an action plan;
- ✦ Creating an action plan: after identifying the lower-scoring issues, an improvement plan was created.

Results:

After changes to the organisational model of the Raw Materials BU, various improvements were implemented in January 2017 with a positive impact on the organisational climate, as the study suggests. Included among the most significant results are:

- ✦ A roughly 18% improvement in all the points obtained in every question compared to the last study in 2014, and over 27% compared to 2011;
- ✦ 97% of the questions have higher results relative to the previous survey;
- ✦ Increased positive responses in the questions on social/sustainability responsibility;

An action plan is currently underway aimed at continuing and improving all points, chiefly those with the lowest scores.



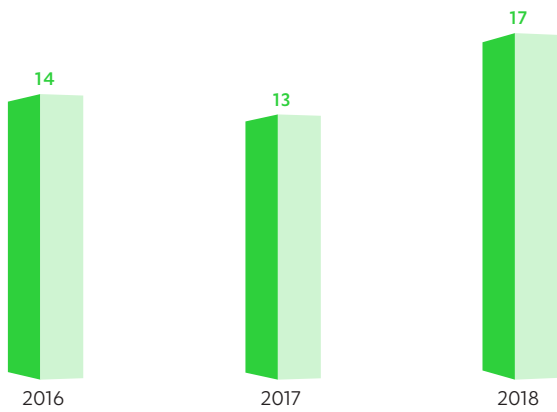
6.1.3. Training and Education

54,847 Total training hours

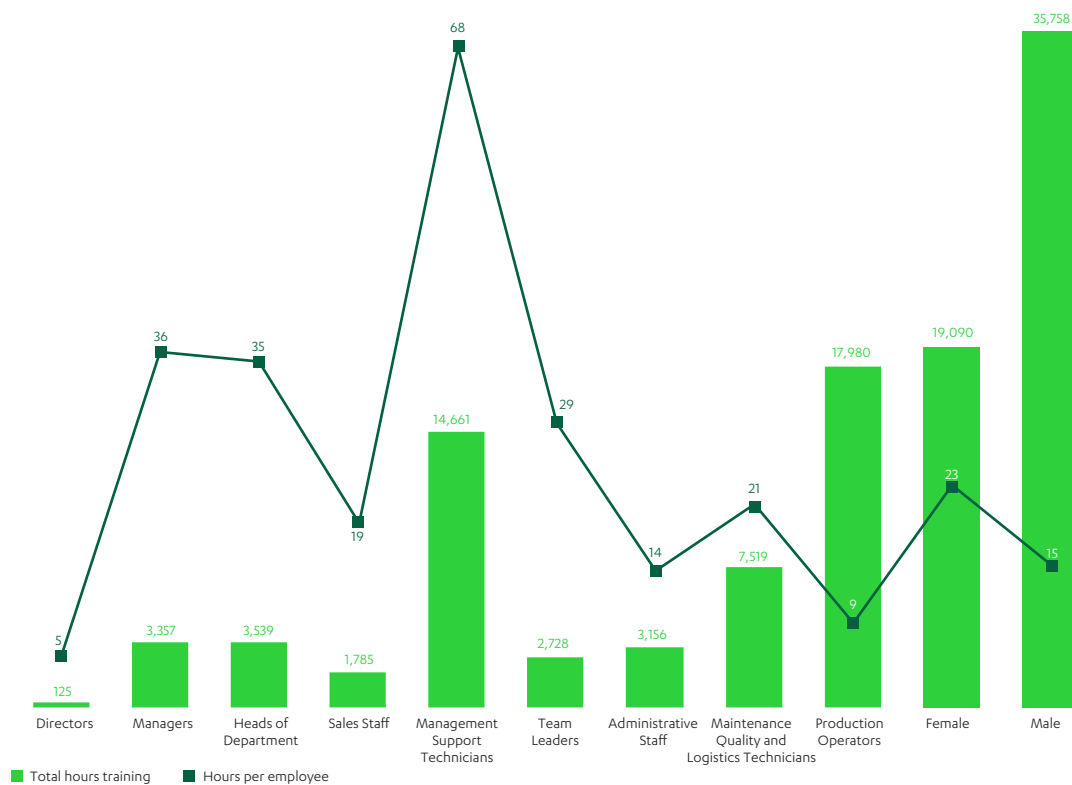
17 Hours of training on average per employee

Corticeira Amorim is aware that the present and future performance of the business is highly dependent on the company's ability to develop its personnel. Emphasising the stability of the workforce, the focus on adapting and developing the abilities and skills will ensure a continual performance that matches employees' ambitions. Whether at the technical level or the management or behavioural level, the company identifies different population segments and acts in an increasingly specific manner on them.

Average number of training hours



Average number of training hours per employee, by gender and professional category



In 2018, there was a significant increase in training hours at Corticeira Amorim. This occurred across the board but focused in particular on production employees and technical and supervisory staff.

It should be highlighted that the project involved implementation of a new ERP (SAP) in the Raw Materials BU and involved a very high number of training hours. In addition to the technical aspects, the effort being made to convert skills to raise the qualifications of the current workforce as far as possible must be stressed. The SAP implementation project that will be introduced successively across all Corticeira Amorim group companies by 2021 includes precisely a “management of change” component with a concern to maximize the likely success of the process, both from the management and behavioural perspective. In addition to this, there is a constant concern to optimise current skills and to enhance the development of new skills and qualifications of current employees without calling the project’s conditions for success into question.

The plans and actions implemented to upgrade occupational health and safety involved investment in training operators and management, contributing to upgrading skills and attitudes in this area.

Also of note are the programmes for young employees (internships for young employees) and direct bosses that add a significant amount to this total.

CASE STUDY

“From Bark to Bottle” Training Programme at the Cork Stoppers BU

Objective:

To promote a deeper knowledge of the business among the company’s employees via theoretical and practical training encompassing all the processes and products, from raw materials to markets and R&D+I, and enhancing people’s involvement with the business and the organisational culture in the context of wine culture and sustainable development.

Initiatives:

A training programme with a heavy practical component developed in the IUs that includes modules on the choice of raw materials and natural stoppers. It is currently held twice a year, taught by 24 trainers including high-level directors, and, due to the proximity to the business, employees from the Raw Materials BU will also take part in the programme, both as trainers and trainees.

Results:

Dynamic in format, the training programme “From Bark to Bottle” contributes to greater knowledge of the business, history and culture of the group, offering a global vision and, simultaneously, an awareness of the group’s hierarchical structure. Equally, it boosts employees’ involvement with the company, conveying a passion for cork, throughout the organisation, and fostering contact with people, processes and products.



6.1.4. Diversity, Equal Opportunities and Non-discrimination

Corticeira Amorim advocates people management and motivation policies that promote non-discrimination and equal opportunity in the recruitment, promotion and training of its employees, as well as in their remuneration and working conditions. The criteria of equity and promoting merit govern decisions in every situation, never factors based on gender, age, race or religion.

Social realities and the gender imbalance found in certain roles and positions in different organisations and institutions is obviously transposed into the organisational reality of Corticeira Amorim, which was founded more than a century ago and is not detached from the context in which it operates.

Corticeira Amorim bases its people management practices on evaluating merit and rewarding performance. The company does not restrict the access of women to any professional positions or categories, nor are increases in remuneration affected by factors that are not based on skills and real performance.

The ratios shown represent a positive change in gender equality. The company's intervention in this area includes, in particular, communication and awareness initiatives for this key issue that currently faces our society and measures aimed at striking a healthy balance between work / family life.

Salary ratio between women and men, by professional category

	2018	2017	2016
Managers	0.7	0.7	0.8
Heads of Department	0.9	0.8	0.7
Sales Staff	0.6	0.5	0.6
Management Support Technicians	0.8	0.9	0.8
Team Leaders	1.2	1.1	1.0
Administrative Staff	1.1	1.1	1.1
Maintenance, Quality and Logistics Technicians	0.9	0.9	0.9
Production Operators	1.0	1.0	1.0

Remuneration ratio between women and men, by professional category

	2018	2017	2016
Managers	0.6	0.7	0.8
Heads of Department	0.9	0.7	0.7
Sales Staff	0.7	0.7	0.7
Management Support Technicians	0.7	0.8	0.8
Team Leaders	1.1	1.0	0.9
Administrative Staff	1.0	1.1	1.0
Maintenance, Quality and Logistics Technicians	0.9	0.8	0.8
Production Operators	0.9	0.9	0.9

6.1.5. Well-being of employees

Corticeira Amorim provides employees with a series of benefits aimed at their well-being in addition to working time and which have a positive impact on reconciling personal and family life, namely:

- ✦ In health terms, most companies in Portugal provide, in addition to mandatory occupational health insurance, curative medicine with the possibility of consultations at least twice a week which is often the level at which various pathologies, including mental health, are first diagnosed. In addition, there is a flu vaccination programme for employees and various types of health screening (ophthalmology, cardiovascular, respiratory, etc.). The BUs also have agreements with clinical laboratories, which take samples at the companies, and pharmacies, which deliver medicines to the facilities;
- ✦ In educational terms, school subsidies are provided annually to all children of employees and student workers to support the purchase of school materials. In addition, it has introduced a scholarship programme for employees' children to pay tuition fees for around 30 young people every year;
- ✦ The company canteens can be used by employees' direct family members and employees may acquire meals to take home, thereby facilitating everyday life in some cases;
- ✦ Two additional days of holiday.



6.2. HEALTH AND SAFETY AT WORK

50% Fewer accidents (2018-2020)

The 2018 International Labour Organisation (ILO) report notes that 2,78 million workers die of injuries (13.7%) and related occupational illnesses (86.3%) every year. It also states that there are nearly one thousand times more injuries caused by illnesses and non-fatal accidents every year than by fatal accidents and that these non-fatal injuries affect 374 million workers every year. Many of these have serious consequences on workers' long-term ability to earn an income.

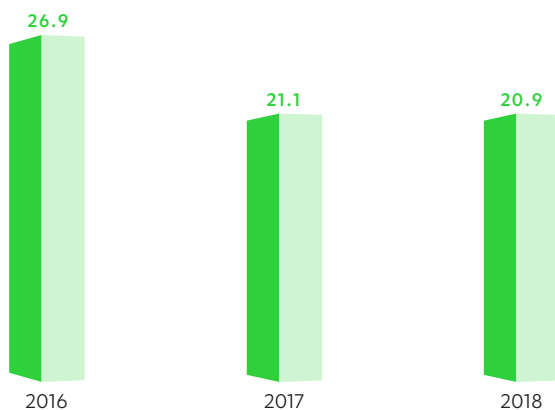
Corticeira Amorim recognises that working conditions are one of the key factors in an organisation's success. This commitment to occupational health and safety (OHS) is evident in the established goal to reduce the number of accidents by more than 50% by 2020, in the investments made, in the continual review of safety plans and in the monitoring of their effectiveness and adequacy to the risks, reiterating the focus on this theme via the staff commitment to specific targets in their personal goals contracts and in the awareness and training of all employees.

On the subject of OHS, the BLUs have implemented concrete measures, structured plans aimed at continual and sustained improvement of the practices and risk prevention, that reduce occurrences and mitigate the effects, with a direct positive impact on the indicators in these areas.

Corticeira Amorim's health and safety goal is for the physical, social and psychological well-being of employees to be a constant in all its companies. Its objectives in this area include:

- ✦ Improve the risk assessment and implementation of health and safety at work;
- ✦ Improve the working conditions and well-being of its employees;
- ✦ Reduce the frequency of work accidents;
- ✦ Reduce the number of days lost due to accidents and occupational illnesses.

Accident frequency index



UN SDGS AND TARGETS



SDG 3.6 By 2020, halve the number of global deaths and injuries from road traffic accidents.

SDG 3.8 Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all.

SDG 3.d Strengthen the capacity of all countries, in particular developing countries, for early warning, risk reduction and management of national and global health risks.

SDG 8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.

Ratios of accidents, professional illnesses, lost days, and absenteeism, and number of work-related fatalities, by region

	2018	2017	2016
Accident frequency index	115	130	159
Portugal	96	118	136
Rest of the world	19	12	23
Numer of fatalities *	0	1	0
Accident frequency index	20.9	21.1	26.9
Portugal	20.0	22.2	26.2
Rest of the world	26.9	14.1	32.2
Work-related illness rate **	7.1	1.6	1.2
Portugal	8.1	1.5	1.3
Rest of the world	0.0	2.3	0.0
Lost working days rate	737	547	583
Portugal	700	515	573
Rest of the world	986	750	659
Absenteeism rate ***	3.7%	3.4%	3.3%
Portugal	3.7%	3.5%	3.4%
Rest of the world	3.6%	3.4%	3.3%

* Accident in itinere in 2017

** Changing criteria for the certification of occupational disease, as well as validation of several cases pending from previous years

*** Change in the calculation according to the methodological notes

The number of occupational accidents fell last year by around 12% and by even more in Portugal (19%). In line with these results, an overall reduction in the frequency index was seen. However, there was a rise in the rate of days lost due to certain accidents, which implied longer recovery periods.

Since the end of 2017, Corticeira Amorim has implemented a plan to combat occupational accidents that encompasses various measures, namely the creation of a hygiene and safety at work forum composed of the OHS areas and by the general directors of each BU. This forum met four times in 2018, promoting discussion of the theme, benchmark results analysis and best practices. Bearing in mind all of the actions set out in the plan, it is believed that the results obtained will be even more visible and relevant in coming years.

In the reporting period, there was a significant rise in the occupational illness rate. The occurrence of new cases in 2018 was similar to previous years, but the noticeable worsening was due to the validation by official bodies of various pending processes and the swifter and more affirmative diagnosis of certain types of pathologies (e.g. tendinitis) as occupational illnesses. It is therefore also recognised that public occupational health services are more active and sensitive towards combating occupational illnesses.

Absenteeism has remained relatively stable and 2018 was no exception. The recorded rise was due to a change in the basis of calculation according to the methodological notes. While not especially bad compared to the average for industrial companies in Portugal, this is an area where improvements are intended in coming years.

Corticeira Amorim complies with all legal requirements, norms and decisions affecting OHS in every country in which it has operations. Good practices in this area include:

- ✘ Regulatory admission and periodical medical examinations in the workplace;
- ✘ Provision of personal protection equipment;
- ✘ Employee training in hygiene and safety adapted to the specific characteristics of each job;
- ✘ Training of all those involved in the working processes, including service providers;
- ✘ Hygiene and safety committees attended by employees and/or employee representatives.

Of note is the external international OHSAS ISO 18001 validation and certification at one of the company's units covering 14% of employees, which is intended to extend. ISO 45001 certification is underway for another five Corticeira Amorim IUs, raising coverage to more than 35% of employees. Workers are also offered voluntary health programmes.

CASE STUDY

Physical Activity Project in the Raw Materials BU

Objective:

Given a workplace accident record of 40%, causing absence due to musculoskeletal disorders, the aim was to develop and implement a physical activity programme among employees that could:

- ✦ Reduce workplace accidents;
- ✦ Improve employees' physical condition;
- ✦ Correct incorrect posture and/or identify alternative ways of completing tasks;
- ✦ Reduce work-related musculoskeletal disorders and resulting occupational illnesses.

Initiatives:

A programme with the following components was developed:

- ✦ Ergonomic risk assessment by bodily area: a risk level is allocated for each task and by bodily area according to the breadth of movement, enforced posture, force and repetition; assessment of manual handling of loads;
- ✦ Assessment of the organisational and physical conditions of the job; diagnosis of the characteristics of the existing working equipment and tools, comparing and adapting them to the ergonomic principles of the anthropometric study of the Portuguese population;
- ✦ Assessment of the worker's personal physical condition to identify the bodily structures most requested for tasks, identifying over-used structures and disuse leading to inactivity and lower tolerance to exertion.

Results:

- ✦ Improvement in the physical condition of almost 100% of employees, proven by the physical assessment indicators;
- ✦ Lower workplace accidents and musculoskeletal disorders (no consequence of this type after implementing the programme);
- ✦ Better team spirit;
- ✦ Boosted discipline and team organisation;
- ✦ General feeling among workers of the benefits of the programme.



6.3. IMPACT ON THE LOCAL COMMUNITY

1,700 students involved in environmental education actions

20,500 trees planted since 2011

> 40 institutions supported every year

Building resilient communities is vital to achieve sustainable development and companies have a key role in this. With over 4 400 workers spread around the globe, Corticeira Amorim recognises the importance of being an active agent in aiding communities to overcome the challenges they face.

Concern for social balance accompanies Corticeira Amorim's almost 150 years of operations. It was one of the first companies to provide all workers with a canteen and a doctor as far back as 1938. Its concept of social responsibility is not limited purely to the strict circle of its workers, extending instead to the surrounding community, seeking to commit to this relationship too.

UN SDGS AND TARGETS



SDG 4.4 By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.

SDG 4.a Build and upgrade education facilities that are child, disability and gender sensitive and provide safe, nonviolent, inclusive and effective learning environments for all.

SDG 8.6 By 2020, substantially reduce the proportion of youth not in employment, education or training.

6.3.1. Natural Choice Programme

The Natural Choice Programme, launched by Corticeira Amorim in 2008, with initiatives that are renewed annually, has as its main objectives:

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

a) Environmental education initiatives

Collaboration with schools, from primary schools to business schools, in Portugal and abroad. Through sessions organised by employees at schools and school visits to the company's facilities, more than 1 700 students participated in 2018 – 800 in school environments and 934 in company environments.

CASE STUDY

From the montado to the Cork Stopper

Objective:

The Municipality of Santarem, with support from Corticeira Amorim, has been promoting the information and environmental awareness campaign - "From the *montado* to the Cork Stopper" to primary and middle schools in the municipality. This initiative aims to arouse the interest of the school community for Portugal's native forest, revealing the cork forest's ecosystem and the importance of the exploitation of cork to ensure conservation of the forests.

Initiatives:

The initiative, which begins in January of each year, foresees that participating schools will collect cork stoppers for recycling, which are forwarded to the Green Cork programme, organised by Quercus, of which the municipality has been a partner since June 2016. The school that collects the largest number of cork stoppers per student, in a 3-month period, is rewarded with a study visit to the Cork and Cork Tree Observatory and a cork forest that is being harvested in Coruche, enabling the students to learn about a species that has high cultural, economic and environmental value.

Results:

More than 395 students from different schools took part in the initiative in 2018, thereby contributing to the Circular Economy.



b) Porto Futuro Programme

Protocol with the Porto Municipal Council that supports the collaboration of Corticeira Amorim with a group of schools in the Portuguese city on transposing business practices to the schools:

- ✦ “Junior Achievement” volunteers – entrepreneurship and financial education – participation of more than 100 volunteers since 2005;
- ✦ Presence at the General Councils of the School Group;
- ✦ Miscellaneous Projects;
- ✦ Donation of computer equipment, floor and wall coverings and insulation materials. Sponsorship of merit awards.



c) Sustainability Forum 2018

A diverse panel of experts was invited to the 2018 edition of Corticeira Amorim’s Sustainability Forum, including Cláudia Coelho and Marta Antas Gago (PwC), Nuno Gaspar Oliveira (Esporão) and Aline Guerreiro (Portal da Construção Sustentável) who discussed important concepts for the industry with employees – such as the impact of the circular economy, trends and sustainability challenges and the value of ecosystem services. It was an opportunity to share key ideas for reflection about the positive impact of sustainability in the cork industry, in particular in relation to forests and the construction industry.

d) Reforestation

In line with initiatives organised in previous years, about 100 volunteers from Corticeira Amorim planted 2 000 cork oak trees in 2018. The initiative took place in the Monte da Torre estate, owned by Galveias Municipal Council.

The initiative was carried out within the framework of the Common Forest project, which aims to create a native forest with high levels of biodiversity and production of ecosystem services, funded by Quercus’ Green Cork – cork stopper collection and recycling project – of which Corticeira Amorim has been a partner since its launch.

By means of this initiative, volunteers from Corticeira Amorim have contributed, since 2011, to the planting of 20 500 native trees in Portugal, the majority of which have been cork oak trees.

e) Other initiatives

The involvement of the company and employees is evident in several initiatives related to sustainability issues – ranging from blood donation campaigns, organisation of sporting events, workshops and various competitions, participation in voluntary rehabilitation of school spaces, participation in humanitarian associations, internal campaigns for collecting books, food and clothing to be donated to social institutions, which require greater involvement with the Community and draw attention to social responsibility, healthy living and environmentally friendly lifestyles. Group companies also encourage the involvement of employees in the “Biological Gardens” project, providing spaces within their premises for the cultivation of vegetable gardens.

CASE STUDY

Decreased Consumption of Plastic Cups in the Cork Stoppers BU

Objective:

Plastic is currently one of the major contaminants of the oceans, interfering with natural biodiversity and causing various imbalances on the planet. Although plastics used by Amorim Champcork are subsequently recycled, their manufacture and recycling consumes energy and causes CO₂ emissions, contributing to the imbalance of ecosystems. The objective of this initiative is to reduce the environmental footprint by reducing consumption of plastic cups in this IU.

Initiatives:

Amorim Champcork consumed more than 7 000 plastic cups a month, equivalent to almost 20 kg of plastic per month. On average, each person consumes 155 cups / year, representing a cost of approximately €1 000 for the unit / year plus the costs related to recycling. By assigning re-usable cups to all employees, the sleeves of plastic cup were removed from the drinks dispensers.

Results:

Although the useful life of the re-usable cups has not yet been determined, this measure has reduced the consumption of single-use plastic cups in the IU. In addition to reduction of the environmental footprint, this measure allows an effective saving of around € 2 000 per year.



6.3.2. Sponsorship and Donations

a) Donations

Over the years Corticeira Amorim has continually pursued a policy of donating materials to institutions of recognised merit with a capacity for social intervention, a practice with an evident social value that helps improve the quality of the services provided by those institutions.

In 2018, several institutions – public, private and associative – benefited from donations of a wide range materials (Corticeira Amorim products, office supplies, computer equipment and other items).

Corticeira Amorim is a leading donor to the Albertina Ferreira de Amorim Foundation, public utility entity, to promote charity initiatives and to foster the ethical, religious, cultural and civilisational aspects of human advancement. The Foundation acts in two primary areas: support for scientific research in the field of cork raw materials, and humanitarian and social support for causes and projects in the communities surrounding Corticeira Amorim companies.

In 2018, it was active in making social, humanitarian and life-supporting interventions through financial support or donations in kind to about 40 institutions in the areas of social insertion, foster care, support for the elderly, fire brigade corporations, hospital units and the Liga Portuguesa Contra o Cancro, among others.

b) Académie Amorim

This is a non-profit organisation, made up of scientists dedicated to wine research, with the objective of optimising the quality of the wine and ensuring that its aging process proceeds as expected. Since 1992 this institution founded in France by members of the third generation of the Amorim family, supports the researchers' work by offering them an annual scholarship that will reward the scientific work developed and contribute to improving knowledge about wine. In 2018, Grégoire Henry & Tristan Destremau, with the VINOVAE project, were awarded the GRAND INNOVATION AND DEVELOPMENT PRIZE. In addition to recognising those who are dedicated to the study of wine and its environment, the Academy promotes thematic forums, to which it invites experts, and interested professionals who share the same passion for wine.



c) Other assistance

Since Corticeira Amorim was founded, it has been a partner of the Bagos D'Ouro Association, an institution dedicated to supporting children and young people in need in the Douro region of Portugal. The Association provides assistance by supporting children's school careers and creating opportunities for developing successful lives. The company is also a founding partner of the Terras de Santa Maria Foundation. Corticeira Amorim is represented on the board of directors of this foundation and annually awards a prize to the best management student at Portugal's Instituto Superior Entre Douro e Vouga (ISVOUGA).

The company also collaborates with numerous national and international initiatives, providing materials, know-how and technical support to the development of educational, research and artistic projects. In 2018, it collaborated with the following entities: Rhode Island School of Design (USA), Pratt Institute (USA), Elon University (USA), Copenhagen Contemporary (Denmark), Bonn Bundeskunsthalle Museum (Denmark), Domaine de Boisbuchet (France), Calouste Gulbenkian Foundation (Portugal) and Centro Cultural de Belém (Portugal).

7

METHODOLOGICAL NOTES

7.1. PERIMETER

There was an alteration to the universe of companies that make up the perimeter considered in the Sustainability Report, in particular by the incorporation of three industrial units belonging to the Cork Stoppers BU: Socori, S.A., Socori Florestal, S.L. and Elfverson & Co. AB.

In chapter 4. Promoting Research, Development and Innovation and Leverage Economic Performance, the values presented are those for the consolidated Corticeira Amorim Group (100% of companies included). In the remaining chapters, the companies included cover 86% of industrial units and 74% of the employees of the Corticeira Amorim at the end of 2018, as shown in the table below:

Company	Location	Country	%
Raw Materials			
Amorim Natural Cork, S.A.	Vale de Cortiças – Abrantes	Portugal	100%
Amorim Florestal, S.A.	Ponte de Sôr	Portugal	100%
Amorim Florestal II, S.A.	Ponte de Sôr	Portugal	100%
Amorim Florestal III, S.A.	Ponte de Sôr	Portugal	100%
Amorim Florestal España, SL	San Vicente Alcántara	Spain	100%
Amorim Florestal Mediterrâneo, SL	Cádiz	Spain	100%
Amorim Tunisié, S.A.R.L.	Tabarka	Tunisia	100%
Comatral – C. de Maroc. de Transf. du Liège, S.A.	Skhirat	Morocco	100%
Société Nouvelle du Liège, S.A. (SNL)	Tabarka	Tunisia	100%
Société Tunisienne d'Industrie Bouchonnière	Tabarka	Tunisia	55%
Cork Stoppers			
Amorim & Irmãos, SGPS, S.A.	Santa Maria Lamas	Portugal	100%
Amorim & Irmãos, S.A.	Santa Maria Lamas	Portugal	100%
Amorim Champcork, SA	Santa Maria Lamas	Portugal	100%
Amorim Top Series, S.A.	Vergada	Portugal	75%
Elfverson & Co. AB	Paryd	Sweden	53%
Equipar, Participações Integradas, Lda.	Coruche	Portugal	100%
Francisco Oller, S.A.	Girona	Spain	92%
Socori, S.A.	Rio Meão	Portugal	60%
Socori Florestal, S.L.	Cáceres	Spain	100%
Floor and Wall Coverings			
Amorim Revestimentos, S.A.	S. Paio de Oleiros	Portugal	100%
Amorim Benelux, BV	Tholen	Netherlands	100%
Amorim Deutschland, GmbH – AR	Delmenhorts	Germany	100%
Amorim Flooring, SA	S. Paio de Oleiros	Portugal	100%
Amorim Flooring (Switzerland) AG	Zug	Switzerland	100%
Amorim Flooring North America Inc.	Hanover – Maryland	U.S.A.	100%
Composite Cork			
Amorim Cork Composites, S.A.	Mozelos	Portugal	100%
Amorim Comp Cork, Lda	Mozelos	Portugal	100%
Amorim Cork Composites Inc.	Trevor – Wisconsin	U.S.A.	100%
Amorim Industrial Solutions – Imobiliária, S.A.	Corroios	Portugal	100%
Isolamentos			
Amorim Isolamentos, S.A.	Vendas Novas	Portugal	100%
Holding Company and Others			
Corticeira Amorim, SGPS, S.A.	Mozelos	Portugal	100%
Amorim Cork Research, Lda.	Mozelos	Portugal	100%
Amorim Cork Services, Lda.	Mozelos	Portugal	100%
Amorim Cork Ventures, Lda	Mozelos	Portugal	100%

7.2. SUPPLY CHAIN – UPSTREAM AND DOWNSTREAM ACTIVITIES IN THE VALUE CHAIN

In the case of energy consumption by suppliers outside the organisation, and since there are no conversion factors in the bibliography that enable accurate data to be determined, Corticeira Amorim has estimated energy consumption, based on the value of emissions and emission factors of its own fuels, and several assumptions had to be made. For this reason, the calculation presented herein is an estimate. Corticeira Amorim aims to continue working to consolidate the methodology used. The figures presented, consider the most important aspects of Corticeira Amorim's value chain, for its activity in Portugal (excluding Socori, S.A.).

In this context, the following activities and assumptions were considered:

- ✦ Upstream and downstream transport and distribution: the quantity of product bought and sold was considered, which corresponds to 95% of the total; emission factors associated with the transportation of products by sea, air and / or road;
- ✦ Residues generated in operations: the total waste produced and the waste sent to the respective recipients were considered; emission factors associated with road transport per ton transported;
- ✦ Business trips: emission figures calculated by the travel agency;
- ✦ Transport of employees: the distance travelled by employees was measured; emission factor associated with road transport by the distance travelled by employees between home-work-home.

The source of information for all the emission factors was the factors published by the GHG Protocol and Defra – Department for Environment, Food & Rural Affairs.

7.3. ECONOMIC PERFORMANCE

The amounts presented refer to Corticeira Amorim's consolidated values (100% of the companies included).

Revenues correspond to the sum of the following items: sales and provision of services; supplementary income; operating subsidies; own works; other operating income; financial income and gains; capital gains from real-estate (after deducting capital losses).

Operating costs do not include depreciation.

Investment in the community includes only the value of donations in cash and does not include contributions and donations in kind.

7.4. ENERGY EFFICIENCY AND CLIMATE CHANGE – ENERGY

In 2018, use was made of the conversion factors used in audits within the framework Energy Intensive Consumption Management System (SGCIE), ministerial order 17313/2008:

Natural Gas (GJ/1000m ³)	37.9
Propane (GJ/t)	46.7
Diesel (GJ/t)	42.8
Gasoline (GJ/t)	44.5
Biomass (cork powder) (GJ/t)	15.7
Biomass (other) (GJ/t)	11.6
Electricity (GJ/kWh)	0.0036

7.5. ENERGY EFFICIENCY AND CLIMATE CHANGE – EMISSIONS

In order to calculate CO₂ emissions, the conversion factors used in the SGCIE audits were considered. In the case of emissions associated with electricity consumption (market-based method), the report used information available at the time of writing from the supplier Endesa. Emissions outside Portugal were considered to be of marginal material importance (about 7%):

Natural Gas (kg CO ₂ /GJ)	64.1
Propane (kg CO ₂ /GJ)	63
Diesel (kg CO ₂ /GJ)	74
Gasoline (kg CO ₂ /GJ)	69.2
Biomass (cork powder) (kg CO ₂ /GJ)	0
Biomass (other) (kg CO ₂ /GJ)	0
Electricity – 2016 supplier (g CO ₂ /kWh)	381.58
Electricity – 2017 supplier (g CO ₂ /kWh)	480.24
Electricity – 2018 supplier (g CO ₂ /kWh) *	480.24
Electricity – location: Portugal (g CO ₂ /kWh)	470.00

*information available to date

7.6. ENERGY EFFICIENCY AND CLIMATE CHANGE – ENERGY INTENSITY AND CARBON INTENSITY

The diversity of Corticeira Amorim's applications and businesses makes it difficult to define an indicator that clearly shows the evolution of CO₂ emissions in relation to activity levels. Over time, efforts have been made to respond to this need by analysing different indicators and in recent years the company has opted for the ratio of emissions to the value of total sales. This indicator involves some limitations, namely those related to the differences between the perimeter considered in the numerator (more restricted) and the perimeter considered in the (broader) denominator. These become more evident in years when there have been material changes in the perimeter of companies under consideration. To maintain the comparability of the indicator, the effect of the acquired companies that are not part of the sustainability perimeter is excluded, in the calculation of the energy intensity and carbon intensity of activities in 2018, with the consolidated sales value considered for that year being €753 million.

7.7. HEALTH AND SAFETY AT WORK

The procedure for calculating the frequency index, the rate of occupational illnesses and the rate of lost days was changed according to the International Labour Organisation (ILO) Code of Practice. The formulas considered are as follows:

- ✦ Frequency index = Number accidents/ Hours of work x 1,000,000.
- ✦ Occupational illness rate = Number of cases of occupational diseases/ Hours of work x 1,000,000.
- ✦ Lost Days Rate = Number of days lost/ Hours of work x 1,000 000.
- ✦ Absenteeism rate = Days of absence/Potential days of work.

There was also a change in the formula for calculation of potential days, in which the accounting of holidays was eliminated, which led to a 17% reduction in the number of potential days, with a direct effect on the absenteeism rate.

For the calculation of the frequency index, only the accidents that give rise to lost days are considered.

To determine the number of days lost, the number of workdays is considered. Counting begins the day after the accident occurs and stops when the employee returns to work.



8

GRI TABLE

GRI ref.	Description	Value / Location																																
GRI 102 – GENERAL DISCLOSURES 2016																																		
Organisational Profile																																		
102-1	Name of the organization	2. Corticeira Amorim – 2.1. Organisational Profile – 2.1.1. Identification																																
102-2	Activities, brands, products, and services	2. Corticeira Amorim – 2.1. Organisational Profile – 2.1.3. Main Products and Services																																
102-3	Location of headquarters	2. Corticeira Amorim – 2.1. Organisational Profile – 2.1.1. Identification																																
102-4	Location of operations	Consolidated Annual Report 31-12-2018 – Worldwide Presence																																
102-5	Ownership and legal form	2. Corticeira Amorim – 2.1. Organisational Profile																																
102-6	Markets served	2. Corticeira Amorim – 2.1. Organisational Profile – 2.1.3. Main Products and Services Consolidated Annual Report 31-12-2018 – Worldwide Presence																																
102-7	Scale of the organization	2. Corticeira Amorim – 2.1. Organisational Profile 6. Promote People's Development, Safety and Well-Being – 6.1. Training and Development – 6.1.1. Employment Consolidated Annual Report 31-12-2018 – Organizational Chart Consolidated Management Report – 10. Consolidated Demonstration of the Financial Position and 11. Main Consolidated Figures																																
		6. Promote People's Development, Safety and Well-Being – 6.1. Training and Development – 6.1.1. Employment																																
		<table border="1"> <thead> <tr> <th>Total number of employees by gender and employment contract</th> <th>2018</th> <th>2017</th> <th>2016</th> </tr> </thead> <tbody> <tr> <td>Woman</td> <td>831</td> <td>737</td> <td>716</td> </tr> <tr> <td>Permanent</td> <td>707</td> <td>630</td> <td>622</td> </tr> <tr> <td>Fixed Term Contract</td> <td>124</td> <td>107</td> <td>94</td> </tr> <tr> <td>Men</td> <td>2,455</td> <td>2,162</td> <td>2,152</td> </tr> <tr> <td>Permanent</td> <td>2,041</td> <td>1,753</td> <td>1,739</td> </tr> <tr> <td>Fixed Term Contract</td> <td>414</td> <td>409</td> <td>413</td> </tr> <tr> <td>TOTAL</td> <td>3,286</td> <td>2,899</td> <td>2,868</td> </tr> </tbody> </table>	Total number of employees by gender and employment contract	2018	2017	2016	Woman	831	737	716	Permanent	707	630	622	Fixed Term Contract	124	107	94	Men	2,455	2,162	2,152	Permanent	2,041	1,753	1,739	Fixed Term Contract	414	409	413	TOTAL	3,286	2,899	2,868
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102-8	Information on employees and other workers	<table border="1"> <thead> <tr> <th>Total number of employees by region and employment contract</th> <th>2018</th> <th>2017</th> <th>2016</th> </tr> </thead> <tbody> <tr> <td>Portugal</td> <td>2,810</td> <td>2,469</td> <td>2,447</td> </tr> <tr> <td>Permanent</td> <td>2,312</td> <td>1,991</td> <td>1,966</td> </tr> <tr> <td>Fixed Term Contract</td> <td>498</td> <td>478</td> <td>481</td> </tr> <tr> <td>Rest of the World</td> <td>476</td> <td>430</td> <td>421</td> </tr> <tr> <td>Permanent</td> <td>436</td> <td>392</td> <td>395</td> </tr> <tr> <td>Fixed Term Contract</td> <td>40</td> <td>38</td> <td>26</td> </tr> <tr> <td>TOTAL</td> <td>3,286</td> <td>2,899</td> <td>2,868</td> </tr> </tbody> </table>	Total number of employees by region and employment contract	2018	2017	2016	Portugal	2,810	2,469	2,447	Permanent	2,312	1,991	1,966	Fixed Term Contract	498	478	481	Rest of the World	476	430	421	Permanent	436	392	395	Fixed Term Contract	40	38	26	TOTAL	3,286	2,899	2,868
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GRI ref.	Description	Value / Location
102-9	Supply chain	2. Corticeira Amorim – 2.4. Supply Chain
102-10	Significant changes to the organization and its supply chain	In 2018, Corticeira Amorim announced the acquisition of 70% of the Elfverson & Co. AB and 100% of the Cosabe – Companhia Silvo-Agrícola da Beira, S.A.
102-11	Precautionary Principle or approach	Corporate Governance Report – C. Internal Organisation
102-12	External initiatives	2. Corticeira Amorim – 2.3. Principles and Policies – 2.3.5. Voluntary Commitments
102-13	Membership of associations	2. Corticeira Amorim – 2.1. Organisational Profile – 2.1.4. Participation in Associations
Strategy and Analysis		
102-14	Statement from senior decision-maker	Consolidated Annual Report 31-12-2018 – Chairman’s letter
102-15	Key impacts, risks, and opportunities	Consolidated Management Report – 14. Business Risks and Uncertainties
Ethics and Integrity		
102-16	Values, principles, standards, and norms of behaviour	2. Corticeira Amorim – 2.2. People and Culture and 2.3. Principles and Policies
102-17	Mechanisms for advice and concerns about ethics	2. Corticeira Amorim – 2.3. Principles and Policies
Governance		
102-18	Governance structure	3. Sustainability Management and Strategy – 3.1. Sustainability Management Structure Corporate Governance Report – B. Corporate Boards and Committees, II. Management and Supervision, a) Composition
102-24	Nominating and selecting the highest governance body	Corporate Governance Report – B. Corporate Board and Committees
Stakeholder Engagement		
102-40	List of stakeholder groups	3. Sustainability Management and Strategy – 3.2. Engagement with Stakeholders
102-41	Collective bargaining agreements	6. Promote People’s Development, Safety and Well-Being – 6.1. Training and Development – 6.1.2. Labour Relations
102-42	Identifying and selecting stakeholders	3. Sustainability Management and Strategy – 3.2. Engagement with Stakeholders – 3.2.1. Corticeira Amorim’s Stakeholders
102-43	Approach to stakeholder engagement	3. Sustainability Management and Strategy – 3.2. Engagement with Stakeholders – 3.2.2. Main Means of Communication
102-44	Key topics and concerns raised	3. Sustainability Management and Strategy – 3.2. Engagement with Stakeholders – 3.2.3. Consultation 3.3. Sustainable Development Priorities
Report Profile		
102-45	Entities included in the consolidated financial statements	1. About the Sustainability Report 7. Methodological Notes – 7.1. Perimeter
102-46	Defining report content and topic Boundaries	1. About the Sustainability Report
102-47	List of material topics	1. About the Sustainability Report
102-48	Restatements of information	1. About the Sustainability Report 7. Methodological Notes
102-49	Changes in reporting	1. About the Sustainability Report 7. Methodological Notes – 7.1. Perimeter
102-50	Reporting period	1. About the Sustainability Report
102-51	Date of most recent report	Sustainability Report 2017, covering the years 2016 and 2017.
102-52	Reporting cycle	1. About the Sustainability Report
102-53	Contact point for questions regarding the report	1. About the Sustainability Report

GRI ref.	Description	Value / Location
102-54	Claims of reporting in accordance with the GRI Standards	1. About the Sustainability Report
102-55	GRI content index	Present table
102-56	External assurance	1. About the Sustainability Report

GRI 200 – ECONOMIC STANDARDS 2016

Material Aspect: 201 – Economic Performance 2016

103 – Management Approach 2016	Generic Management Approach	<p>1 – The material topics of Corticeira Amorim were based on the comparison of the results from stakeholders consultation with the company's internal perspective. In direct relation to economic performance, the topic "Economic Performance" was considered a topic with a high materiality (materiality matrix – 1. About the Sustainability Report).</p> <p>2 – Corticeira Amorim has over the years promoted several initiatives related to economic performance (4. Promote R & D + I and Leverage Economic Performance).</p> <p>3 – Corticeira Amorim performs the measurement and monitoring of the indicators associated with this aspect and reports them in this Report (4. Promote R & D + I and Leverage Economic Performance – 4.2. Economic Performance).</p>
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201-1	Direct economic value generated and distributed	4. Promote R & D + I and Leverage Economic Performance – 4.2. Economic Performance 7. Methodological Notes – 7.1. Perimeter and 7.3. Economic Performance
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201-2	Financial implications and other risks and opportunities due to climate change	Consolidated Management Report – 14. Business Risks and Uncertainties Corporate Governance Report – C. Internal Organisation, III. Control and Risk Management 4. Promote R & D + I and Leverage Economic Performance 5. Promote the Environmental Features of the Product and the montado – 5.1. Promotion of the montado, Its Biodiversity and Ecosystem Services and 5.2. Energy Efficiency and Climate Change and 5.3. Product Environmental Impact and 5.4. Circular Economy
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201-3	Defined benefit plan obligations and other retirement plans	4. Promote R & D + I and Leverage Economic Performance – 4.2. Economic Performance 6. Promote People's Development, Safety and Well-Being – 6.1. Training and Development – 6.1.2. Labour Relations
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Aspect Gri 202 – Market Presence 2016

202-1	Ratios of standard entry level wage by gender compared to local minimum wage	6. Promote People's Development, Safety and Well-Being – 6.1. Training and Development – 6.1.2. Labour Relations
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Aspect Gri 204 – Procurement Practices 2016

204-1	Proportion of spending on local suppliers	2. Corticeira Amorim – 2.4. Supply Chain – 2.4.1. Procurement and Supply of Cork and 2.4.2. Procurement and Supply of Non-Cork Products
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Aspect Gri 205 – Anti-Corruption 2016

205-1	Operations assessed for risks related to corruption	2. Corticeira Amorim – 2.3. Principles and Policies – 2.3.3. Corruption and Bribery
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205-3	Confirmed incidents of corruption and actions taken	2. Corticeira Amorim – 2.3. Principles and Policies – 2.3.3. Corruption and Bribery
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Material Aspect: Research, development and innovation

103 – Management Approach 2016	Generic Management Approach	<p>1 – The material topics of Corticeira Amorim were based on the comparison of the results from the stakeholders consultation with the company's internal perspective. In direct relation to research, development and innovation, the topic "Research, Development and Innovation" was considered a topic with a high materiality (materiality matrix – 1. About the Sustainability Report).</p> <p>2 – Corticeira Amorim has over the years promoted several initiatives relating to research, development and innovation (4. Promote R & D + I and Leverage Economic Performance).</p> <p>3 – Corticeira Amorim performs the measurement and monitoring of the indicators associated with this aspect and reports them in this Report (4. Promote R & D + I and Leverage Economic Performance – 4.1 Research, Development and Innovation).</p>
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GRI ref.	Description	Value / Location
	Average annual investment	4. Promote R & D + I and Leverage Economic Performance – 4.1. Research, Development and Innovation
	Submission of patents	4. Promote R & D + I and Leverage Economic Performance – 4.1. Research, Development and Innovation

GRI 300 – ENVIRONMENTAL STANDARDS 2016

Material Aspect: Gri 302 – Energy 2016

103 – Management Approach 2016	Generic Management Approach	<p>1 – The material topics of Corticeira Amorim were based on the comparison of the results from stakeholders consultation with the Company’s internal perspective. In direct relation to energy, the topic “Energy Efficiency and Climate Change” was considered a topic with a high materiality (materiality matrix – 1. About the Sustainability Report).</p> <p>2 – Corticeira Amorim has promoted over the years several initiatives related to energy consumption (5. Promote the Environmental Features of the Product and the montado).</p> <p>3 – Corticeira Amorim performs the measurement and monitoring of the indicators associated with this aspect and reports them in this Report – 5.2. Energy Efficiency and Climate Change – 5.2.1. Energy – 5.2.2 Energy Intensity).</p>
	Specific Management Approach	Some Corticeira Amorim units are covered by regulations of the Management System of Intensive Energy Consumption (SGCIE)
302-1	Energy consumption within the organization	5. Promote the Environmental Features of the Product and the montado – 5.2. Energy Efficiency and Climate Change – 5.2.1. Energy 7. Methodological Notes – 7.4. Energy Efficiency and Climate Change – Energy
302-2	Energy consumption outside of the organization	2. Corticeira Amorim – 2.4. Supply Chain – 2.4.3. Transport, Upstream and Downstream Activities in the Value Chain 7. Methodological Notes – 7.2 Supply Chain – Upstream and Downstream Activities in the Value Chain
302-3	Energy intensity	5. Promote the Environmental Features of the Product and the montado – 5.2. Energy Efficiency and Climate Change – 5.2.2. Energy Intensity 7. Methodological Notes – 7.6. Energy Efficiency and Climate Change Energy Intensity and Carbon Intensity
302-4	Reduction of energy consumption	5. Promote the Environmental Features of the Product and the montado – 5.2. Energy Efficiency and Climate Change – 5.2.2. Energy Intensity
302-5	Reductions in energy requirements of products and services	5. Promote the Environmental Features of the Product and the montado – 5.2. Energy Efficiency and Climate Change – 5.2.1. Energy and 5.2.2. Energy Intensity

Material Aspect: Gri 303 – Water 2016

103 – Management Approach 2016	Generic Management Approach	<p>As product environmental impact management involves the “Water Management and Use” and “Product Quality and Responsibility” topics, these topics are considered material to respond to the GRI Standards 2016. For purposes of responding to Generic Management Approach 2016, the following paragraph should be considered:</p> <p>1 – The material topics of Corticeira Amorim were based on the comparison of the results from stakeholders consultation with the Company’s internal perspective. In direct relation to water, the topic “Product Environmental Impact” was considered a topic with a high materiality (materiality matrix – 1. About the Sustainability Report).</p> <p>2 – Corticeira Amorim has over the years promoted several initiatives related to product environmental impact (5. Promote the Environmental Features of the Product and the montado).</p> <p>3 – Corticeira Amorim performs the measurement and monitoring of the indicators associated with this aspect and reports them in this Report (5. Promote the Environmental Features of the Product and the montado – 5.3. Product Environmental Impact – 5.3.1. Water Management and Use – 5.3.2. Product Quality and Responsibility).</p>
303-1	Water withdrawal by source	5. Promote the Environmental Features of the Product and the montado – 5.3. Product Environmental Impact – 5.3.1. Water Management and Use

GRI ref.	Description	Value / Location
Material Aspect: Gri 304 – Biodiversity 2016		
103 – Management Approach 2016	Generic Management Approach	<p>1 – The material topics of Corticeira Amorim were based on the comparison of the results from stakeholders consultation with the Company's internal perspective. With direct relation to biodiversity, the topic "Promotion of the montado, Its Biodiversity and Ecosystem Services " was considered a topic with a high materiality (materiality matrix – 1. About the Sustainability Report).</p> <p>2 – Corticeira Amorim has promoted over the years several initiatives related to biodiversity (5. Promote the Environmental Features of the Product and the montado).</p> <p>3 – Corticeira Amorim performs the measurement and monitoring of the indicators associated with this aspect and reports them in this Report (5. Promote the Environmental Features of the Product and the montado – 5.1. Promotion of the montado, Its Biodiversity and Ecosystem Services).</p>
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	5. Promote the Environmental Features of the Product and the montado – 5.1. Promotion of the montado, Its Biodiversity and Ecosystem Services – 5.1.4. Location of Operations
304-2	Significant impacts of activities, products, and services on biodiversity	5. Promote the Environmental Features of the Product and the montado – 5.1. Promotion of the montado, Its Biodiversity and Ecosystem Services – 5.1.1. Increasing knowledge relating to the impact of cork products and the ecosystem they make viable and 5.1.2. Forestry Intervention Project and 5.1.3. Acquisition of the Herdade da Baliza estate
Material Aspect: Gri 305 – Emissions 2016		
103 – Management Approach 2016	Generic Management Approach	<p>1 – The material topics of Corticeira Amorim were based on the comparison from stakeholders consultation with the Company's internal perspective. In direct relation to emissions, the topic "Energy Efficiency and Climate Change" was considered a topic with a high materiality (materiality matrix – 1. About the Sustainability Report).</p> <p>2 – Corticeira Amorim has promoted over the years several initiatives related to emissions (5. Promote the Environmental Features of the Product and the montado).</p> <p>3 – Corticeira Amorim performs the measurement and monitoring of the indicators associated with this aspect and reports them in this Report (5. Promote the Environmental Features of the Product and the montado – 5.2. Energy Efficiency and Climate Change – 5.2.3. Emissions – 5.2.4. Carbon Intensity).</p>
	Specific Management Approach	Some Corticeira Amorim units are covered by regulations of the Management System of Intensive Energy Consumption (SGCIE)
305-1	Direct (Scope 1) GHG emissions	5. Promote the Environmental Features of the Product and the montado – 5.2. Energy Efficiency and Climate Change – 5.2.3. Emissions 7. Methodological Notes – 7.5. Energy Efficiency and Climate Change – Emissions
305-2	Energy indirect (Scope 2) GHG emissions	5. Promote the Environmental Features of the Product and the montado – 5.2. Energy Efficiency and Climate Change – 5.2.3. Emissions 7. Methodological Notes – 7.5. Energy Efficiency and Climate Change – Emissions
305-3	Other indirect (Scope 3) GHG emissions	2. Corticeira Amorim – 2.4. Supply Chain – 2.4.3. Transport, Upstream and Downstream Activities in the Value Chain 7. Methodological Notes – 7.2. Supply Chain – Upstream and Downstream Activities in the Value Chain
305-4	GHG emissions intensity	5. Promote the Environmental Features of the Product and the montado – 5.2. Energy Efficiency and Climate Change – 5.2.4. Carbon Intensity 7. Methodological Notes – 7.6. Energy Efficiency and Climate Change – Energy Intensity and Carbon Intensity
305-5	Reduction of GHG emissions	5. Promote the Environmental Features of the Product and the montado – 5.2. Energy Efficiency and Climate Change – 5.2.4. Carbon Intensity

GRI ref.	Description	Value / Location
Material Aspect: Gri 306 – Effluents And Waste 2016		
103 – Management Approach 2016	Generic Management Approach	<p>1 – The material topics of Corticeira Amorim were based on the comparison of the results from stakeholders consultation with the Company’s internal perspective. In direct relation to effluents and waste, the topic “Circular Economy” was considered a topic with a high materiality (materiality matrix – 1. About the Sustainability Report).</p> <p>2 – Corticeira Amorim has promoted over the years several initiatives related to the management of effluents and waste (5. Promote the Environmental Features of the Product and the montado).</p> <p>3 – Corticeira Amorim performs the measurement and monitoring of the indicators associated with this aspect and reports them in this Report (5. Promote the Environmental Features of the Product and the montado – 5.4. Circular Economy – 5.4.2. Waste and 5.4.1. Recycling of Cork).</p>
306-2	Waste by type and disposal method	5. Promote the Environmental Features of the Product and the montado – 5.4. Circular Economy – 5.4.2. Waste
Aspect: Gri 307 – Environmental Compliance 2016		
307-1	Non-compliance with environmental laws and regulations	There are no fines or non-monetary penalties for non-compliance with environmental laws and regulations.
Aspect: Gri 308 – Supplier Environmental Assessment 2016		
308-2	Negative environmental impacts in the supply chain and actions taken	2. Corticeira Amorim – 2.3. Principles and Policies and 2.4. Supply Chain
GRI 400 – SOCIAL STANDARDS 2016		
Material Topic: Gri 401 – Employment 2016		
103 – Management Approach 2016	Generic Management Approach	<p>1 – The material topics of Corticeira Amorim were based on the comparison of the results from stakeholders consultation with the Company’s internal perspective. In direct relation to employment, the topic “Training and Development” was considered a topic with a high materiality (materiality matrix – 1. About the Sustainability Report).</p> <p>2 – Corticeira Amorim has promoted over the years several initiatives related to employment (6. Promote People’s Development, Safety and Well-Being).</p> <p>3 – Corticeira Amorim performs the measurement and monitoring of the indicators associated with this aspect and reports them in this Report (6. Promote People’s Development, Safety and Well-Being – 6.1. Training and Development – 6.1.1. Employment).</p>
	Specific Management Approach	<p>The work performed in Corticeira Amorim ‘s supply chain takes place in compliance with institutional and legal structures.</p> <p>The working conditions in Corticeira Amorim ‘s supply chain meet the labour legislation in each geography where the activity is developed.</p>
401-1	New employee hires and employee turnover	6. Promote People’s Development, Safety and Well-Being – 6.1. Training and Development – 6.1.1. Employment
Material Topic: Gri 402 – Labour / Management Relations 2016		
103 – Management Approach 2016	Generic Management Approach	<p>1 – The material topics of Corticeira Amorim were based on the comparison of the results from stakeholders consultation with the Company’s internal perspective. In direct relation to labour relations, the topic “Training and Development” was considered a topic of high materiality (materiality matrix – 1. About the Sustainability Report).</p> <p>2 – Corticeira Amorim has promoted over the years several initiatives related to labour relations (6. Promote People’s Development, Safety and Well-Being).</p> <p>3 – Corticeira Amorim performs the measurement and monitoring of the indicators associated with this aspect and reports them in this Report (6. Promote People’s Development, Safety and Well-Being – 6.1. Training and Development – 6.1.2. Labour Relations).</p>
	Specific Management Approach	<p>The work performed in Corticeira Amorim ‘s supply chain takes place in compliance with institutional and legal structures.</p> <p>The working conditions in Corticeira Amorim ‘s supply chain meet the labour legislation in each geography where the activity is developed.</p>
402-1	Minimum notice periods regarding operational changes	Regulations concerning prior notice relating to the work location (in particular those that require subsequent amendment) complied with by Corticeira Amorim.

GRI ref. Description

Value / Location

MATERIAL TOPIC: GRI 403 – OCCUPATIONAL HEALTH AND SAFETY 2016

103 -
Management
Approach
2016

Generic Management Approach

1 – The material topics of Corticeira Amorim were based on the comparison of the results from stakeholders consultation with the Company’s internal perspective. In direct relation to health and safety at work, the topic “Health and Safety at Work” was considered a topic with a high materiality (materiality matrix – 1. About the Sustainability Report).

2 – Corticeira Amorim has promoted over the years several initiatives related to health and safety at work (6. Promote People’s Development, Safety and Well-Being).

3 – Corticeira Amorim performs the measurement and monitoring of the indicators associated with this aspect and reports them in this Report (6. Promote People’s Development, Safety and Well-Being – 6.2 Health and Safety at Work).

Specific Management Approach

The work performed in Corticeira Amorim ‘s supply chain takes place in compliance with institutional and legal structures.

The working conditions in Corticeira Amorim ‘s supply chain meet the labour legislation in each geography where the activity is developed.

6. Promote People’s Development, Safety and Well-Being – 6.2 Health and Safety at Work | 7. Methodological Notes – 7.7. Health and Safety at Work

403-2

Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities

Ratios of accidents, professional illnesses, lost days, and absenteeism, and number of work-related fatalities, by gender			
	2018	2017	2016
Accident frequency index	115	130	159
Female	9	21	32
Male	106	109	127
Accident frequency index	20.9	21.1	26.9
Female	6.7	14.3	22.1
Male	25.4	23.2	28.4
Work-related illness rate	** 7.1	1.6	1.2
Female	10.5	0.0	0.7
Male	6.0	2.1	1.3
Lost working days rate	737	547	583
Female	433	304	486
Male	800	623	614
Absenteeism rate	*** 3.7%	3.4%	3.3%
Female	4.8%	4.3%	3.9%
Male	3.3%	3.1%	3.1%

** Changing criteria for the certification of occupational disease, as well as validation of several cases pending from previous years

*** Change in the calculation according to the methodological notes

Number of injury and work-related fatalities, for all workers (excluding employees) whose work, or workplace, is controlled by the organization, by gender		
	2018	2017
Number of accidents in the workplace	26	13
Female	2	0
Male	24	13
Number of fatalities	0	0
Female	0	0
Male	0	0

GRI ref.	Description	Value / Location
Material Aspect: Gri 404 – Training And Education 2016		
103 – Management Approach 2016	Generic Management Approach	<p>1 – The material topics of Corticeira Amorim were based on the comparison of the results of the stakeholders consultation with the Company’s internal perspective. In direct relation to training and education, the topic “Training and Development” was considered a topic with a high materiality (materiality matrix – 1. About the Sustainability Report).</p> <p>2 – Corticeira Amorim has promoted through the years several initiatives related to training and education (6. Promote People’s Development, Safety and Well-Being).</p> <p>3 – Corticeira Amorim performs the measurement and monitoring of the indicators associated with this aspect and reports them in this Report (6. Promote People’s Development, Safety and Well-Being – 6.1. Training and Development – 6.1.3. Training and Education).</p>
404-1	Average hours of training per year per employee	6. Promote People’s Development, Safety and Well-Being – 6.1. Training and Development – 6.1.3. Training and Education
Material Topic: Gri 405 – Diversity And Equal Opportunity 2016		
103 – Management Approach 2016	Generic Management Approach	<p>1 – The material topics of Corticeira Amorim were based on the comparison of the results from stakeholders consultation with the Company’s internal perspective. In direct relation to diversity and equal opportunities, the topic “Training and Development” was considered a topic with a high materiality (materiality matrix – 1. About the Sustainability Report).</p> <p>2 – Corticeira Amorim has promoted over the years several initiatives related to diversity and equal opportunities (6. Promote People’s Development, Safety and Well-Being).</p> <p>3 – Corticeira Amorim performs the measurement and monitoring of the indicators associated with this aspect and reports them in this Report (6. Promote People’s Development, Safety and Well-Being – 6.1. Training and Development – 6.1.4. Diversity and Equal Opportunities and Non-Discrimination).</p>
	Specific Management Approach	Corticeira Amorim advocates a policy of management and motivation of people that promotes non-discrimination of any kind, equal opportunities in recruitment, promotion and training of employees, remuneration and working conditions.
405-1	Diversity of governance bodies and employees	6. Promote People’s Development, Safety and Well-Being – 6.1. Training and Development – 6.1.1. Employment and 6.1.4. Diversity and Equal Opportunities and Non-Discrimination
405-2	Ratio of basic salary and remuneration of women to men	6. Promote People’s Development, Safety and Well-Being – 6.1. Training and Development – 6.1.4. Diversity and Equal Opportunities and Non-Discrimination
Aspect: Gri 413 – Local Communities 2016		
413-1	Operations with local community engagement, impact assessments, and development programs	6. Promote People’s Development, Safety and Well-Being – 6.3. Impact on the Local Community
Aspect: Gri 414 – Supplier Social Assessments 2016		
414-2	Negative social impacts in the supply chain and actions taken	2. Corticeira Amorim – 2.3. Principles and Policies and 2.4. Supply Chain

Mozelos, 15 February 2019

The Board of Directors of Corticeira Amorim, S.G.P.S., S.A.

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INDEPENDENT VERIFICATION REPORT



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Independent Limited Assurance Report of the Sustainability Report

(Free translation from the Original Independent Limited Assurance Report in Portuguese dated March 20, 2019,
in case of any discrepancy, the Portuguese version always prevails.)

To the Board of Directors of
Corticeira Amorim S.G.P.S., S.A.

Introduction

1. We were contracted by the Board of Directors of Corticeira Amorim S.G.P.S., SA to proceed with the independent review of the 2018 Sustainability Report (hereinafter the "Sustainability Report") included in the "Report and Accounts 2018", relating to the sustainability activities carried out from 1 January to 31 December 2018.

Responsibilities

2. The Board of Directors is responsible for preparing the "Sustainability Report", and to maintain an appropriate internal control system that allows the information presented to be free of material misstatements due to fraud or error.
3. It is our responsibility to issue a limited assurance report, professional and independent, based on the procedures performed and described in the "Scope" section below.

Scope

4. Our review procedures have been planned and executed in accordance with the international Standard on Assurance Engagements (ISAE 3000, Revised) - "Assurance engagements other than Audits and Reviews of Historical Financial Information", for a limited level of assurance.
5. A limited assurance engagement consists mainly in the formulation of questions to those in charge of the organization and in analytical procedures, including review tests on a sample basis. Therefore, the assurance provided by these procedures is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our independent review procedures comprised the following:
 - Conducting interviews with Management, in order to understand how the information system is structured and assess their level of knowledge of the topics addressed in the report;
 - Review of the processes, criteria and systems adopted to collect, consolidate, report and validate the data for the year 2018;
 - Analytical review, on a sample basis, of the data calculated by Management, and verification of quantitative and qualitative information disclosed in the report;
 - Confirmation on how collection, consolidation, validation and report procedures are being implemented in selected operating units;
 - Verification of the conformity of the information included in the non-financial information statements with the results of our work.

Sociedade Anónima - Capital Social 1.335.000 euros - Inscrição N.º 176 na Ordem dos Revisores Oficiais de Contas - Inscrição N.º 20161490 na Comissão do Mercado de Valores Mobiliários
Comércio N.º 505 988 283 - C. R. Comercial de Lisboa sob o número 40269 - Sede: Av. da República, 90 - 5.º - 1000-006 Lisboa
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6. Regarding sustainability reporting standards of the Global Reporting Initiative – GRI Standards 2016, we performed a review of the self-evaluation made by Management of the adopted option to apply the GRI Standards 2016 and conformity with Article 508 G of the Portuguese Companies Act (Código das Sociedades Comerciais) and 245 A, paragraph r) of the Securities Market Code (Código do Mercado dos Valores Mobiliários) with respect to non-financial and diversity disclosures.

Quality and independence

7. Our firm applies International Standard on Quality Control 1 (ISQC 1), and consequently maintains a global quality control system which includes documented policies and procedures relating to compliance with ethical requirements, professional standards, and the legal and regulatory provisions applicable and we comply with the independence and ethical requirements of the International Ethics Standards Board for Accountants (IESBA) Code of Ethics and the Code of Ethics of the Order of Chartered Accountants (OROC).

Conclusion

8. Based on our work, nothing has come to our attention that causes us to believe that the systems and procedures for the collection, consolidation, validation and reporting of the information included in the "Sustainability Report" are not operating appropriately and the information disclosed is not free from relevant material misstatements. Additionally, nothing has come to our attention that causes us to believe that the "Sustainability Report" do not include all the required data and information for a Core option as defined by the GRI Standards 2016 and by the Article 508-G of the Portuguese Companies Act and paragraph r) of the article 245-A of the Securities Market Code.

Lisboa, March 20, 2019

Ernst & Young Audit & Associados - SRDC, S.A.
Sociedade de Revisores Oficiais de Contas (nr. 178)

Represented by:

(signed)

Rui Manuel da Cunha Vieira - RDC nr. 1154
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