

Sustainability Report

Cork, a rare harmony that
meets the needs of people
and nature.

5

Message from the Director of Sustainability



MESSAGE

Dear stakeholder,

2020 will be remembered as the year of the Covid-19 pandemic, which rapidly evolved from a public health emergency to an economic and social crisis. In addition to the major challenges and concerns imposed on society in general, the pandemic also provided the opportunity to develop new plans to reverse current weaknesses and build a more sustainable future.

In this context, Corticeira Amorim demonstrated its ability to adjust its processes quickly, highlighting the entire organisation's willingness to collaborate and rebuild a more resilient and sustainable world - in line with the achievements that have marked the company's 150 years of history, which were celebrated in 2020.

During 2020, we remembered the past and celebrated the pillars that have underpinned our 150 years of business activity and value creation: History, Renewal and the Future; Cork, Sustainability and Innovation; People, Family and Community, Education and Values. Several planned initiatives had to be postponed, others were reformulated. But, as in so many other moments in our history, we remained resilient and aligned our overall actions with our mission: to add value to cork, in a competitive, distinctive and innovative way, in perfect harmony with nature.

In 2020, we reviewed our sustainability strategy, established quantitative targets for the next strategic cycle, in line with the objectives defined in 2018 and aligned with the United Nations Sustainable Development Goals. We improved the way that we communicate with our stakeholders, in particular through the launch of a renewed website. We updated the set of rules and guidelines for the decisions and daily activities of Corticeira Amorim's employees, formalised in the Code of Business Ethics and Professional Conduct, and extended the external certification of our environmental management and social responsibility systems.

In the cork oak forest, we planted the first 251 hectares of irrigated forest. But our ambition is much greater. We want to improve our knowledge and be a centre of excellence for research and development of the cork oak forest. We want to promote the cork oak forest and the associated ecosystem services. We want to support forestry producers, in particular by sharing knowledge.

To help combat climate change, we seek to accelerate the transition to a circular bioeconomy. Despite our remarkable 100% use of cork, we continue to work on improving the efficiency of using cork, throughout the production process, developing new applications and adopting new technologies and even more efficient processes. In our business processes, we favour operations that do not increase CO₂ emissions and that reinforce the use of renewable energy, which will translate into an investment of more than €10 million over the next four years.

The objectives shared by Corticeira Amorim and its stakeholders include increasing the sustainability of materials, the circularity of processes, the reduction of CO₂ emissions, and reducing waste and pollution. We are increasingly aware of the unique credentials of our products and solutions, in particular, our high environmental performance. We focus not only on the impact of our business activity, but also on the impact on the value chain. As a result, we concluded 12 life cycle / carbon footprint analyses in 2020, that provided relevant and quantified information on the environmental contribution of cork products and offer Corticeira Amorim's approximately 27,000 national and international customers with solutions to reduce the carbon footprint of their own products.

In terms of the social pillar, we concluded one cycle and set the tone for the next. We aim to ensure that our training initiatives reach all employees and that by 2024 there will be no work accidents. We have renewed our associated occupational safety and health investments over recent years, that has enabled us to halve the frequency of work accidents over the last three years in Portugal. We believe that diversified environments are more creative and innovative environments, where employees develop a greater sense of belonging and achievement, and have therefore defined a Gender Equality Plan with priority areas of intervention over the coming years, with associated objectives.

Over the past 150 years we have been creating close and trusting relationships with several partners. In this context, among others, in 2020 we joined the 50 Sustainability & Climate Leaders initiative, which promotes the ambition among the international business community, to lead and act in favour of a more sustainable world and fight climate change. We also became members of act4nature Portugal, which mobilises companies for the protection, promotion and restoration of biodiversity. We subscribed to the Portuguese Manifesto to "take advantage of the crisis to launch a new paradigm of sustainable development".

2020 was especially challenging for all of us, testing our capacity, our skills and our courage to face the Covid-19 pandemic, in a world in constant and radical change. We achieved this - collectively - with resilience, responsibility and solidarity. We protect our Employees and stakeholders, we maintained our operations and, overall, our performance was exemplary.

I would like to conclude with a word of special appreciation for our People: of past and present, all those who have travelled this long journey of commitment and involvement. Corticeira Amorim today is the result of the work and dedication of thousands of people who have worked with us, as we recalled in the book "Traços de Gente" that we dedicated to our employees in 2020, to mark our 150th anniversary:

"They are "Traços de Gente" (Traces of People) which contains life stories and pays tribute to all the women and men who have shared good and bad times, successes and failures with us, and have always stood by us and given their best. The stories of these employees reflect different eras, business cycles, cultures and also beliefs, feelings and emotions. They represent an undeniable social wealth and a human dimension that has marked our identity."

Warm regards,

Cristina Rios de Amorim
Board Member and Sustainability Director



ABOUT THIS REPORT

Corticeira Amorim places great emphasis on strengthening its vision and its commitment to sustainability through various initiatives and strategies. Good practices of regular reporting, in place since 2006, promote transparency and encourage the adoption of sustainability principles, both in the value chain and amongst its main stakeholders.

This Sustainability Report, included in the Consolidated Annual Report, reflects Corticeira Amorim's commitment and approach to sustainability issues, and has been prepared in accordance with the guidelines of the Global Reporting Initiative (GRI), the GRI Standards, for the Core level, whilst satisfying the legal requirements introduced by Portugal's Decree-Law no. 89/2017 of July 28. Pursuant to Article 508-G of the Commercial Companies Code, it is a Non-Financial Consolidated Statement of Corticeira Amorim, S.G.P.S., S.A..

Given that Corticeira Amorim is a group of companies and in view of the difficulty in implementing sustainability systems in smaller companies, the scope of the report does not include all of the companies of the Corticeira Amorim Group. This report accounts for 89% (2019: 90%) of the industrial units which employ 82% (2019:

82%) of all the company's employees and corresponds to 83% (2019: 82%) of consolidated sales.

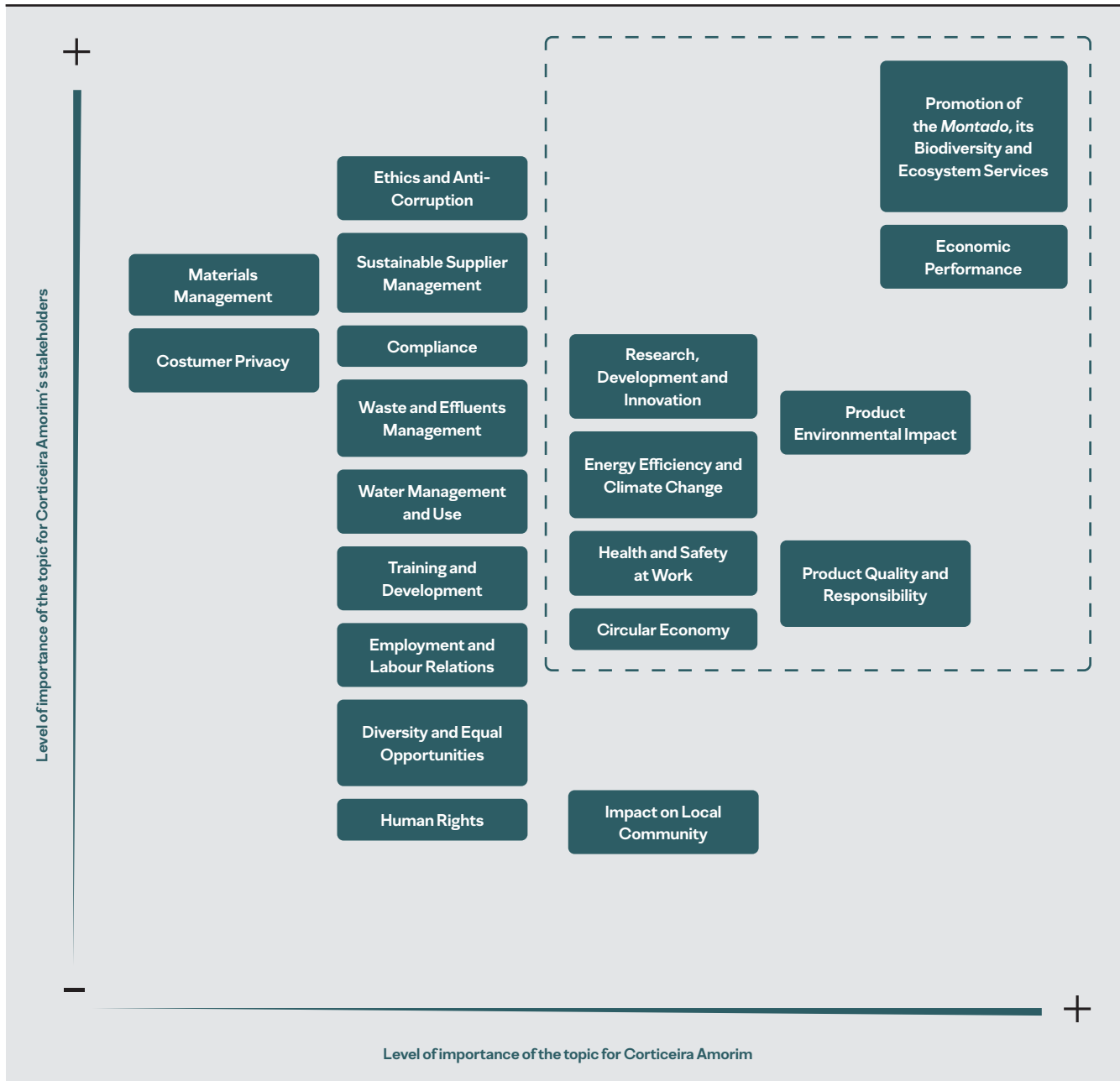
The information contained in this report has been audited by Ernst & Young Audit & Associados, SROC, SA.

This document is available at <https://www.amorim.com/en/sustainability/reports/> and further clarifications may be requested from Corticeira Amorim, using the contact form available at: <https://www.amorim.com/en/contacts/>.

MATERIALITY MATRIX

Corticeira Amorim's key material topics are highlighted throughout the report:

Promotion of the *montado* (Cork oak forest), its Biodiversity and Ecosystem Services; Economic Performance, Research, Development and Innovation; Energy Efficiency and Climate Change; Health and Safety at Work; Circular Economy and Product Environmental Impact (including Product Quality and Responsibility)



2020

Key Facts

01. CORTICEIRA AMORIM

Business model	Business Units	World presence
<ul style="list-style-type: none"> • # 1 in the world for cork processing • 150 years of history • 5 Business Units 	<ul style="list-style-type: none"> • 1,150,000 m² of cork yards • 5,300,000,000 stoppers per year • 10,000,000 m²/ano year of installed capacity • 221,500 blocks and 42,500 cylinders/year • 60,000 m³ of insulation cork/year 	<ul style="list-style-type: none"> • 28 countries where it has operations • 28 industrial units • 51 distribution companies • 12 joint ventures

02. LONG-TERM VALUE

Corticeira Amorim	Cork oak forest
<ul style="list-style-type: none"> • >€ 740,000,000 consolidated sales • € 9,800,000 average investment in R & D + I • 4,357 employees • 27,000 customers in more than 100 countries • € 40,000,000 of green bonds (2020-2025) • 2.17 production multiplier in Portuguese economy • € 1,175,000,000 / year total net value added to society when considering ecosystem services induced by the activity (> 7x direct value) 	<ul style="list-style-type: none"> • >2,100,000 ha in the Western Mediterranean basin • 200 years average lifespan of a cork oak tree • 100,000 people depend on the cork oak forest • > 1,300 €/ha/ano year average value estimated of the ecosystem services associated with a cork oak forest properly managed • 1/36 biodiversity hotspots • - 73t CO₂/1t cork produced • Barrier against forest fires • Regulates the hydrological balance • Protects the soil and decreases the risk of desertification

03. GOVERNANCE OF SUSTAINABILITY

Strategy	Responsible conduct	Stakeholders	Value chain
<ul style="list-style-type: none"> • 12/17 SDGs aligned with the corporate strategy • 23 Main goals • 9 Targets by 2024 	<ul style="list-style-type: none"> • 2020 - year of reformulation of the Code of Business Ethics and Professional Conduct • ZERO reported irregularities 	<ul style="list-style-type: none"> • 2018 – most recent stakeholder consultation • 8 main stakeholder groups • 97% consider the information provided in the Sustainability Report to be good or very good • 89% agree that the Group presents a clear vision of its economic, social and environmental responsibilities 	<ul style="list-style-type: none"> • 100% non-cork suppliers covered with a supplier evaluation programme

04. ENVIRONMENTAL PILLAR

Preserving the cork oak forest	Reducing environmental impact	Applying the circular economy	Developing green products
<ul style="list-style-type: none"> • 251 ha of forestry estates with interventions • 29 establishments with FSC® chain of custody certifications • 94% cork and cork products from controlled sources 	<ul style="list-style-type: none"> • 83% renewable energy • 66% of energy from biomass (controlled) • 3.4% energy efficiency • 71,374 t of CO₂ avoided 	<ul style="list-style-type: none"> • 100% use of cork • > 80% renewable materials • > 85% renewable and recycled materials • 736 t recycled cork • 90% waste recovery rate (non-cork) 	<ul style="list-style-type: none"> • 1st choice for customers who want better quality and contribute to climate regulation • 100% floors and coverings with indoor air quality certification, whether TÜV-PROFICERT, french certification for VOC (A+) or GREENGUARD, and contributions to sustainable construction certifications, LEED / BREEAM • > 500 applications developed for various sectors of activity, allying innovation and circular economy practices • 0% of additives in insulation products that are simultaneously 100% natural, recyclable, reusable and long-lasting

05. SOCIAL PILLAR

Promote well-being	Ensuring health and safety	Community
<ul style="list-style-type: none"> • 100% employees covered by collective bargaining contracts in Portugal • 24% women workers • 72% of working population in Portugal • 42 years average age of employees 	<ul style="list-style-type: none"> • -49% variation in the work accident frequency index in Portugal (2018-2020) 	<ul style="list-style-type: none"> • 1,828 students involved in environmental education programmes • 1,200,000 trees planted in partnership since 2008 • 979 design and architecture projects analysed since 2011

[1] Corticeira Amorim






Corticeira Amorim is one of the biggest, most entrepreneurial and dynamic multinationals of Portuguese origin. Its activity in the cork business date back to 1870 and today it is the world leader of the sector. Operating under the maxim “not just one market, not just one client, not just one currency, not just one product”, the company has been growing and reinventing itself, by introducing new products and entering new markets.

1.1. BUSINESS MODEL

Corticeira Amorim’s operational activity is structured across five Business Units. The business model is based on good management practices and is founded on an integrated and vertical process that uses circular economy principles in order to minimise waste created. Cork, which lies at the heart of Corticeira Amorim’s operations, derives from several forestry producers with whom the company maintains a close relationship and promotes good forest management practices, thereby ensuring the continued production of a high-quality raw material.

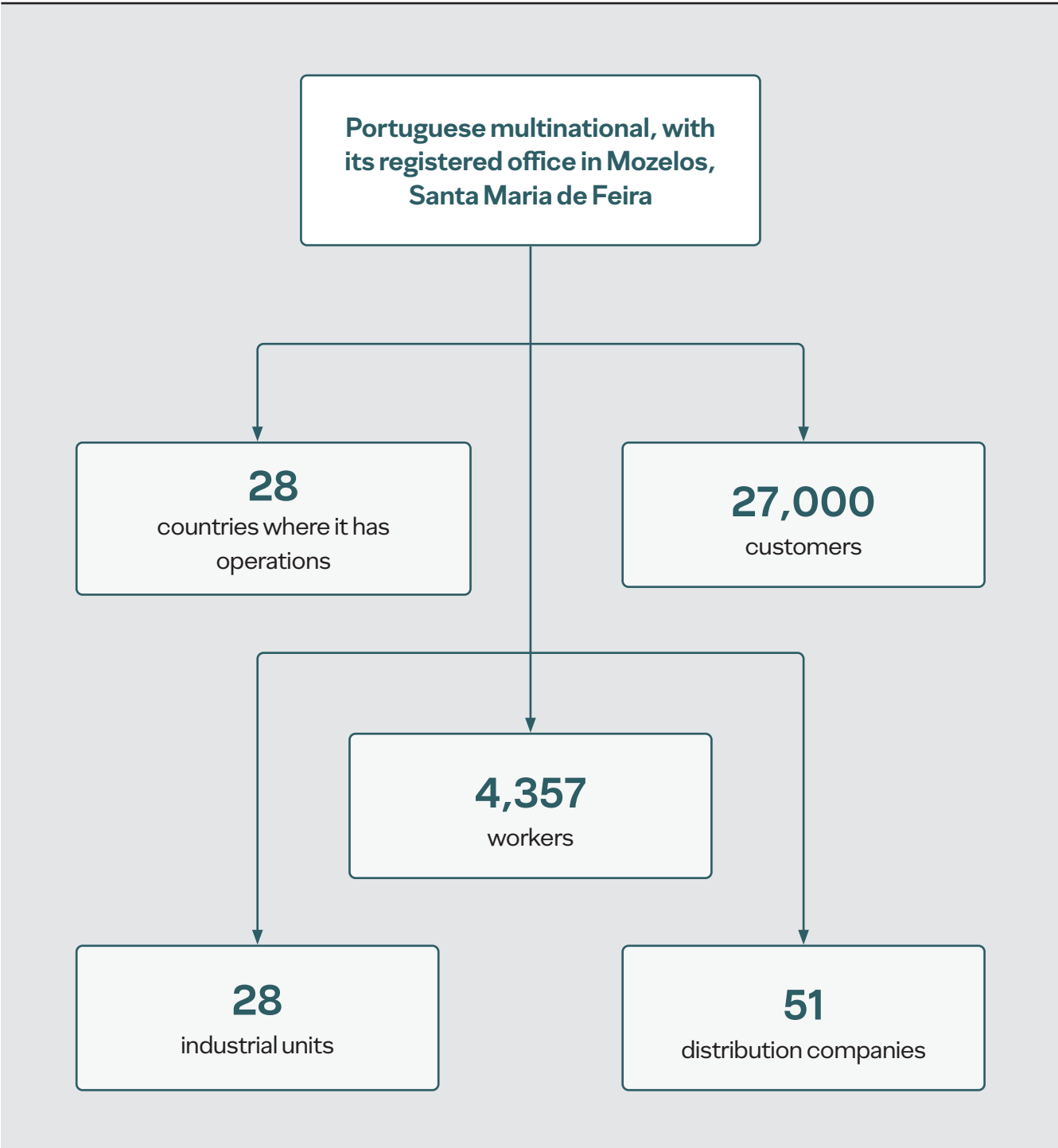
1.2. BUSINESS UNITS

The Corticeira Amorim Group has a broad portfolio of cork-based products for different markets and applications. This raw material, which assumes tremendous importance for the company, has been the focus of continued research, development and innovation (R&D+I) investment, in order to promote the use of all its natural properties and to diversify Corticeira Amorim’s portfolio. Through its business units, and anticipating market trends, the company has surpassed the expectations of some of the world’s most demanding industries.

BUSINESS UNIT	MAIN FOCUS	KEY ACHIEVEMENTS
 <p>Raw Materials BU Responsible for overall and integrated management of the company’s value chain, it plays a key role in promoting synergies between the various units to ensure optimisation of the supply of raw materials.</p>	Cork Stoppers BU, Floor & Wall Coverings BU, Composite Cork BU and Cork Insulation BU.	1,150,000 m ² cork yards
 <p>Cork Stoppers BU World leader in the production and supply of cork stoppers, this BU has its own distribution network, which places it in a unique position to provide the ideal stopper for any wine segment, anywhere in the world.</p>	Cork stoppers for still and sparkling wines and spirits.	5,300,000,000 stoppers per year
 <p>Floor & Wall Coverings BU Operating in more than 70 countries, it offers a range of high-quality and versatile flooring solutions with comfort and sustainability credentials, which promote higher quality of life, through the provision of greater acoustic and thermal insulation.</p>	Wall and floor coverings.	10,000,000 m ² /year of installed capacity
 <p>Composite Cork BU Innovation is the driving force of this Business Unit that proposes to redesign the world in a sustainable manner, reusing and reinventing materials with applications in a wide array of different areas.</p>	Aerospace, mobility, energy, seals and gaskets, construction, sports surfaces, flooring, consumer goods, furniture and footwear.	221,500 blocks and 42,000 cylinders/year
 <p>Insulation Cork BU Dedicated to the production of 100% natural insulation materials that offer exceptional technical performance, this BU manufactures products that combine virtually unlimited durability, low embodied energy, and an A+ indoor air quality rating with excellent simultaneous thermal, acoustic and anti-vibration insulation properties.</p>	Sustainable construction and interior design.	60,000 m ³ of insulation cork/year

1.3. WORLD PRESENCE

With its registered office in Portugal, the Corticeira Amorim Group has operations in five continents, through the activities which it develops including production, distribution or joint ventures, and also market agents. The company's shares are listed on Euronext Lisbon.



[2] Long-term Value

1870
AMORIM
2020

150 years of history

The history of Corticeira Amorim dates back to 1870, when António Alves Amorim established a small cork stopper manufacturing workshop, with a strategic location in Vila Nova de Gaia, used to bottle Port wine that was shipped around the world. Corticeira Amorim is today one of Portugal's biggest exporters, and assumes a very relevant role in the Portuguese economy and also in terms of ensuring good management of the cork oak forest, including preservation of the three fundamental aspects associated with it:

- Environmental - The Mediterranean forest that has unique biodiversity;
- Economic - The profitability of cork guarantees that these forest areas are not replaced by non-native species; and
- Social - The creation of work throughout the value chain.

Guided by a vision of sustained growth, the Corticeira Amorim Group has diversified its business activity in sectors and geographic areas that have high growth potential. In the 1960s, the company began its vertical integration of the cork processing business and internationalised its business activity in a more structured way.

Upholding the maxim “not a single market, not a single customer, not a single currency, not a single product”, Corticeira Amorim has surpassed geographical boundaries and constraints, taking risks and introducing cork to the world.

One of the pillars of the company's leadership is innovation. Another is its commitment to sustainable development. Corticeira Amorim published its first Sustainability Report in 2007, publicly reporting its practices in 2006. This was the first sustainability report published by any company in the cork industry, and marked the beginning of regular, systematic and structured communication of the Group's policies and practices, in terms of its environmental and social impacts.

1935

Close relationship with production of the raw material

In the early 1930s, Portugal, despite being the fact that it was the world's biggest cork producer, only transformed about 5% of the raw material and the market was dominated by foreign companies. In 1935, Corticeira Amorim began to counter this trend, when it leased a small warehouse next to the country's principal cork oak forest area, in Abrantes.

From 1953, the group reinforced its strategy of verticalisation, diversification and internationalisation of its business, continuing to increase its production capacity and consolidating its leadership position in the manufacture of cork-based products. In 1972, it established its first production unit outside Portugal, in Morocco, with the main objective of increasing production and certifying quality. This expansion was followed by diversification into other fields of cork production.

In the 1960s, Portugal assumes itself as a leader in the transformation of cork. There was a change in the productive fabric of the Portuguese cork sector. Half of the exported raw material was already processed industrially in the country. During this decade, the district of Aveiro, where Corticeira Amorim's headquarters is located, became the cork stopper capital of the country.

Corticeira Amorim's current impact on the Portuguese economy was measured by EY with reference to the year 2018, showing that the company's indirect impacts are significant, doubling the levels of the direct impacts. Also considering induced effects, the multiplier effect of Corticeira Amorim's production on the Portuguese economy is 2.17, and is only surpassed by the production multiplier of the energy and transport services sectors. The main indirect impacts of Corticeira Amorim occur in the cork industry and forestry sector. In regional terms, analysis of total impacts reveals that Corticeira Amorim is especially relevant in Santa Maria da Feira, Ponte de Sor and Coruche. Corticeira Amorim is estimated to be responsible for 39% of exports from the municipality of Santa Maria da Feira, where the company has its headquarters and has most of its operations, and for 51% of the employment generated in the forestry sector in Ponte de Sor and Coruche, where the company purchases a large proportion of the raw material, cork.

2.17%
production multiplier in Portuguese economy

93%
exports to more than 100 countries

75%
goods and services purchased in Portugal

51%
impact in the employment of forestry sector in Ponte de Sor and Coruche

39%
contribution to total exports from the municipality of Santa Maria da Feira

1938

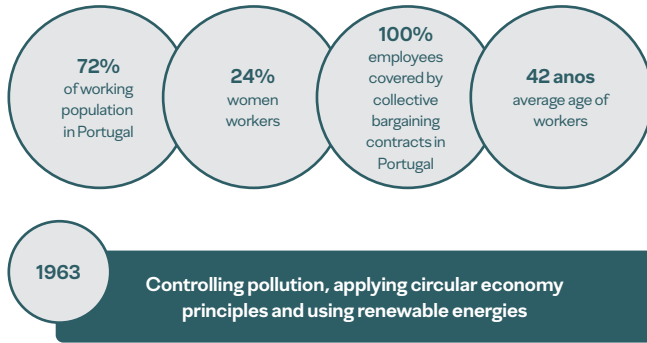
Looking after the well-being of people

Corticeira Amorim's social vocation was evident from a very early stage. It opened its first workers' canteen in 1938, had physicians in its main industrial units from the 1930s onwards and, in the 1960s, was a pioneer in creating a residential neighbourhood for its employees. The company has a long tradition of taking care of its employees, assuming significant internal social responsibility.

The company's growth, development and professionalisation did not diminish its proximity to people and a personalised approach to each employee. Practices were adjusted over time, but Corticeira Amorim always upheld its priorities in supporting its employees in the fields of health and education. In addition to providing a school allowance for children and an allowance for its employees, it also provided merit scholarships for their children. It also provided health support, enabling employees to benefit from the curative medicine service provided by the company, based on health screenings and protocols signed with health providers in this field.

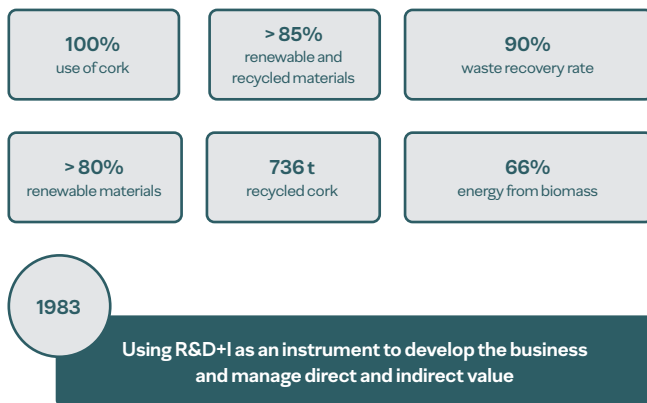
Corticeira Amorim has always cultivated a climate of rigour and respect for duties at work, but also for its employees' rights, and equal opportunities for all. It has sought to cultivate long-lasting relationships of trust, generating a culture of commitment and involvement. The company recognises the importance of the link to its local Community and seeks to ensure that its efforts related to social responsibility in this context are shared and recognised by its employees.

Above all, the company strives to draw close to people, enabling each employee to formulate a request, issue an opinion, request support, with the certainty that the company will listen to them and, as far as possible, will support them.



Since 1963, Corticeira Amorim has based its production process on the principle of 100% use of cork. This means optimising the use and consumption of cork throughout the production cycle. The production process incorporates even the smallest cork granules, which cannot be used in the product, as an important energy source. Whenever possible, the Group also uses recycled materials from other industries, thereby contributing to saving the planet's natural resources and reducing problems associated to their elimination. Various cork collection and recycling initiatives are also supported across the five continents. Although no trees are cut down to produce cork, some of these programmes, in particular the Green Cork programme in Portugal, favour reforestation initiatives for autochthonous trees, including cork oak trees.

In 2020, 100% of cork was used in the production process, more than 80% of the materials consumed by the company are renewable (more than 85%, if recycled products are also considered), 90% of all non-cork waste was sent for recovery, 66% of the energy used derived from biomass (essentially cork powder) and 736 tonnes of cork were recycled at the end of its life. Since 2008, revenues from cork recycling programmes have made it possible to plant more than 1,200,000 autochthonous trees in Portugal.



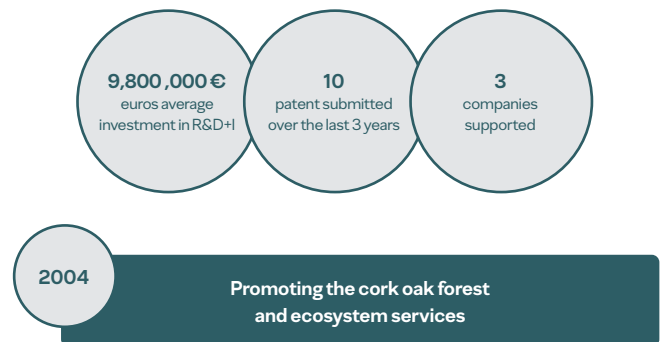
In the 1980s, the cork industries were raising their quality standards due to the increasing use of cork in demanding industries - such as the automotive, transport, aeronautics and aerospace industries.

As a consequence, Corticeira Amorim created Labcork, in order to improve quality control and production efficiency.

Currently, Corticeira Amorim has a state-of-the-art R & D + I unit, integrated in each of its Business Units, and an area to support transversal innovation. The group also launched Amorim Cork Ventures, in 2014, which has played a significant role in promoting innovation in the sector, as an incubator for cork-related companies, through which Corticeira Amorim seeks out and provides support for innovative ideas and businesses. More recently, Amorim Cork Composites installed the i.cork factory, a pilot innovation factory that is entirely dedicated to the research and development of new products that value cork.

One of Corticeira Amorim's main competitive advantages is its continuous investment in innovation. R & D + I is a vital instrument for long-term development of the business and for generation of greater added value. It responds to the challenge of creating new cork-based solutions, improving the efficiency of Business Units and training employees. Additionally, it facilitates complementary impacts on topics such as entrepreneurship, the innovation ecosystem and knowledge transfer, the circular economy and environmental sustainability.

Currently, investment in R & D + I is around €9.8 million per year. Over the last three years, Corticeira Amorim has applied for 10 patents, and is currently supporting the development of three companies through Amorim Cork Ventures.



The promotion of the cork oak forest has always assumed major importance for Corticeira Amorim's strategy. Several initiatives have been developed with forestry owners to ensure the continuity of the provision of services from the associated ecosystems, including the provision of cork, climate regulation, prevention of forest fires, hydrological regulation and soil protection, and maintaining habitats and biodiversity.

In 2004, Corticeira Amorim became the first cork company to receive a FSC® chain of custody certification. Today, it continues to focus on product development in accordance with FSC® principles. In 2020, approximately 29 units of Corticeira Amorim (industrial and / or distribution) have chain of custody certification, in accordance with FSC® regulations.

Between 2008 and 2015, Corticeira Amorim was responsible for providing a free technical advisory service to forestry owners responsible for more than 20,000 hectares of cork oak forests in Portugal. The objective of the advisory service was to identify and promote the adoption of best management practices and to promote biodiversity. The launch of this service coincided with the adhesion of Corticeira Amorim to the European Commission's Business and Biodiversity initiative, through a protocol established with the Instituto da Conservação da Natureza e das Florestas (ICNF) and two non-governmental organisations (NGOs): the World Wildlife Fund (WWF) and Quercus – Associação Nacional de Conservação da Natureza. In the same period, Corticeira Amorim was also responsible for the institution and attribution of what has become the most prestigious award ever awarded in the cork sector: the prize for research Valuing and Sustainability of the Cork Oak and Associated Biodiversity, attributed to forestry producers with excellent management practices.

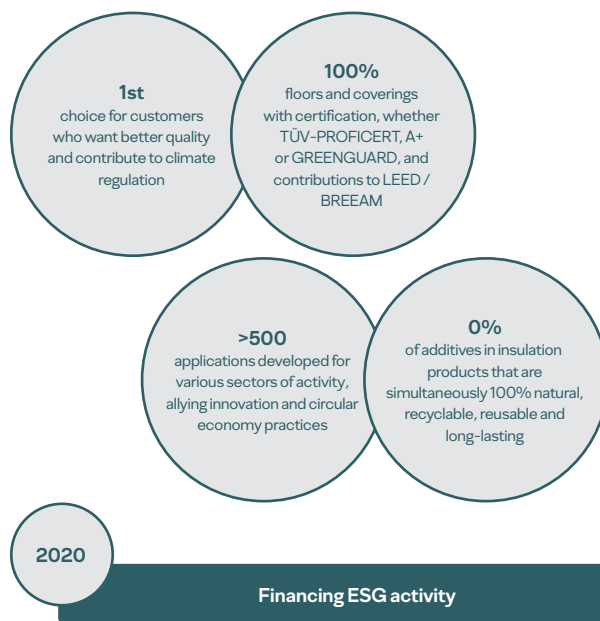
More than 10 years ago, Corticeira Amorim began to study the value of ecosystem services. In 2020, it disclosed the results of a new study entitled "The value of cork oak montado ecosystem services", which takes into account more current approaches and increased knowledge. This independent study, carried out by EY, concluded that the ecosystem services of a well-managed cork oak forest has an average value above 1,300 euros / ha / year.

Since 2013, a set of measures and actions has been underway, within a structured long-term programme, called the Forestry Intervention Project (PIF), which includes applied forestry research and development (R&D), a cork oak improvement programme and a forestry management office and has partnerships with forestry producers, research institutions and local authorities. The PIF's objective is the preservation and sustainable development of the cork oak forest. This project marks the beginning of Corticeira Amorim's direct investment in two forestry estates with cork oak trees: Herdade da Baliza and Herdade da Venda Nova. When completed, the installation will cover a total area of 1,451 hectares of cork oak trees with improved drip installation.



In 2008, Corticeira Amorim published a study that compared the environmental impact of cork stoppers with that of aluminium capsules and plastic closures. This study, conducted in 2007 by PricewaterhouseCoopers (PwC), was conducted in accordance with the environmental management standards ISO 14040 and ISO 14044 and showed that, regarding the emission of greenhouse gases, even without considering the carbon sequestration of the cork oak forest, the CO₂ emissions associated with the production of natural cork stoppers are lower than those recorded by the production of plastic and aluminium closures, by about 10 times and 24 times, respectively.

Over the past two years, EY has developed several studies for Corticeira Amorim with a view to assessing the company's environmental, social and economic impacts. As part of the Group's sustainability strategy, these studies also made it possible to calculate



the environmental footprints of its main products, and concluded, without exception, that they have a negative carbon balance when considering the carbon sequestration of cork oak forests and the emissions associated with production of product.



Product studies were carried out between 2018 and 2020, focusing on the different stages of the life cycle, using a cradle to gate approach, in particular: forestry activities; cork preparation, including forestry transport, production, finishing and packaging. The assessment also included additional information on the carbon sequestration of the cork oak forest.

Over the years, Corticeira Amorim has successfully sought to maintain a solid balance sheet and an adequate and balanced capital structure. In 2020, despite the contraction in business activity, the company recorded positive evolution, with net debt being cut by €50 million to €111 million and net debt / EBITDA ratio has fallen to 0.9 (2019: 1.3). It was possible to achieve the recorded improvements without undermining investments in fixed assets, payment of dividends or completion of acquisitions.

In 2020, Corticeira Amorim launched its first issue of green bonds⁹, in an operation that represented an important milestone in its sustainability strategy and has reaffirmed its continued commitment to the application of ESG principles and best practices (Environmental, Social, Governance).

This €40 million issue of green bonds is aligned with the conditions established by the Green Bond Principles published by the ICMA (International Capital Market Association) and obtained a positive Second Party Opinion (SPO) from the ratings company, ESG, and the specialised independent research firm, Sustainability. The goal is to refinance a diversified set of green investments made in 2017, 2018, 2019 and in the first half of 2020 by eight companies of the five Business Units of the Corticeira Amorim group, in particular Amorim Champcork, Amorim Cork, Amorim Cork Composites, Amorim Cork Flooring, Amorim Cork Insulation, Amorim Florestal, Amorim Florestal III, Amorim Subertech, and Amorim Top Series:

9. Issued on December 3, 2020. More information can be found here: <https://www.amorim.com/en/investors/market-information/>.

Eligibility categories for green projects	Investment (thousand euros)	SDG	Corticeira Amorim's Targets
Environmentally sustainable management of living natural resources and land use	6,854		<ul style="list-style-type: none"> • Strengthen efforts to protect and safeguard cultural and natural heritage; • Promote the implementation of sustainable forest management and mobilise resources;
Renewable, low carbon, eco-efficient and/or circular economy adapted products, production technologies and processes	27,144		<ul style="list-style-type: none"> • Improve the efficiency of global resources, thereby achieving sustainable management; • Upgrade infrastructure and rehabilitate industries to make them sustainable; • Strengthen resilience and adaptability to climate-related risks.
Waste management and resource efficiency	6,801		<ul style="list-style-type: none"> • Improve the efficiency of global resources, thereby achieving sustainable management; • Substantially reduce the generation of waste through reducing, recycling and reusing materials.
Renewable energy and waste to energy	3,874		<ul style="list-style-type: none"> • Increase the use of renewable energy.
Total	44,673		

In accordance with the Green Bond Principles, Corticeira Amorim will provide an annual update on the activity related to its issuance of green bonds. In these updates, Corticeira Amorim will seek to provide information on the allocation of revenues, as well as relevant impact metrics, including a more detailed description of the refinanced activities and an impact report, based on the proposed metrics described in the table below. However, this information is dependent on obtaining an understanding of the relevant impact and may therefore change over time.

The information will be made available to the public through Corticeira Amorim's institutional website (www.amorim.com).

Category	Key performance indicator
Environmentally sustainable management of living natural resources and land use	Plantations of cork oak forests directly intervened (hectares)
Renewable, low carbon, eco-efficient and/or circular economy adapted products, production technologies and processes	Revenue of renewable, low carbon and/or eco-label and/or low carbon and/or eco-efficient and/or circular economy products (euros)
Waste management and resource efficiency	Industrial waste recovery (ton)
Renewable energy and waste to energy	Greenhouse gas (GHG) emissions avoided (tCO ₂ eq)

[3] Sustainability Governance

Issues related to sustainability have the potential to impact business performance, whether through regulation, stakeholder perception or by directly affecting the health and well-being of stakeholders. Corticeira Amorim seeks to understand these issues, mitigate their impact and respond to the main challenges in the markets where it operates.

3.1. MANAGEMENT STRATEGY AND MODEL

All Corticeira Amorim employees are responsible for contributing to the achievement of the defined priorities, either through the defence and observance of the principles of good governance, also included in the company’s Code of Ethics and Professional Conduct, or through direct duties related to sustainability issues. Corticeira Amorim’s Board of Directors is responsible for promoting ESG topics in the business, as well as approving strategic objectives, strategic initiatives and priority actions. António Rios de Amorim, Chairman and CEO of Corticeira Amorim, has the supreme responsibility for monitoring the ESG strategy. The Executive Committee is responsible for supervising

the governance of sustainability issues and for integrating ESG issues into the business. At least twice a year, the Executive Committee meets to discuss the approach to ESG topics, and define goals, performance targets and reviews the reporting.

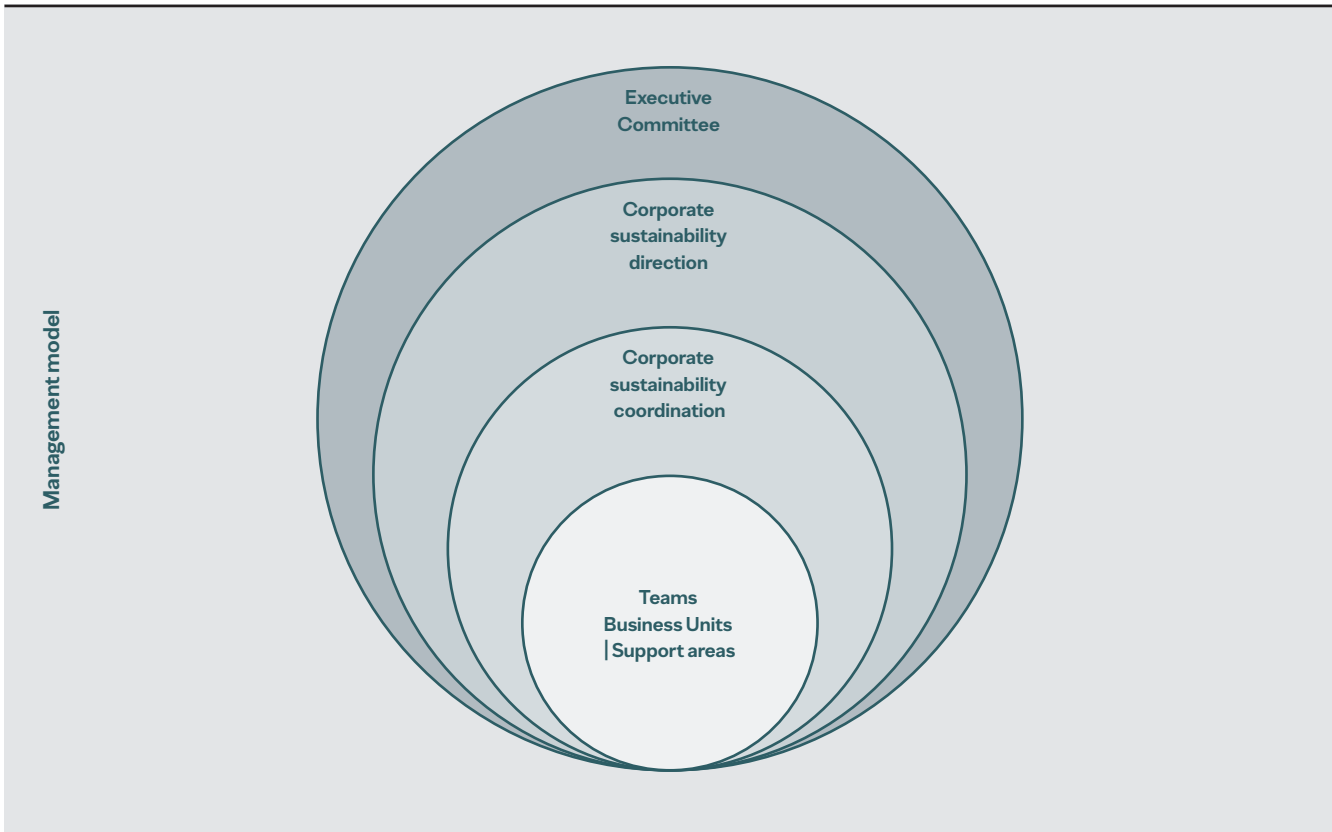
Management of ESG themes on a daily basis is coordinated by a member of the management team, who is integrated within the coordination team at the corporate level together with other support areas such as human resources, legal, supplies, energy and transport, relationship with the market and is responsible for ensuring the sustainability of the five Business Units. Each Business Unit has its own executive responsible for sustainability, who reports directly to the CEO of the Business Unit. Among other tasks, these executives are responsible for suggesting and implementing initiatives and actions necessary to meet the defined objectives, monitor and report performance.

In order to receive feedback from third parties on the Group’s performance, Corticeira Amorim conducts stakeholder consultations, the last of which took place in 2018. Corticeira Amorim considers that all its stakeholders are fundamental in terms of identification of strategic priorities. As a result, sustainability management takes into account their concerns and expectations regarding matters that should be monitored and communicated.

Best Raw Materials Sustainability – Europe 2020

Corticeira Amorim was the winner in the “Best Raw Materials Sustainability - Europe 2020” category of the Capital Finance International (CFI.co) awards. The renowned English magazine highlighted the company’s pioneering attitude towards sustainable development, underlining its commitment to the conservation of cork oak forests. At the same time, the award highlighted Corticeira Amorim’s driving force for internal and external innovation, helping to discover new uses, utilisations and markets for cork.

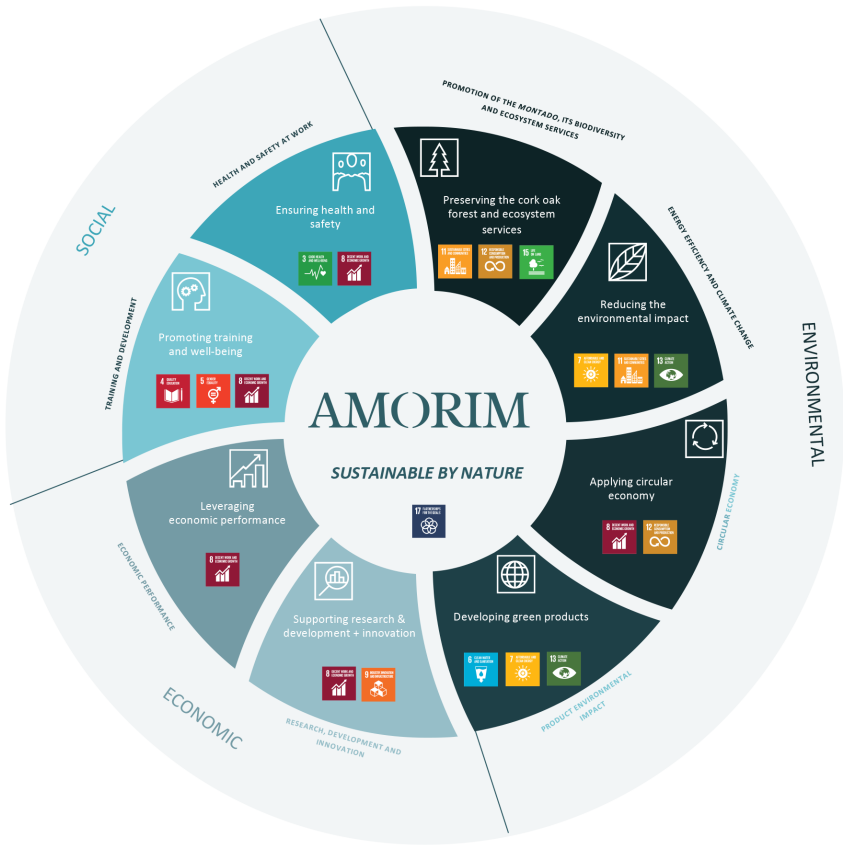




3.2. TARGETS AND ALIGNMENT WITH SDGS






In 2018, Corticeira Amorim reviewed its sustainable development strategy using a materiality analysis, in order to promote alignment with the expectations and feedback of its stakeholders. In line with its sustainability strategy, the Group identified the Sustainable Development Goals (SDG)

that are most related to material issues, selecting performance indicators and targets for each relevant SDG. In this context, 12 SDGs were identified as priorities for Corticeira Amorim’s sustainable development strategy. It should be noted that SDG 17 is transversal to all the other goals and, therefore, is aligned with all the sustainability strategies defined and represented in the following chart.



In 2020, Corticeira Amorim established quantitative targets for the period 2021-2024, applied to the Group's operations in Portugal that are integrated within the sustainability report, as follows:

Targets 2021-2024

Material aspect	Objective	Performance*	Target*
Promotion of the cork oak forest 	Preserve the cork oak forest and ecosystem services by increasing knowledge, mobilising resources and proposing initiatives	●	+ 3,000 ha cork oak forest interventions by 2024**
Climate change 	Reduce the environmental impact of operations by adopting renewable, affordable and efficient solutions	●	-1% water consumption intensity/year
		●	+2% energy efficiency/year
		●	≥ 2/3 energy consumed from controlled renewable sources /year
Circular economy 	Apply the principles of circular economy through the reduction of waste, extend the life of materials and regeneration of natural systems	●	-5% weight of virgin non-renewable materials consumed /year
		●	≥ 90% waste recovery rate (non-cork) /year
Health and safety at work 	Ensure the safety of employees in the workplace and access to quality health conditions	●	ZERO accidents by 2024
Training and development 	Promote training, welfare and personal and professional development for all	●	95% employees accessing training by 2024
		●	25% women in management positions by 2024

* Boundaries: operations in Portugal
 ** Portugal and Spain



3.3. VOLUNTARY COMMITMENTS

The Corticeira Amorim Group actively participates in discussion meetings with national and international entities on sustainable development of the geographical regions in which they operate. In various cases, the Group's representatives form part of these initiatives and associations, in order to ensure a meaningful and proactive impact. Of the numerous associations, it is worth highlighting the following:

Associations	Description
 <p>APCOR Associação Portuguesa do Cortiço</p> <p>APCOR http://www.apcor.pt</p>	<p>A business association in the cork industry that represents, promotes, publishes and researches the Portuguese cork industry.</p>
 <p>BCSD https://www.bcsdportugal.org/</p>	<p>A business association with broad sectoral representation in Portugal, that is a member of the WBCSD - World Business Council for Sustainable Development, the biggest international organisation working in the area of sustainable development.</p>
 <p>CENTRO HABITAT http://www.centrohabitat.net/pt</p>	<p>A group of companies, municipalities, research and development centres, business associations and other entities that are committed to sustainability as a standard for innovation and competitiveness.</p>
 <p>SMART WASTE PORTUGAL http://www.smartwasteportugal.com/pt/</p>	<p>An association whose objective is to contribute to the production and dissemination of knowledge in the area of waste, to drive actions that value cooperation between entities operating in the waste industry, to promote and support the activities and projects of its members that contribute to the pursuit of the association's objectives.</p>
 <p>PTV http://www.ptvino.com/en/</p>	<p>A platform for all entities involved in research, technological development and innovation in the Spanish wine industry.</p>
 <p>IB-S UNIVERSIDADE DO MINHO http://ib-s.uminho.pt/</p>	<p>Research unit of the University of Minho, dedicated to the sustainability of the built and natural environment.</p>
 <p>ACT4NATURE PORTUGAL https://www.bcsdportugal.org/act4nature-portugal</p>	<p>Business initiative promoted by BCS D Portugal in which adhering companies assume common and individual commitments for the conservation of biodiversity and ecosystem services.</p>
 <p>CHARTER OF PRINCIPLES OF THE PORTO PROTOCOL https://climatechange-porto.com/porto-protocol/</p>	<p>International foundation, with hundreds of members spread across the wine value chain and around the world, whose mission is to build a network of agents who will foster change and viable solutions, with the aim of making the wine industry's response to the climate emergency more collaborative, swift and robust.</p>
 <p>CHARTER OF PRINCIPLES OF BCS D PORTUGAL https://www.bcsdportugal.org/en/wp-content/uploads/2019/02/Carta_Principios_BCS DPortugal_ENG.pdf</p>	<p>Initiative promoted by BCS D Portugal that establishes the fundamental sustainability commitments that the subscribing companies voluntarily adopt for themselves and that they seek to extend to their value chain, within the sphere of their influence.</p>

50 Sustainability & Climate Leaders

Corticeira Amorim is one of the 50 companies that are part of the 50 Sustainability & Climate Leaders campaign. The project, which aims to promote the exchange of ideas on how to achieve greater sustainability, by focusing on recent technological solutions, favouring ground-breaking innovation and fostering socially responsible leadership, is promoted by the TBD Media Group. With content distributed by the Bloomberg group, the initiative brings together a wide range of organisations that are leading in the fight against climate change globally. Sustainability, technology and innovation were the drivers that led the choice of participants of the 50 Sustainability & Climate Leaders programme, which also includes business leaders from sectors such as pharmaceuticals, petrochemicals and financial services.

Companies for sustainable development

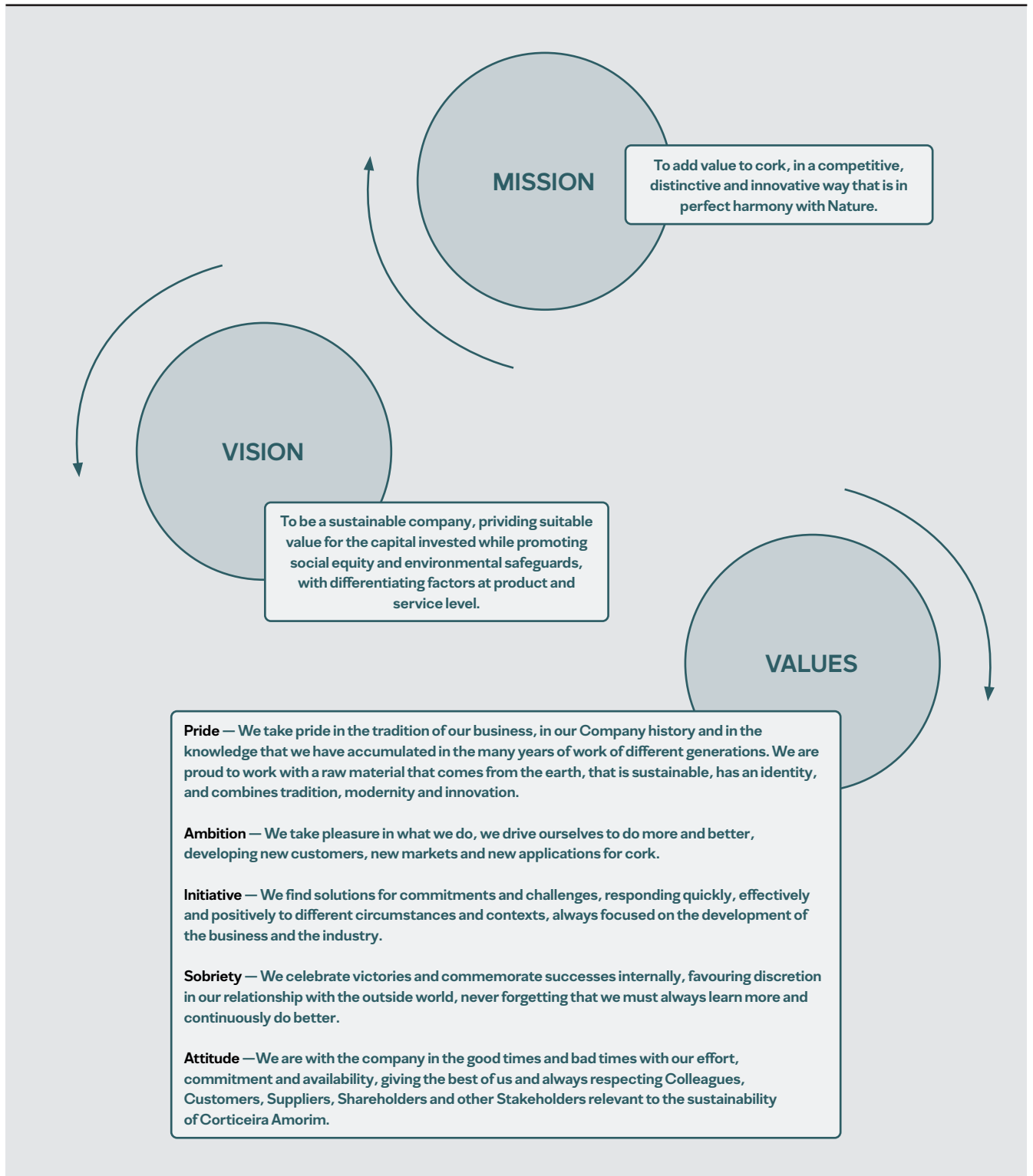
Corticeira Amorim is one of 64 companies that signed the manifesto promoted by BCSD Portugal "Take advantage of the crisis to launch a new paradigm of sustainable development". With the goal of helping Portugal to build a more sustainable development model, the manifesto, launched in 2020, is driven by the awareness amongst companies that society is at a turning point, in which "our future has never been so dependent on our capacity as a society to move from words to actions in the transformation of our development model". The signatory companies declared their ambition to contribute to the construction of a development model based on five fundamental principles: promoting sustainable and inclusive development, promoting growth, seeking efficiency, strengthening resilience and strengthening corporate citizenship.



3.4. RESPONSIBLE CONDUCT

Corticeira Amorim pursues its business activity in an ethical, integral and transparent manner, providing results that reflect its management vision, the efficiency of its processes, continuous innovation, professionalism and competence of its team, the competitiveness of its offer and its reputation in the market.

Corticeira Amorim assumes a set of voluntary commitments in matters of ethics and environmental and social responsibility, through the development and implementation of policies and principles by which it governs its activity. Aware of the risks to which its activity is subject and the interests of its stakeholders, while convinced of the effectiveness of its risk prevention and control strategy, Corticeira Amorim regularly analyses these issues, fostering reflection and improvement thereof.

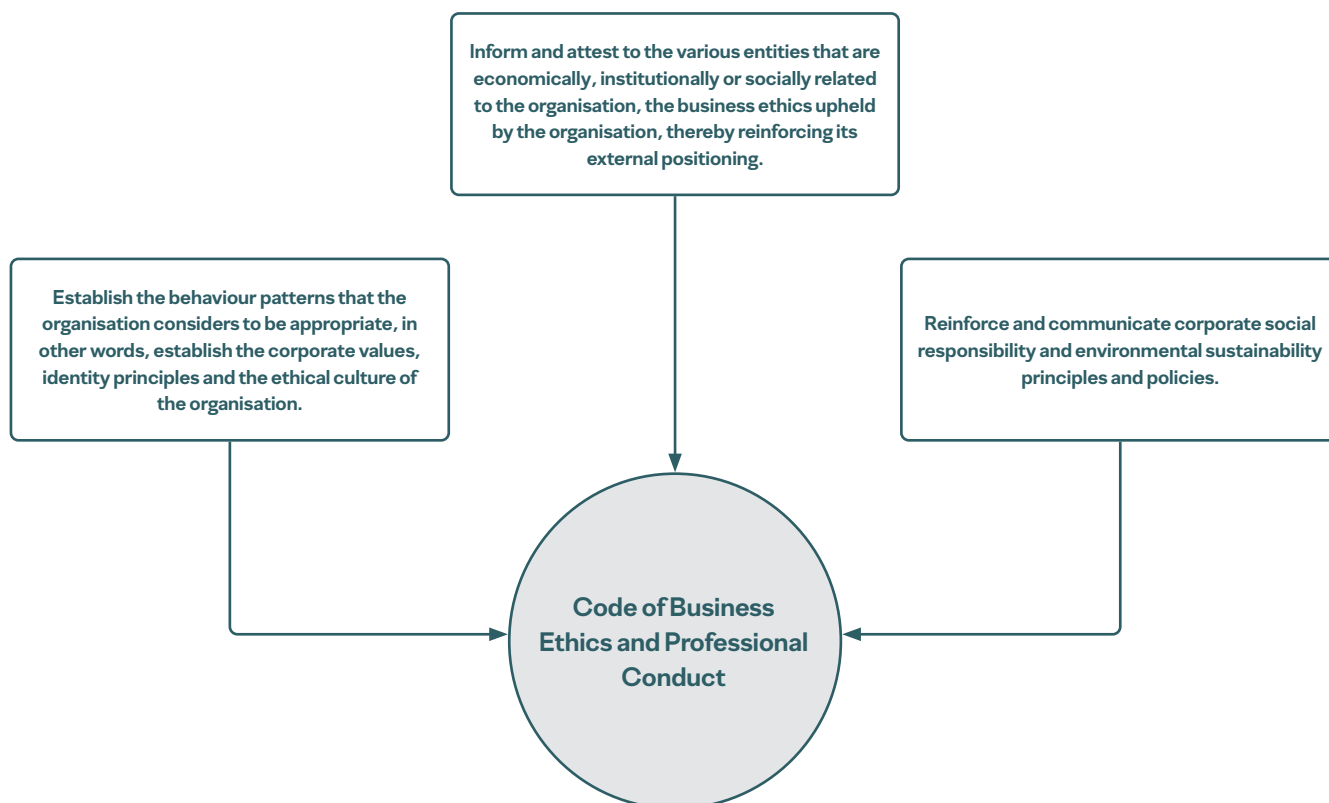


Code of business ethics and professional conduct

Corticeira Amorim aims to behave in an appropriate and ethical manner in all its relations with its customers, employees, investors, suppliers of goods and services, public and private institutions, local communities and society in general.

For this purpose, the company has formalised a set of rules and guidelines related to upholding the appropriate behaviour of all its employees, whether in the context of Corticeira Amorim, or in its relations with external entities, which are expressly required to respect or adhere to the stipulated principles.

In 2020, Corticeira Amorim reformulated its Code of Business Ethics and Professional Conduct (Code) applicable in the group of companies over which Corticeira Amorim exercises a controlling relationship, regardless of whether the respective headquarters are located in Portugal or in another country, and which is therefore translated into several languages.



The Code currently in force establishes the following principles and commitments:

General principles:
<ul style="list-style-type: none"> Respect for the law, including, <i>inter alia</i>, fundamental international conventions to uphold free competition and to prevent money laundering); Transparency and trust, including confidentiality, privacy and protection of personal data; Honesty and integrity, including the rejection of corruption and bribery, as well as regulation of conflicts of interest, the use of privileged information, the use of assets (in particular information technologies), social networks and external communication, corporate image, copyright and industrial property rights and political neutrality.

Commitments linked to respect for persons
<ul style="list-style-type: none"> Respect for human and labour rights; Decent, safe, healthy and balanced working conditions; Free employment: not accepting, within the organisation, or in its supply chain, forced, slave or involuntary labour; Child labour: do not employ child or forced labour, or any other form of exploitation of children or adolescents and exercise careful control over its suppliers; Workplace harassment: harassment, discrimination, coercion, abuse, violence or exploitation at work will not be tolerated; Protection of health, hygiene and safety in the workplace; Employment contracts, working time and pay comply with the international rules of the International Labour Organisation (ILO) and the national legislation in force; Freedom of association and the right to collective bargaining; Diversity, inclusion and non-discrimination, based on ethnic or social origin, gender, sexual orientation, age, creed, marital status, physical characteristics or disability, religious convictions, political orientation, opinion, family situation, social class, place of birth or trade union membership; Principle of equal treatment and opportunities, as well as promoting professional achievement and development.

Commitments to stakeholders

- Creating value for shareholders on a continuous and sustained basis, from a long-term perspective;
- Corporate governance standards in accordance with best practices;
- Internal control and risk management for the organisation's business, people and reputation;
- Transparency in the information provided to shareholders;
- Regulation of transactions with related parties.

Commitments to customers

- Priority in the relationship with the customer to ensure continuous improvements with a view to their satisfaction, ensuring that the products and services offered by the organisation do not pose risks to the health or safety of customers, continuously seeking, with a sense of service, to satisfy and exceed their expectations, formulating honest, transparent business proposals adapted to their needs and providing personalised advice when requested;
- Loyal and genuine communications, advertising and promotional activities with customers.

Commitments to suppliers

- Strict supplier selection policy, based on economic, social, ethical and environmental criteria;
- Inspiring principles for suppliers will be adherence and compliance with internationally recognised human rights;
- The organisation invites its suppliers to adhere to the ethical, environmental and social values established in this Code, insofar as they may be applicable to it, incorporating the same values, whenever possible and desirable, in the contracts signed.

Commitments to communities, society and the environment

- Sustainability and corporate social responsibility; to grow sustainably, with persistent long-term value generation, carrying out work with high standards of safety and quality, guaranteeing the company's economic, environmental and social sustainability;
- Compliance with tax and social security rules and regulations;
- Energy, climate change and the environment: caring for and respecting the environment and protecting biodiversity in the daily pursuit of its operations;
- Minimise any actual or potential negative impacts, showing openness and honesty, respecting local cultures and traditions, contributing to the progress, economic development and well-being of these Communities;
- The organisation is committed to achieving economic growth while contributing to a more evolved society, preserving the environment and non-regenerable resources for future generations, thereby ensuring its own sustainability.

The Code is periodically reviewed, taking into account the contexts and developments deemed relevant in terms of behaviour within the organisation. The organisation also communicates updates to employees and promotes the dissemination and awareness of the principles and standards defined in the Code.

The Executive Committee, together with the management teams of the Business Units, is responsible for assessing the risks associated with corruption and bribery in the markets where Corticeira Amorim operates, according to each unit's characteristics. The monitoring of these risks is also complemented by audits of the internal control process, whose function is to analyse the compliance of the processes and identify any inefficiencies.



Communication of irregularities

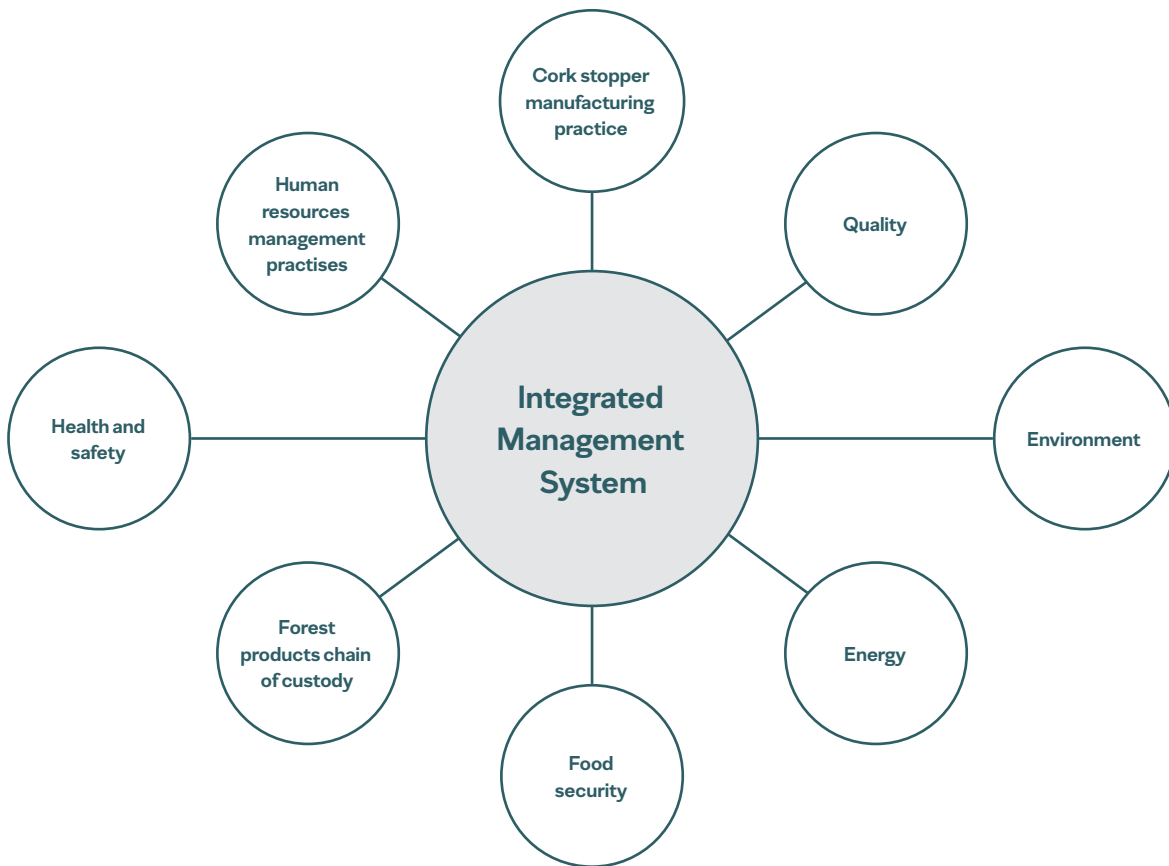
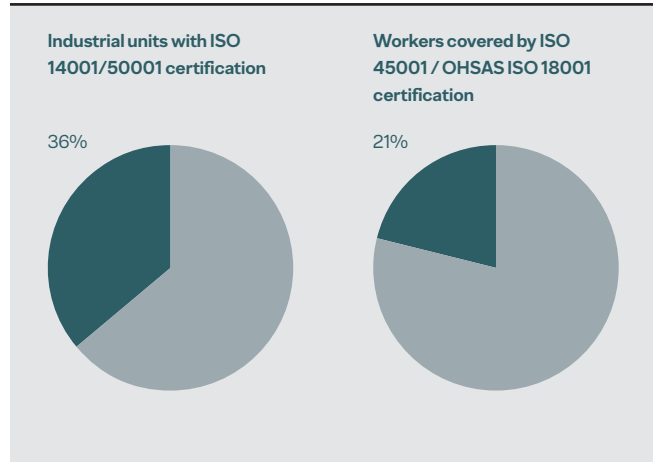
The communication of irregularities identified is achieved in accordance with a defined procedure for the correct treatment of irregularities (submitted to the company’s Statutory Audit Committee) presented by shareholders, employees or other persons/entities. The Company’s Statutory Audit Committee is made up of independent members and is responsible for analysing any anomalies identified and suggesting mitigation measures for the prevention and occurrence of such anomalies.

No irregularities were identified and reported in 2020. More detailed information can be found in chapter C. Internal organisation, II. Reporting of irregularities, of the Corporate Governance Report.

Management systems

In striving to ensure effective management of environmental and social aspects related to the business and to achieve its strategic objectives, Corticeira Amorim has implemented a set of policies and management systems that are tailored to the non-financial risks that are inherent to its activities or the emerging opportunities in the

markets in which it operates, which include internal, and sometimes external, follow-up audits. In some cases, this work is supported by international systems certified by external entities, such as ISO 14001, ISO 50001 and ISO 45001 or OHSAS ISO18001. Detail of the certifications by commercial establishment can be found in chapter 6 of the Consolidated Management Report.



Management systems of Amorim Cork Flooring

Amorim Cork Flooring values the external certification of its management systems, obtaining ISO 9001, ISO 14001, ISO 45001 certification and also Investors in People accreditation, the last three of which were secured in 2020. The company therefore aligns its practices with the fundamental values of product quality, respect for the environment and its staff, guaranteeing them a workplace with above-average conditions and with a clear commitment to sustainability.

3.5. STAKEHOLDERS

Corticeira Amorim believes in the importance of its stakeholders to ensure the sustainable management of its activities and improving the Group's performance.

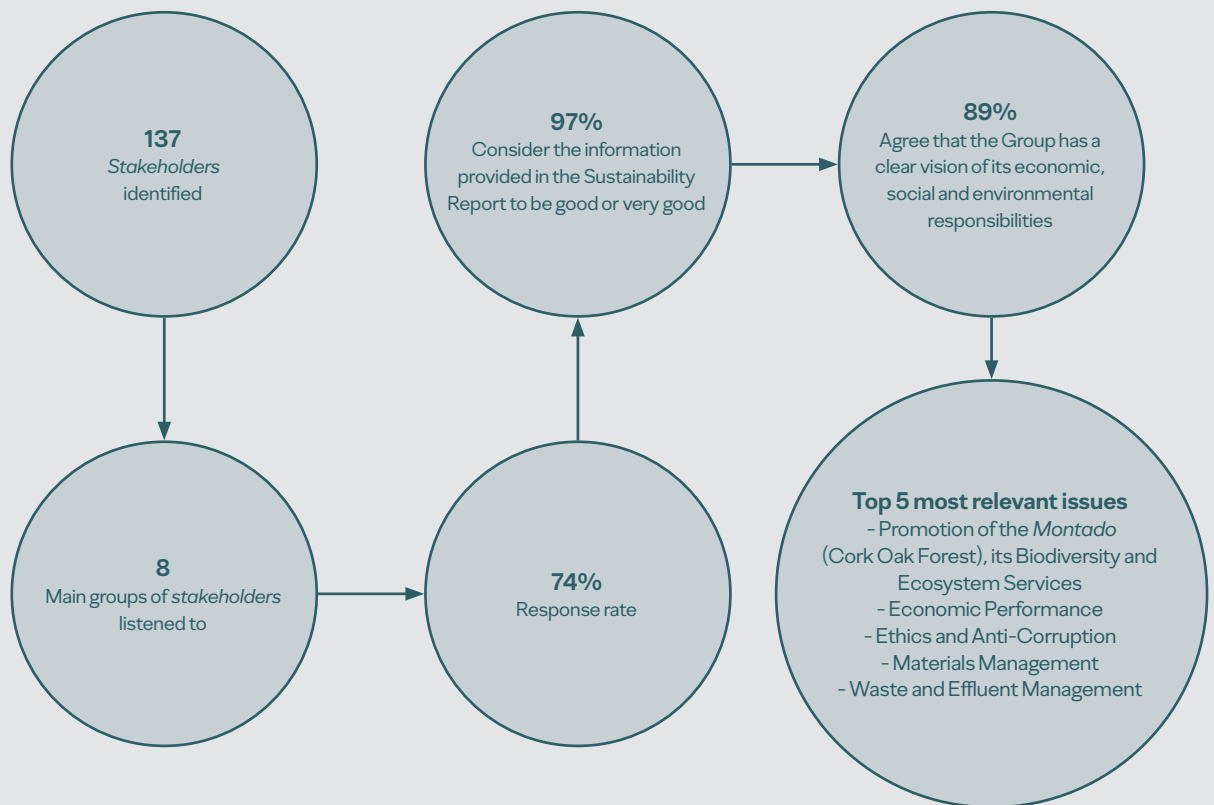
The involvement of stakeholders is a strategic priority for Corticeira Amorim. Understanding their concerns and expectations regarding the issues to be monitored and communicated is fundamental for validating and identifying strategic priorities. All persons or entities that have, or may have, an influence, dependency and/or responsibility for the Group, are identified as stakeholders of Corticeira Amorim. Based on this selection criteria, there are eight main groups of stakeholders: Shareholders and Investors, Customers, Employees, Official and Government Entities, Suppliers, Media, NGOs and the Community, Partners and Civil Society.

Stakeholder engagement work is based on structured and ad hoc interaction, as well as regular surveys.

Since 2009, Corticeira Amorim has implemented a consultation and engagement process with its stakeholders, to promote their participation and contributions to the Group's business model.

The priority that Corticeira Amorim places on the involvement of its stakeholders and on managing their expectations and concerns, together with the way that it relates and communicates with them, is reflected in the results obtained in the most recent stakeholder consultation process in 2018.

Main results of the 2018 consultation:



Communication with stakeholders

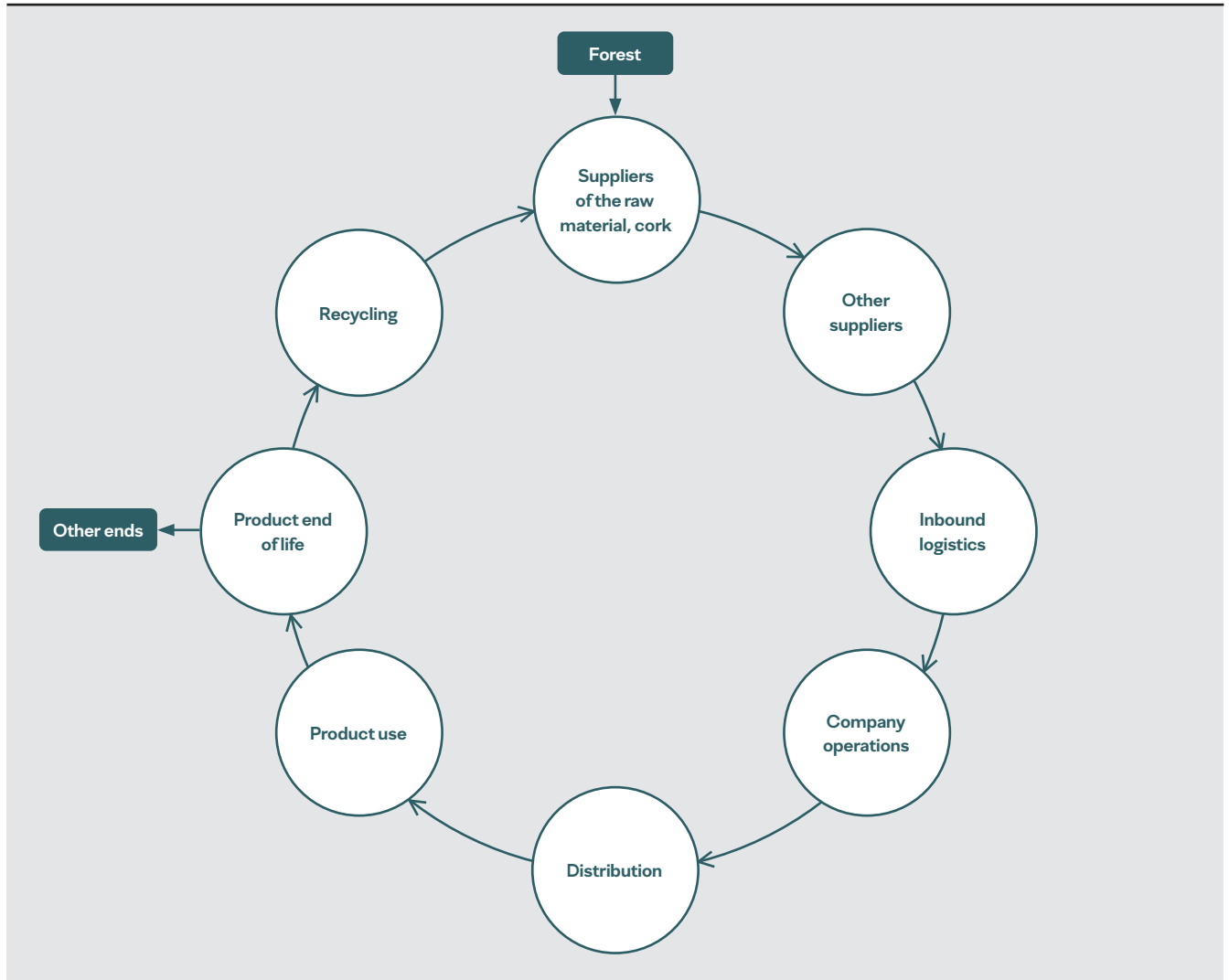
The management of communication channels promotes greater alignment with stakeholders' needs and expectations. Corticeira Amorim uses a distinct set of communication channels that are regularly available and allow a wide range of information to be made to its stakeholders.

Shareholders and investors	Customers	Employees	Official and governmental entities
<ul style="list-style-type: none"> General shareholders' meeting Meetings with investors and analysts Periodic disclosure of developments in the business Reports & accounts Sustainability report Regular meetings and contacts Responses to external requests Visits to the cork oak forest and to Corticeira Amorim Website Social networks Newsletter and Press releases Information brochures 	<ul style="list-style-type: none"> Sustainability report Environmental education/ awareness actions Support for initiatives/projects Satisfaction surveys Participation in fairs and industry events Awareness and technical support programmes Cooperation agreements for R&D+I Publication of technical articles Working groups Regular meetings and contacts Various seminars and workshops Responses to external requests Visits to the cork oak forest and to Corticeira Amorim Website Social networks Newsletter and press releases Information brochures 	<ul style="list-style-type: none"> Sustainability report Cork oak protection initiatives Environmental education/ awareness actions Support for initiatives / projects Satisfaction surveys On-site information panels Procedures and policies Intranet Performance management system Various seminars and workshops Thematic and awareness-raising internal actions Responses to external requests Visits to the cork oak forest and Corticeira Amorim Website Social networks Newsletter and press releases Information brochures 	<ul style="list-style-type: none"> Periodic disclosure of developments in the business Reports & accounts Sustainability report Cork oak protection initiatives Participation in fairs and industry events Cooperation agreements for R&D+I Publication of technical articles Support for initiatives/ projects Satisfaction surveys Awareness and technical support programmes Working groups Regular meetings and contacts General and sector meetings Various seminars and workshops Responses to external requests Visits to the cork oak forest and Corticeira Amorim Website Social networks Newsletter and press releases Information brochures
Suppliers	Media	NGOs and the Community	Partners and civil society
<ul style="list-style-type: none"> Report & accounts Sustainability report Environmental education/ awareness actions Support for initiatives / projects Selection and evaluation of suppliers Participation in trade fairs and sectorial events Awareness and technical support programmes Cooperation agreements for R&D + I Publication of technical articles Working groups Regular meetings and contacts Seminars and various workshops Responses to external requests Visits to the cork oak forest and Corticeira Amorim Website Social networks Newsletter and press releases Information brochures 	<ul style="list-style-type: none"> Periodic disclosure of the evolution of the activity Report & accounts Sustainability report Support for initiatives and projects Participation in trade fairs and sectorial events Publication of technical articles Responses to external requests Visits to the cork oak forest and to Corticeira Amorim Website Social networks Newsletter and press releases Information brochures 	<ul style="list-style-type: none"> Periodic disclosure of the evolution of the activity Report & accounts Sustainability report Initiatives to defend the forest and the environment Environmental education / awareness actions Community engagement initiatives Support for initiatives / projects R & D + I collaboration protocols Working groups Regular meetings and contacts General and sectorial meetings Seminars and various workshops Internal theme and sensitivity activities Responses to external requests Visits to the cork oak forest and Corticeira Amorim Website Social networks Newsletter and press releases Information brochures 	<ul style="list-style-type: none"> Sustainability report Initiatives to defend the cork oak forest and the environment Environmental education / awareness actions Community engagement initiatives Support for initiatives / projects Participation in fairs and sectorial events R & D + I collaboration protocols Publication of technical articles Working groups Regular meetings and contacts General and sectorial meetings Various seminars workshops Responses to external requests Visits to the cork oak forest and Corticeira Amorim Website Social networks Newsletter and press releases Information brochures

3.6. VALUE CHAIN

Corticeira Amorim strives to implement its ethical commitments and economic, environmental and social responsibility, as referred to in chapter 3.4. Responsible conduct, at all levels of its business plan. In this regard, the company considers that a chain of raw material suppliers, predominantly cork, and stable transport services, plays a fundamental role in guaranteeing good sustainability practices, both at the point of origin and in its operating processes.

Corticeira Amorim's business model spans all stages of production, from the purchase of the raw material, to the company's operations, distribution and marketing of various cork products, with more than 27,000 customers and 94% of sales made outside Portugal, in more than 100 countries.



Procurement and supply of cork

1st FSC certification in the cork industry

Corticeira Amorim was the first company in the world to achieve FSC® certification in the cork industry, in 2004

The Raw Materials BU is the starting point for the global and integrated management of Corticeira Amorim's value chain. The Raw Materials BU is responsible for preparing, discussing and deciding on the company's multi-annual procurement policy, ensuring optimisation of the supply of all types of cork raw materials to be used in other BUs in the Group and for production of the respective products and applications.

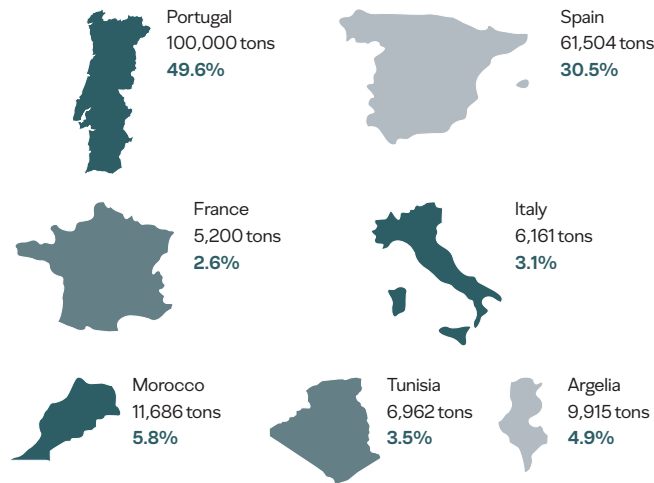
Cork production takes place in the Mediterranean Basin and it is in this region that the majority of Corticeira Amorim's operations are located, promoting the need for environmental conservation as well as social and economic investment in these areas. In recent years, a strategy has been developed to diversify supply sources in

order to enhance cork extraction in all production regions, ensuring the capacity for a quick and efficient response to any increases in consumption of the raw material.

In 2020, there were purchases of cork and cork products, totalling € 247 million, 94% of which are from Portugal and Spain and the remainder from other locations in the Mediterranean basin, namely from North Africa.

Purchases of cork and cork products (thousand euros)		
	2020	2019
Portugal and Spain	231,153	251,168
Other origins	15,436	18,857
Total	246,589	270,025

Annual cork production per country



Protecting the cork oak forest

In addition to management of the supply of cork, the activities of the Raw Materials BU focus on gaining knowledge about the cork oak forest and improving the production of high-quality cork. In this regard, Corticeira Amorim maintains a close relationship with its cork producers, and promotes compliance with the CE Liège Code of Cork Stopper Manufacturing Practices and forestry certification from the Forest Stewardship Council (FSC®).

At the end of 2020, 29 establishments of Corticeira Amorim (16 industrial units and 13 distribution units) had their chain of custody certified in accordance with the FSC®, which confirms to the market the company's concern and performance in protecting biodiversity, employee rights, the rights of indigenous peoples and of areas of significant environmental and cultural importance.

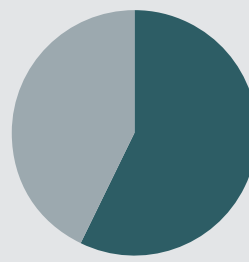
As the industry leader, Corticeira Amorim recognises the influence of its activities on valuation of the cork oak forest and implementation of best management practices. A strong focus on forestry research and development and innovation of its processes is a constant priority for this BU and a decisive factor for its business competitiveness. New production techniques have been implemented in order to improve the quality and quantity of cork production, in particular, the REGACORK Project, integrated within the Forestry Intervention Project. More information can be found in subchapter 4.1 Preserving the cork oak forest and ecosystem services.

Promoting best practices

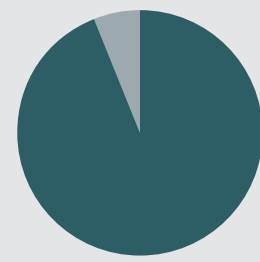
Between 2008 and 2015, Corticeira Amorim was responsible for providing a free technical advisory service to forest owners, and is co-responsible for more than 20,000 hectares of certified cork oak forest in Portugal. The objective of the advisory service was to identify and adopt best management practices and support biodiversity. The service was launched in October 2007, with Corticeira Amorim joining the European Commission's "Business and Biodiversity" initiative, through a protocol established in partnership with the Instituto de Conservação da Natureza e Florestas de Portugal (ICNF) and two NGOs: the World Wildlife Fund and Quercus. In addition to providing technical advice to forest owners, this partnership also aimed to stimulate forestry research and disseminate best practices in forest management.

In the same period, 2008 and 2015, Corticeira Amorim was also responsible for the most prestigious award ever awarded in the cork sector: the research prize "Valuing and Sustainability of the Cork Oak and Associated Biodiversity", which aimed to distinguish forest owners with the best practices in sustainable management of cork oak forests and associated biodiversity.

Industrial units with FSC® certification



Cork and cork products purchased from controlled sources



Procurement and supply of non-cork

75% of local purchases

Non-cork purchases are supervised by the transversal support area for procurement, energy and transport, where great emphasis is placed on building lasting relationships and local purchases, with 75% goods and services purchased in Portugal by local establishments (2018).

Corticeira Amorim's transversal support area for procurement, energy and transport is responsible for managing suppliers and purchasing all non-cork products, services, transport and contracts. Management, from a global perspective, is focused on the search for the excellence of the goods acquired and the services provided, also aligned with the company's strategic objectives, making it possible to add increasing value to the Group in terms of sustainability.

Corticeira Amorim seeks to establish stable long-term relationships with its suppliers, guaranteeing quality control of products and a high degree of building loyalty with the main suppliers, placing great emphasis on local purchases.

Qualification of suppliers

The acquisition of non-cork products involves a supplier prequalification, qualification and evaluation process. Qualified suppliers are expected to meet the quality standards for supplies, delivery times and the social and environmental responsibility indices defined by Corticeira Amorim. To this end, a defined methodology is applied by the company, characterised by social responsibility (IRSoc) and environmental responsibility (IRAmb) indices.

IRSoc and IRAmb are calculated according to the percentage of requirements met by the supplier. An IRSoc of 100% is applied if the supplier is NP 4469 certified. An IRAmb of 100% is applied if the supplier is ISO 14001 certified.

Depending on the index under consideration, for each requirement that the supplier does not commit itself to meeting, 25% will be subtracted from either the IRSoc or IRAmb. If the supplier does not meet one or more of the requirements in its commitment, the IRSoc or IRAmb will be zero.

The selected suppliers are subject to an audit programme which takes place annually, based on the following criteria:

- Supplier performance in the previous year;
- Criticality of the products/services supplied; or
- In the case of new suppliers, necessary quality, social and environmental aspects.

After each audit, the supplier's performance is evaluated in order to validate the qualification criteria and detect any non-conformities. When non-conformities are identified, an action plan is requested and, depending on the criticality of the non-conformities detected, follow-up audits are carried out and all non-conformity mitigation measures are verified in the Corticeira Amorim Group companies. In addition, there may still be a need to work with the supplier to resolve the non-conformities or find alternatives to the supplier in question.

In 2020, Corticeira Amorim did not replace any suppliers as a result of the supplier pre-qualification, quantification and evaluation process. Further information available at: <https://www.amorim.com/en/sustainability/governance/value-chain/>.

Transport

The transport of products throughout Corticeira Amorim's value chain has a significant impact on the business, at an economic and environmental level, and is therefore a priority for the Group to ensure its sustainable management.

In this context, Corticeira Amorim's Transportation Department, operating under the auspices of the Central procurement, energy and transport support area, conducts its activities based on the values of commitment, credibility, integrity (ethics) and the search for excellence, and is responsible for:

- Positioning of the purchasing function 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.

Corticeira Amorim has implemented new ways of mitigating the impact of transport, making a positive difference to the international competitiveness of its business. An example of these actions is the preference for maritime transport. In addition, several projects are carried out in the context of maximising the amount of product transported per packaging unit, and optimising transport flows of raw materials and products.

More sustainable packaging in Amorim Cork Flooring

During 2020 Amorim Cork Flooring started a project with the objective of making packaging more sustainable. The first phase focused on packaging.

Every year the company consumes more than 2.5 million packages to transport its product, in which it places a manual with installation instructions. This project aims to eliminate the consumption of about 80 tons of paper from these instructions by replacing it with a QR code printed on the packaging.

Reduction in retractable plastic consumption in Amorim Cork

After several tests carried out in several of the industrial units of Amorim Cork to guarantee the delivery of the product without defects, the mesh size of retractable plastic was reduced from 21 to 8/12 in 2020, as well as the optimisation of its application by equipment. In addition to reducing costs, this action made it possible to reduce the consumption of materials by approximately 40 tons per year.

[4] Environmental Pillar

Corticeira Amorim develops its business activity based on the bioeconomy and seeks to have an activity that has a positive impact on ecosystems throughout the value chain. The most relevant benefits for the planet include work to help preserve the cork oak forest and ecosystem services, the application of circular economy practices and the development of green products that have cork at their centre - a 100% natural material, that is renewable, reusable and recyclable, perfectly aligned with the environmental awareness of today's society.

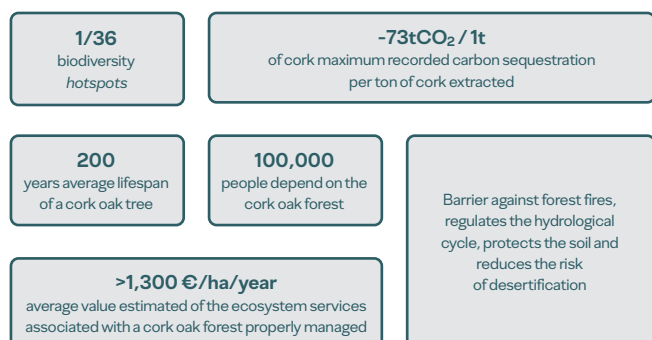
4.1. PRESERVING THE CORK OAK FOREST AND ECOSYSTEM SERVICES

Objective	Main targets:	Target 2021-2024
<ul style="list-style-type: none"> Preserve the cork oak forest and ecosystem services by increasing knowledge, mobilising resources and proposing initiatives. 	<ul style="list-style-type: none"> Strengthen efforts to protect and safeguard cultural and natural heritage; Promote the implementation of sustainable forest management and mobilise resources; Integrate the values of ecosystems and biodiversity. 	<ul style="list-style-type: none"> + 3,000 ha cork oak forest interventions by 2024

National Tree of Portugal

The cork oak tree plays such an important role that at the end of 2011, was unanimously consecrated by the Assembly of the Republic, as the National Tree of Portugal and has been protected by law since the 12th Century.

Cork oak forests are located in the Mediterranean basin. As an autochthonous tree, the cork oak tree is perfectly adapted to the local climatic conditions and arid soils, lives on average 200 years and offers an important set of ecosystem services, including supply of cork, prevention of forest fires, soil protection and prevention of desertification. In addition, the oak cork oak tree play an important role in regulating the climate (for every tone of ton of cork produced the cork oak forest sequesters up to 73 tons of CO₂) and in terms of maintaining biodiversity (it is part of one of the 36 global biodiversity hotspots). A study, conducted by EY in 2019, estimated an average value of more than €1,300 / ha / year for the ecosystem services associated with a correctly managed cork oak forest.



Cork for the planet

The cork oak forest plays an important role, among other elements, in global regulation of the climate, in the prevention of forest fires, in the hydrological regulation and protection of the soil, driven by its multifunctional characteristics, together with its broad biodiversity.

Cork for people

Cork harvesting is manual work that requires technical knowledge and knowledge of the forest. Being regular and cyclical, it creates continuous activity and helps secure populations in areas at risk of desertification. The World Wildlife Fund (WWF) estimates that more than 100,000 people are economically dependent on activities related to the cork oak forest.

Cork for prosperity

Cork generates the most highly valued products in this ecosystem, mainly due to the production of cork stoppers. This raw material is also used in several other business sectors that have tremendous economic and social relevance, highlighting the contribution to job creation and local development in rural areas.

Given the activities developed by Corticeira Amorim, which are based on the use of cork, promotion of the cork oak forest, biodiversity and associated ecosystem services assumes fundamental importance.

There are several commitments that have been assumed by the company, which are reflected through its internal policies or external commitments, such as the fact that it joined act4nature Portugal in September 2020.

The initiative launched by BCSD Portugal aims to raise awareness, mobilise and encourage companies to protect, promote and restore biodiversity. Joining this initiative is integrated with Corticeira Amorim's mission, which is committed to the adoption of practices that guarantee the preservation of the environment, assuming sustainability as the basic reference. Therefore, in addition to fulfilling the 10 common commitments of act4nature Portugal, companies reinforce their commitment through a set of individual SMART commitments, including: inclusion of protection of biodiversity in the code of business ethics and professional conduct; develop actions to promote cork oak forests, biodiversity and ecosystem services; expand knowledge about the environmental impact of cork products and the ecosystem that they support; promote biodiversity in the value chain; encourage the integration of biodiversity in the production process; reduce impacts on the production process; increase efficient resource management; maintain a proactive role in the development of the already vast field of applications of cork, in order to guarantee the sustainability of cork oak forests and their associated biodiversity; carry out initiatives with a view to raising the awareness of employees about the theme of biodiversity; publicly report monitoring of the commitments assumed. For further information: https://bcspdportugal.org/wp-content/uploads/2020/12/Act4nature-Portugal_Compromissos-empresárias_VFF_compressed-1.pdf.

Corticeira Amorim develops numerous initiatives for the maintenance, preservation and enhancement of the cork oak forests, based on guidelines that make it possible to:

- Increased knowledge about the environmental impact of cork products and their associated ecosystems;
- Affirmation of cork-based solutions and the development of the cork oak forests, as guarantors of the ecosystem;
- Promotion of internal and external awareness initiatives;
- Proactive approach to the discussion of policies and proposal of measures for protection of the cork oak tree, preservation of the cork oak forest, promotion of the cork sector, certification of forest management systems and remuneration for the environmental services provided by the cork oak forest.

According to the classification by the Instituto de Conservação da Natureza e das Florestas (ICNF), the areas where Corticeira Amorim develops its industrial activity are not located in protected areas, and therefore we do not know of any significant impact on biodiversity.

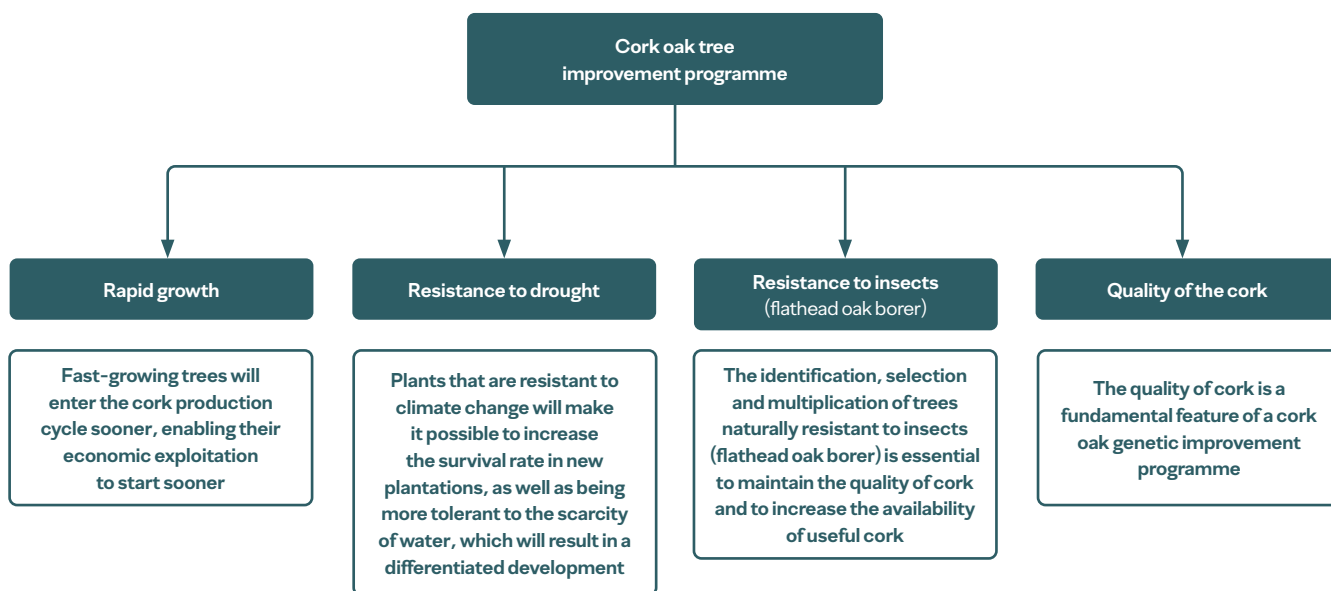
4.1.1. FORESTRY INTERVENTION PROJECT

Over the past few decades, cork oak trees (*Quercus suber*) have lost their vitality. This is attributed, among other factors, to poor management practices, use of harmful biotic agents and climate change. The preservation of the cork oak tree and the ecosystem of the cork oak forest is essential in order to continue to enjoy not only the cork produced, but also many other ecosystem services that are valuable to the populations living in the Mediterranean basin. In order to alleviate the imbalance between the supply and demand for cork, as well as the growing concern with reducing the productivity of existing cork oak forests, Corticeira Amorim has been developing the Forestry Intervention Project (PIF), which aims to preserve and foster the sustainable development of the cork oak forest. Under the maxim "take care of the present, build the future", the PIF began in 2013 as a research project that sought a new model for growing cork oak trees, based on irrigation.

Corticeira Amorim aims to be a centre of excellence in cork oak research and conduct applied research into the impacts of irrigation, fertilisation, nutrition and soil, as well as the selection of cork oak trees that are best adapted to different climate scenarios through

a "cork oak tree improvement programme". Corticeira Amorim also aims to foster, disseminate and implement these new planting techniques through a forest management office. Currently, the main work areas are as follows:

- **Forest management** - Coordination of new plantations, technical support to forest owners and consultancy on treatments for pests, fertilisation and pruning. In 2020, the work carried out focused on the collection and compilation of existing knowledge that was previously dispersed and the production of supporting documentation with practical application, both in existing cork oak forests and in new plantations.
- **Applied forestry R&D** - Applied research into the impacts of irrigation, fertilisation, nutrition, soil, on the cork oak tree. To date, there have been several plantations of cork oak tree, where there has been study of the irrigation methods in depth and at the surface, the effect and effectiveness of different quantities of fertilisers on growth, evaluation of productivity, valorisation, economic and the technical viability of cork oak plantations subject to irrigation.
- **Fundamental forestry R&D** - Development of the cork oak improvement programme, new methods of plant production and genetic evaluation of *plus* trees. Some *plus* specimens from different origins and edaphoclimatic conditions have already been selected, in order to establish a multiplication and propagation programme. At the same time, a programme for the search and identification of genetic characteristics associated with phenotypic characteristics of interest is also being developed, which in the future will make it possible to identify and choose individual cork oak trees adapted to different conditions, such as pest resistance and tolerance to drought.



4.1.2. NEW PLANTATIONS

The need to intervene, associated with the knowledge generated in the first phase of the Forestry Intervention Project, led Corticeira Amorim to invest directly in two forestry projects using cork oak trees: in the Herdade da Baliza and Herdade da Venda Nova. These two projects will involve a combined dimension of 1,451 hectares of cork oak trees with improved drip installation. The irrigation technique adopted allows the success of the plantation to be significantly increased and, at the same time, obtain a greater initial growth of the trees, thereby reducing the first cycle of exploration from the current 25 years to about half that amount. This drip installation system will be used until the first extraction of the cork, at which point it will be removed and the cork oak tree will return to its normal growth, and cork will be harvested in nine year cycles.

Cork oak trees have already been planted on 251 hectares in the Herdade da Venda Nova, with the largest population of cork oak trees installed using drip irrigation technology.

Corticeira Amorim aims to continue and increase its active participation in the intervention in new areas of cork oak trees, through the purchase of land, leasing or partnerships (densification of existing areas, through partnerships with forest owners), in order to intervene in a forestry area of 3,000 hectares by 2024.

4.1.3. REMUNERATION OF ECOSYSTEM SERVICES

Ecosystem services can be considered as nature's direct and indirect contributions to human well-being. The loss of biodiversity significantly affects the provision of ecosystem services, on which human beings depend, since they form the basis of several ecological processes. It is agreed that the quantification of ecosystem services in monetary and non-monetary values is a necessary tool to operationalise this concept in decision making processes and to contribute to a path aligned with the European Ecological Pact, Biodiversity and SDG strategies.

The cork oak forest plays an important role in promoting ecological functions, such as soil conservation, carbon storage and water retention, enhanced by its multifunctional characteristics and by the existing level of biodiversity. Portugal has the world's largest area of cork oak forest and is the world's biggest producer of cork. However the vitality of the cork oak forest has been decreasing over recent years, weakening its potential to provide services to society.

Corticeira Amorim is the world's largest producer of cork products, and plays an important role in promoting sustainable forest management and in creating a set of interconnections between the cork oak forest, the business and people. The study "The value of cork oak *montado* ecosystem services", commissioned by Corticeira Amorim and produced by EY, states that more profitable and biodiverse ecosystems can be enhanced and perpetuated through more sustainable production systems, fostering the ecosystem services provided, fighting against biodiversity loss and contributing to carbon neutrality and SDGs. In this context, Corticeira Amorim is committed to increasing knowledge about the environmental impact of cork products and the ecosystems that they enable and promote best practices in forest management, in particular forest certification in areas with direct intervention and certification in the value chain of 29 establishments. Further information can be found in the subchapter 3.6. Value chain.

Evaluation
of ecosystem
services

Since 2010, Corticeira Amorim has contributed to the promotion of cork oak forests and the entire cork industry, generating new research in this field.

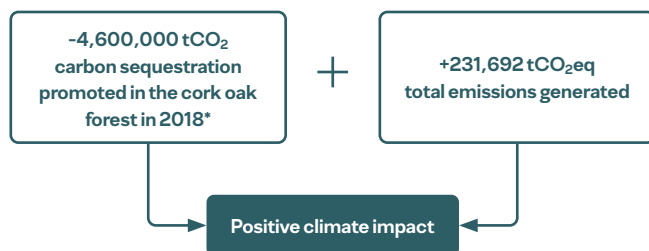
Corticeira Amorim began to study the value of ecosystem services more than 10 years ago, a subject that has already been launched for public discussion by several experts. In 2020, Corticeira Amorim revealed the results of a new study entitled "The value of cork oak montado ecosystem services" that takes into account more current approaches and expanded knowledge. This study, carried out by EY, concluded that, on average, the cork oak ecosystem services provide benefits to society in excess of € 1,300 / ha / year .

4.2. REDUCING THE ENVIRONMENTAL IMPACT

Objective	Main targets	Target 2021-2024
<ul style="list-style-type: none"> Reduce the environmental impact of operations by adopting renewable, affordable and efficient solutions. 	<ul style="list-style-type: none"> Improve energy efficiency; Increase the use of renewable energies; Increase efficiency in water use; Reduce the negative environmental impact. 	<ul style="list-style-type: none"> + 2% energy efficiency /year; ≥ 2/3 energy consumed from controlled renewable sources /year; -1% water consumption intensity/year.

Corticeira Amorim is committed to developing production processes and implementing technologies that foster and continuously improve its environmental performance. This is a global concern and an increasingly important challenge, that has a real and measurable impact in terms of climate change, scarcity of resources and transition to low carbon energy.

Corticeira Amorim is an important promoter of the cork oak forest, and thereby makes a positive contribution to the positive carbon sequestration promoted by this ecosystem – which is an important contribution to the mitigation of climate change. Since the cork oak tree is a slow growing species, with an average life span of 200 years, it assumes an important role in the capture and storage of CO₂, through use of its roots, leaves, trunk and bark - cork.



* GHG Emissions inventory, EY 2019

Corticeira Amorim has reinforced its commitment to a sustainable future through the implementation of sustainable practices throughout its value chain - from the production of cork to its transformation into products that have a low or negative carbon impact, until the end of the product's life. In order to minimise the negative environmental impacts of the processes in the different stages of the value chain, common principles were established for all Business Units and subsidiaries, which include:

- Ensure compliance with legal requirements, as well as other requirements that the organisation subscribes to, applicable to the environmental aspects of its activities, products and services;
- Control significant environmental aspects, contributing to the prevention of pollution;
- Assume a proactive attitude, identifying, evaluating and implementing the appropriate preventive measures to minimise the specific environmental impacts of each activity, using, whenever feasible, the best available practices and technologies.

4.2.1. ENERGY

The energy consumed in 2020 was 1,638,115 GJ (2019: 1,577,074), 83% of which from renewable sources. Energy from renewable

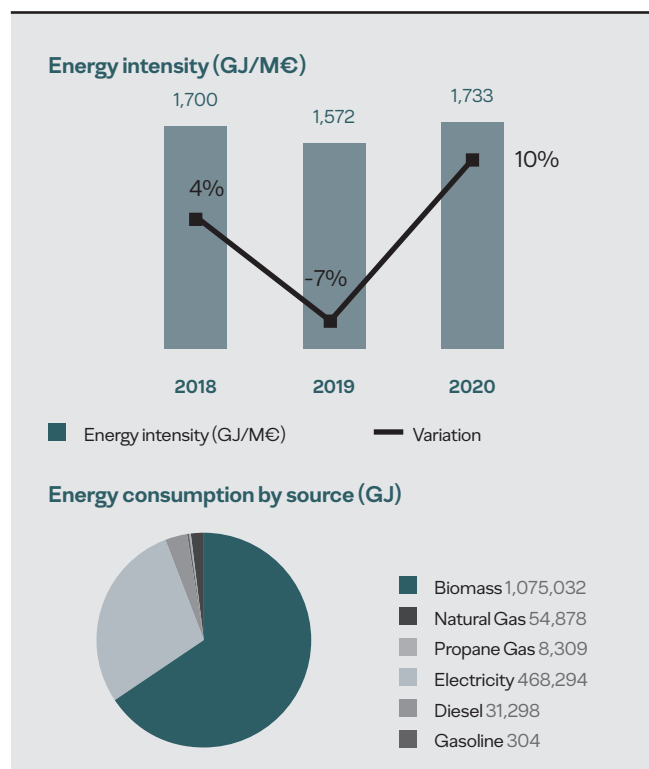
sources that are controlled by the group (biomass) represented 66% (2019: 63%). Corticeira Amorim intends to increase the use of renewable energies in the period 2021-2024 in its operations in Portugal. For this purpose it has set the target to ensure that two thirds of the energy consumed by the company is of a renewable controlled origin.

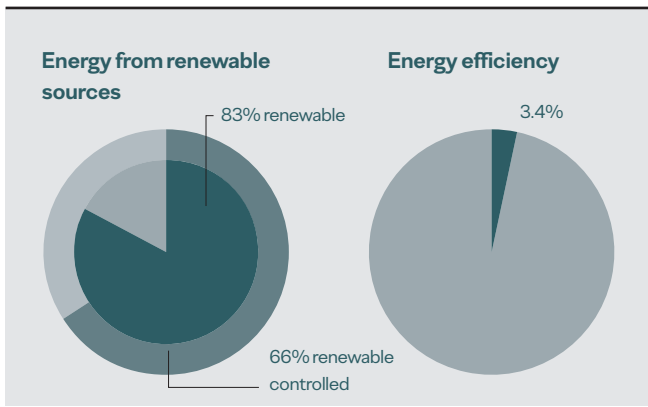
The energy intensity increased by 10% as a result, on the one hand, of a year with lower sales and, on the other hand, of various projects underway to improve process efficiency and product quality. However, the main energy source that responded to this increase was renewable, without any impact on emissions.

During 2020, 101 energy efficiency measures were implemented, resulting in an investment of €2,1 million and savings of 56 thousand GJ, corresponding to a 3.4% rate of energy efficiency. For the period 2021-2024, Corticeira Amorim intends to guarantee energy efficiency measures, for its operations in Portugal, at a rate of 2% per year, measured by the proportion of the savings obtained through the implemented measures within total estimated annual consumptions.

Energy
efficiency forum

The Group organises the Energy Efficiency Forum twice a year as a means of sharing and interaction between the different energy managers. Among other objectives, the Forum aims to: monitor the consumption of energy resources available in factories (in particular cork powder, electricity, natural gas and LPG); maintain the involvement and the urgent adaptation of technology to ensure an increase in the production and quality of industrial units; foresee needs and present new scenarios for the consumption of energy resources, with assessment of scenarios between the needs and adaptation of technology; motivate, carry out and control the development and performance of actions.





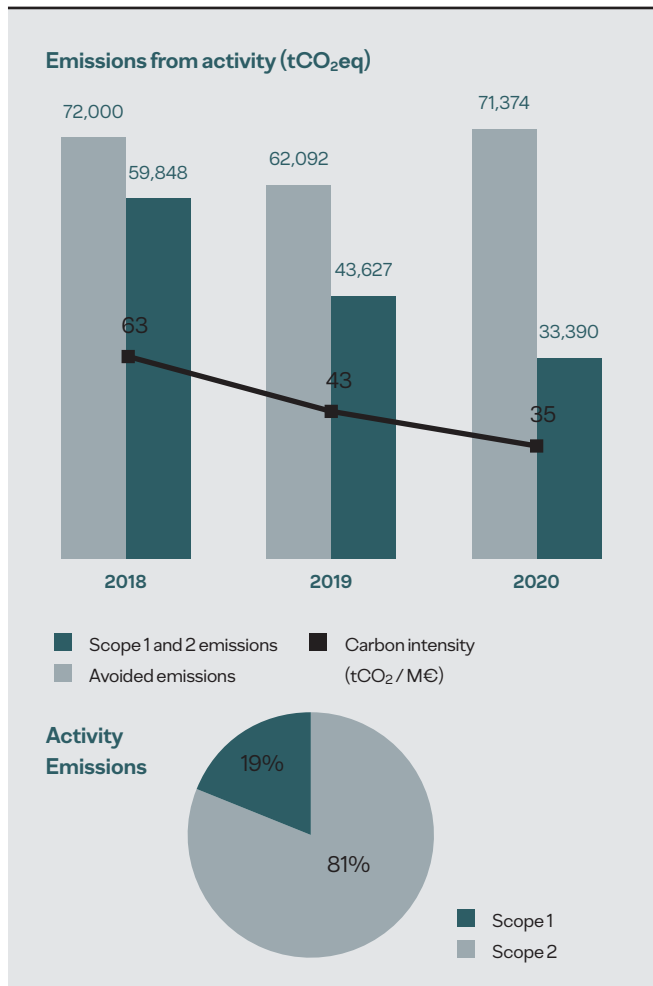
4.2.2. EMISSIONS

In 2020, emissions from the business activity (scope 1 and 2) attained a total of 33,390 tCO₂eq (2019: 43,627), calculated using the market method, with a decrease of 23% compared to the previous year. Most of these emissions (81%) refer to purchased electric energy (scope 2) and 19% are direct emissions (scope 1).

Corticeira Amorim uses renewable energy as its main source of energy and its use does not produce a net increase in emissions. In 2020, the production of energy from biomass, mostly cork powder that is generated endogenously in production, totalled around 1,075,000 GJ (2019: 988,000 GJ). This practice, together with the operational / energy efficiency measures implemented, resulted in more than 71 thousand tCO₂eq (2019: 62 thousand) avoided.

Investment in renewable energies 2021-2024

Corticeira Amorim is determined to increase the consumption of energy from renewable sources, either through the selection of energy suppliers in function of the proportion of renewable energies in their mix, or through direct investment in photovoltaic projects. Starting in 2021 and extending until 2024, the objective is to ensure that the main industrial units have part of their energy consumption derived from photovoltaic energy. At the same time, the focus will remain on projects aimed at optimising the yield of cork powder for burning and respond to the reduction in the availability of cork powder for energy use, which results from the constant search for the implementation of technologies and processes that will guarantee the optimisation of the yield from cork consumed in the industrial cycle.



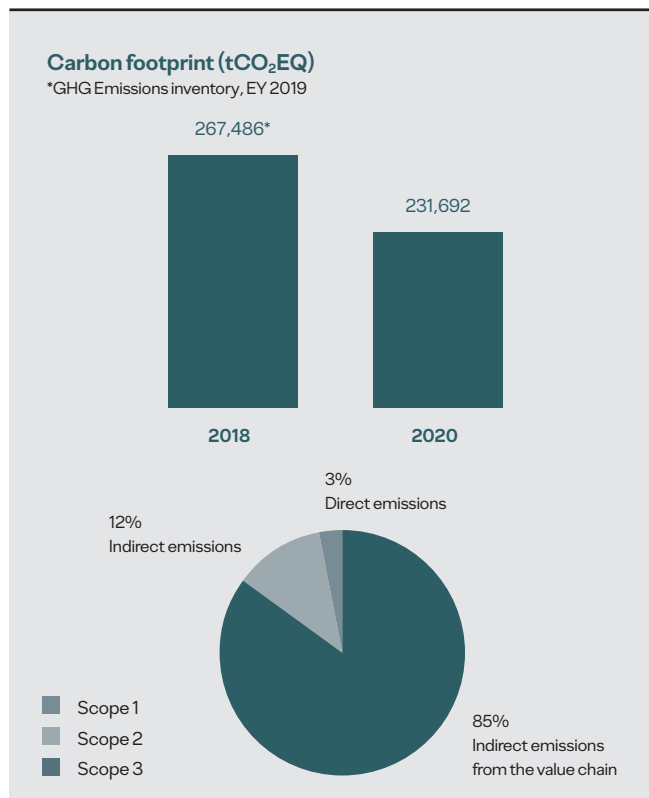
Carbon footprint

In 2020, Corticeira Amorim calculated the indirect emissions associated with the value chain (scope 3) for six categories, according to the Greenhouse Gas Protocol, issued by the World Business Council for Sustainable Development and the World Resources Institute. Compared to the method reported in previous years, it added a new category - "purchase of goods and services". The framework considered was that of operations in Portugal, where the majority of industrial production and processing units are located (61%) and which reflect the vast majority of exports (94%). Emissions calculated for scope 3 amounted to 198,301 tCO₂eq in 2020, a 13% reduction compared to 2018, the year in which Corticeira Amorim carried out a detailed calculation of its carbon footprint, prepared by EY. Considering the same categories as the previous report, scope 3 emissions were 78,850 tCO₂eq, i.e. 4% less than those verified in 2019, essentially due to the 15% reduction in the category of downstream transport distribution.

This performance reflects a reduction in business activity and less use of transport that has the greatest impact, due to the pandemic. In addition, it reflects the implementation of new projects aimed at optimising routes by reducing the weight of packaging and the distances travelled, and increasing the capacity of the cargo and the number of deliveries per distance travelled. As expected, there was a significant reduction in business trips during the year 2020. As for the transportation of employees, considering that there were no significant interruptions in the activity, the assumptions of previous years were maintained, despite the fact that some employees spent part of the year in a teleworking regime.

Value chain emissions – scope 3 (tCO ₂ eq)	2020	2019
Purchase of goods and services*	119,451	–
Upstream transport and distribution	30,642	25,329
Downstream transport and distribution	45,011	52,846
Waste generated in operations	235	266
Business travel	360	1,277
Employee commuting	2,602	2,589
Total (Comparable total)	198,301 (78,850)	– (82,308)

* Category added in 2020



4.2.3. WATER

In 2020, water withdrawal was 770 thousand m³. About 15% of the water was returned to the environment and approximately 85% was consumed - integrated into the product or used for the production of steam. Most of the water withdrawal by Corticeira Amorim originates from underground extraction (94%), and the remainder (6%) is obtained from the public network. Corticeira Amorim has no indication that the hydrographic basins from which water is extracted are under hydric stress. The World Resources Institute tool was used for the characterisation of areas under hydric stress within the framework of this report, which reveals that 27% of the withdrawals occur in a high-risk area for hydric stress.

Water is essential for socio-economic development, for the maintenance of healthy ecosystems, for the sustainability of the Planet and for human survival. According to the United Nations, more than two billion people worldwide lack drinking water and responsible water use will help reduce floods, droughts, shortages and pollution. Aware of the need to preserve this fundamental resource for the planet, Corticeira Amorim has adopted an approach based on three pillars: lower consumption, treatment and hydrological regulation.

In terms of water consumption, Corticeira Amorim has established an objective for its activities in Portugal for the period 2021-2024, to reduce the intensity of water consumption by 1% / year, through a set of actions to be implemented during this period. In 2020, actions in this field were based on the development of a series of procedures that included changing our assumptions, and the method used for collecting and consolidating data, which led to the integration of water abstractions in the consolidation perimeter that were not previously considered. A new series will therefore start in 2020, to monitor and report Corticeira Amorim's consumption.

Corticeira Amorim has invested in the treatment of effluents, with several measures adopted to optimise the Industrial Wastewater Treatment Plants (IWWTP) and monitor the environment that receives effluents, to ensure the least possible impact.

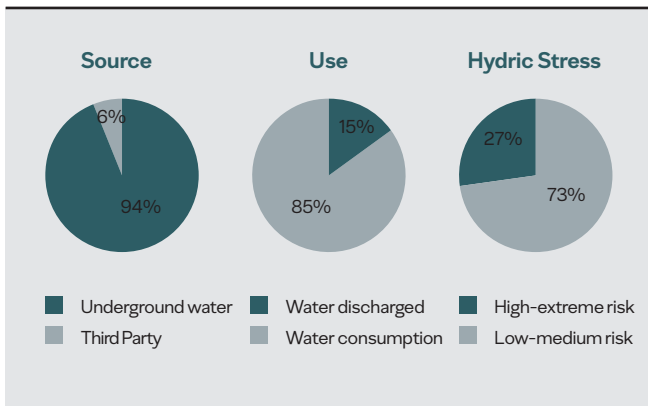
In terms of hydrological regulation, one of the ecosystem services provided by the cork oak forest is the ability to regulate the water cycle. About 36% of the area of the left bank of the Tejo-Sado river is occupied by cork oak trees. It is one of the most productive and deepest aquifer systems in the Iberian Peninsula, and is re-supplied by the infiltration of rainwater into the soil. The intersection of rainwater by cork oak trees plays an important role to protect the soil from water erosion, contributing to the fight against desertification. Information on Corticeira Amorim's performance in terms of protecting the cork oak forests and their ecosystem services is provided in subchapter 4.1. Preserving the cork oak forest and ecosystem services.

Manage water with continuous improvement tools in Amorim Cork

In order to reduce water consumption in a solid, reliable and integrated manner, Lean tools have been selected. The main objectives of these tools are to simplify processes and structure information to more easily identify any opportunities for improvement. In view of the complexity of the water distribution collection networks and in order to quickly identify possible iterations and mapping and accounting errors, Amorim Cork used the value tree, which made it easier to map the consumptions and volumes captured, as well as their hierarchy, comparison and evaluation.

Optimisation of IWWTP

Corticeira Amorim has IWWTP in several of its industrial units, that aim to treat its effluents in order to guarantee the discharge parameters. Great focus is given to reducing the negative impacts of its business activity, so there is a constant concern for the optimisation of processes in the IWWTP and for the control and monitoring of the quality of the effluent discharge. In recent years, analytical plans have been developed to enable better monitoring of the quality of the effluent discharge; equipment was acquired and new controls were implemented, increasing the capacity to classify and identify any deviations.



emissions, either through its preference for renewable energies, through the improvement of energy efficiency or the option for the modernisation of systems and introduction of controls in the boilers. In 2020, a system for collecting and consolidating this information was implemented in the framework of reporting sustainability indicators, and has become part of its regular reporting. Hence, in 2020, emissions of fine particles amounted to 65 t, NOx emissions totalled 122 t, SOx emissions totalled 5 t and VOCs were 59 t.

Renewable energy-biomass project

During 2020, the project was continued in particular in the Raw Materials, Cork Stoppers and Insulation Cork Business Units, after having being carried out, in previous years, in the Cork Stoppers and Composite Cork Business Units. The project consists of the acquisition of new boilers, the respective restructuring of the network and various interventions in existing boilers, in particular in terms of thermal fluids and steam systems, in order to increase their capacity, improve the yield from cork powder in energy production, adapt the boilers to use other sources of biomass, reduce the use of natural gas and lower atmospheric emissions.

Herdade da Venda Nova

With an area of 251 hectares, the Venda Nova project is currently the largest plantation of cork oak trees, installed using drip irrigation technology and is part of the Forestry Intervention Project that Amorim Florestal has been operating since 2013 (additional information in subchapter 4.1 Preserving the cork oak forest and ecosystem services. In a climate change scenario, the drip irrigation installation, which will only be used until the first harvesting of the cork, aims to ensure the ideal conditions for the planting and growth of the plants, ensuring a faster and more efficient occupation of the forestry area. By reducing the first cycle of extraction by about half and increasing the success of the plantations, it is intended, on the one hand, to ensure greater profitability, and on the other hand, guarantee greater future availability of the raw material that will ensure the sustainability of the industry. The Venda Nova project, in view of its size, intends to show Corticeira Amorim's unequivocal commitment to the development of the cork oak forest.

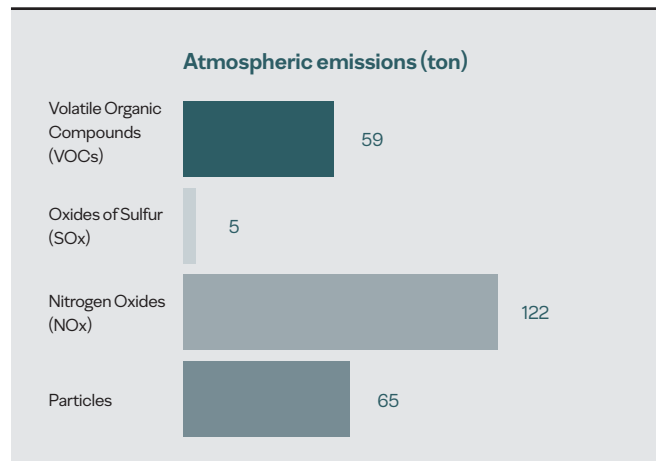
Starting in 2019, this estate currently has about 100,000 trees and a 30,000 m³ water storage pond. Given the project's special characteristics, the water-related aspects are not consolidated with the information provided in this report. Corticeira Amorim intends to work further in order to consolidate the methodology used to report the environmental aspects related to its forestry projects.

4.2.4. AIR QUALITY AND POLLUTION

Aware of the impacts of its operations on the environment, Corticeira Amorim has implemented measures to mitigate the specific impacts of each unit, in particular through:

- Regular noise measurements and active measures to reduce this, such as machine and motor encapsulation;
- Monitoring chimney emissions and specific measures to avoid dust or particle emissions such as the use of filters;
- Training employees on best practices to prevent spillage, and making spill kits readily available;
- Emergency response procedures in force.

Atmospheric emissions result primarily from burning fuels in order to generate energy. The emissions include carbon dioxide (CO₂), fine particles, nitrogen oxides (NOx), sulphur oxides (SOx) and volatile organic compounds (VOC). CO₂ is a greenhouse gas that contributes to climate change. NOx and SOx are air pollutants that affect air quality and can cause acid rain and acidification of the soil. VOCs are responsible for odours and can lead to deterioration of air quality. Corticeira Amorim works continuously to reduce its atmospheric



4.3. APPLYING CIRCULAR ECONOMY PRINCIPLES

Objective	Main goals	Target 2021-2024
<ul style="list-style-type: none"> Apply the principles of circular economy through the reduction of waste, extend the life of materials and regeneration of natural systems. 	<ul style="list-style-type: none"> Improve the efficiency of global resources, thereby achieving sustainable management; Manage use of chemicals in an environmentally sound manner; Substantially reduce the generation of waste through reducing, recycling and reusing materials. 	<ul style="list-style-type: none"> -5% weight of virgin non-renewable materials consumed /year; ≥ 90% waste recovery rate (non-cork) /year.

Corticeira Amorim is committed to applying circular economy principles. Inaugurated in 1963, these practices are today one of the group's flagship operations. After defining objectives and concrete goals for this area, in line with the SDGs, in 2020 quantitative targets were also formalised that have been applied to all Business Units operating in Portugal.

The application of circular economy principles at Corticeira Amorim has focused on the following action lines:

- Enhancement of by-products from the production of natural cork stoppers;
- Promote the recovery of non-cork waste;
- Extend the life of materials through industrial symbiosis;
- Integration in the process of end-of-life cork products.

4.3.1. MATERIALS

There was lower consumption of materials in 2020 due to the reduction of the business activity as a result of the pandemic. However, the consumption profile of renewable materials was still higher than 80% (2019: > 80%) and exceeded 85% in the case of renewable and recycled materials.

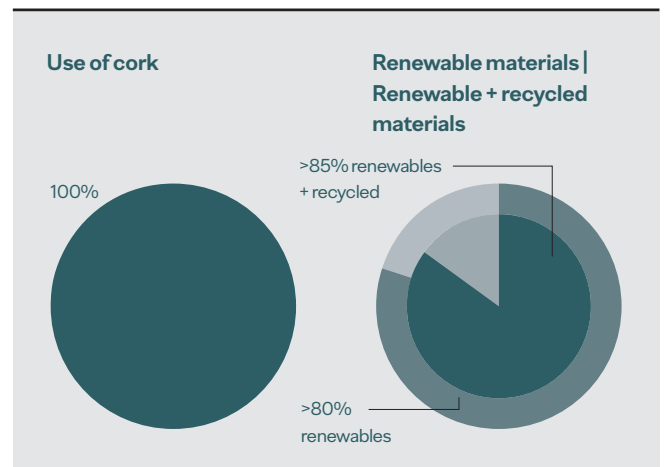
Over recent years, there has been greater emphasis on the consumption of materials that result from industrial symbiosis and are recycled at the end of their life, with an increase in consumption of around 22% in 2020.

In order to promote aspects related to biodiversity in decisions throughout the value chain, Corticeira Amorim set as a target, for the period 2021-2024, an annual reduction of 5% of the proportion of the consumption of virgin non-renewable materials (for virgin plastics / chemicals) in total material consumption.

Among the projects to be highlighted during 2020 is the “circular economy products” project.

Circular
economy
products project

This project aims to develop new cork processing technologies that are not suitable for the stopper industry and other industrial by-products (industrial symbiosis). These technologies aim to produce a wider range of agglomerated cork products in combinations, thicknesses, densities and widths that have not been used before. It will thereby be possible to expand the offer of circular value-added products to the market, reduce potential pollution and reuse materials that would otherwise be considered waste. Examples include the product range, Amorim Wise Cork Inspire 700, a solution for waterproof, PVC-free floors that is suitable for all types of spaces. It also includes underlays and underscreeds for application in the construction sector.



4.3.2. RECYCLING CORK

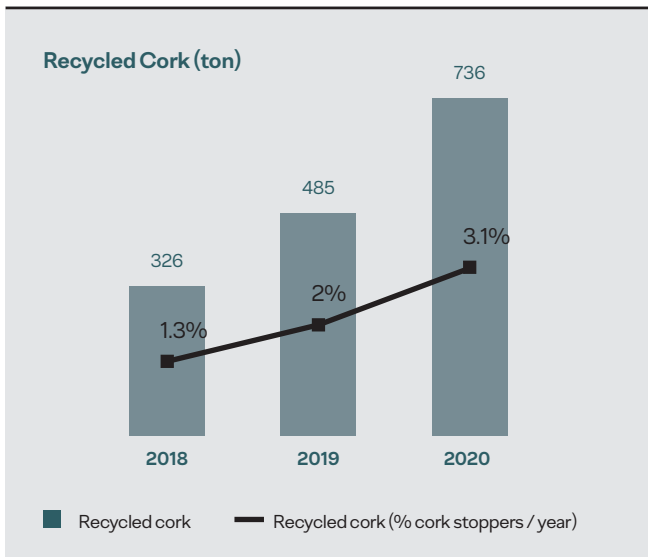
The cork valorisation strategy has motivated the development of unprecedented initiatives for recycling cork stoppers. These initiatives, which originated in Portugal, already have strong support from other countries on the five continents. Through three industrial units, that have been licensed in the Portuguese territory for recycling cork, Corticeira Amorim collects cork stoppers and other cork-based applications for treatment and crushing. The material, after being transformed into cork granules, returns to the production process, in particular in products and, although it is not used by the Cork Stoppers Business Unit, the material is incorporated into products produced by the Composite Cork and Insulated Cork Business Units. In 2020, 736 tons (2019: 485) of cork were recycled in Corticeira Amorim's premises.

Recycling offers innumerable environmental advantages: in addition to increasing the reuse of cork, it makes it possible to extend the life cycle of the material and its environmental benefits, in particular its CO₂ retention capacity.

CO₂ retention of cork

Half of the dry weight of cork is carbon, that is, approximately 1.97 g of carbon, per natural cork or 7.2 g of CO₂.*

* Carbon footprint of natural cork stopper, EY 2019



Among the projects to be highlighted in 2020 is the “waste management and product efficiency” project, which includes, among others, Amorim Cork Flooring’s Recover, Recork and Wise Recover initiative or the Amorim Cork Insulation’s fine cork granules production initiative.

Waste management and resource efficiency

This project implied investments in different stages of the production process of stoppers, floor and wall coverings and insulation in order to enable better use of the raw material and reduce the amount of waste generated before being recycled, used for energy generation or deposited in landfills. Initiatives within this project include the production of fine cork granules from Amorim Cork Insulation, which includes changes in the layout of the industrial facilities in order to enable a more efficient cleaning / calibration separation of the raw material and the consequent increase in the yield of more than 1,500 tons of raw material per year.

Recycling

Corticeira Amorim supports several initiatives for the selective collection and recycling of cork stoppers. The first project was Green Cork which began in 2008, in Portugal, and has since extended to other countries, including France, Italy, Germany, United States, Canada, South Africa and Australia. Cork stoppers and other cork products are collected, treated and crushed at one of Corticeira Amorim’s three industrial units in Portugal, that have been licensed for recycling cork.

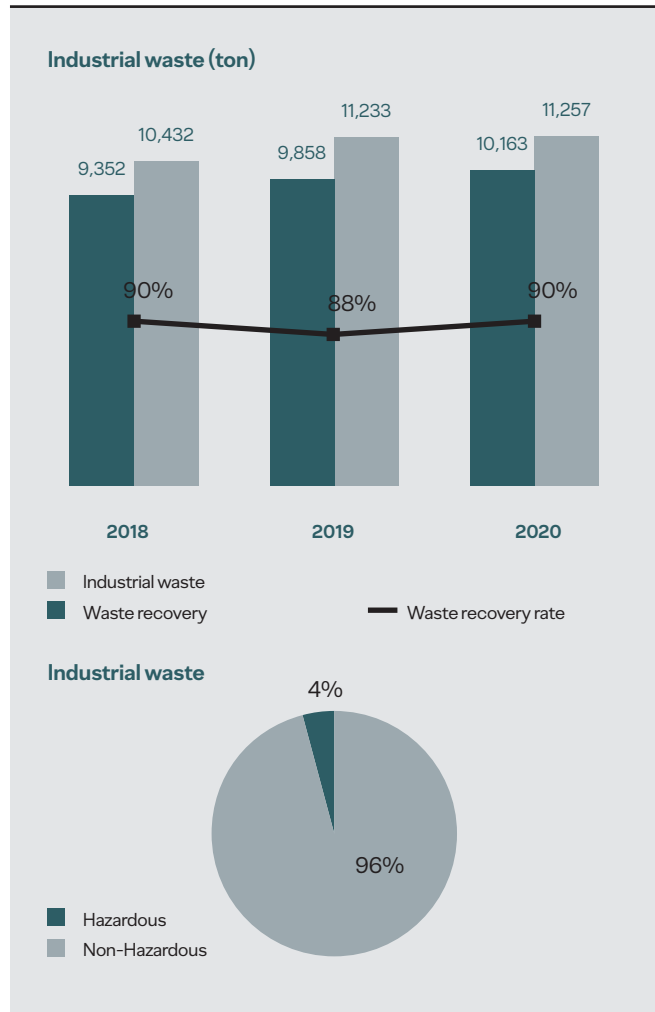
These projects are significant examples of the circular economy principles promoted by Corticeira Amorim, with a strong social impact. Key examples include Green Cork, in Portugal and Etico, in Italy. Further examples: <https://www.amorim.com/en/sustainability/environmental/recycling/4301/>

Green Cork

Green Cork is a project run by Quercus that, since 2008, promotes the collection and recycling of cork stoppers. The project’s main objectives include the financing of the planting of autochthonous trees through the program Floresta Comum. To date, this initiative has enabled the collection of more than 97 million cork stoppers and the planting of more than 1.2 million trees. www.greencork.org/

Etico

Etico is the Italian recycling programme, which started in 2011, involves associations and institutions that mobilise around 1,000 volunteers and manage more than 5,000 collection points throughout Italy. In 2019, the SUBER collection was launched by two Italian architects: the recycled cork stoppers are transformed into small cork granules and then combined with other materials, to produce objects such as lighting systems, tables, seats, umbrella holders and unique clothes hangers. www.amorimcorkitalia.com/it/etico



4.3.3. WASTE

Under the maxim “nothing is wasted, everything is valued”, efforts have been made to take advantage of all cork waste or residues and increase the rate of recovery of non-cork waste. As a result, the rate of use of cork remained at 100% (2019: 100%) and the recovery of non-cork waste was 90% (2019: 88%).

In 2020, 11,257 tonnes of industrial waste were generated (2019: 11,233), 4% of which were classified as hazardous. The factory units have their own processes for labelling, storing, handling and transporting this waste, which is properly transported and processed through authorised agents.

4.4. DEVELOPING GREEN PRODUCTS

Objective	Main goals	Target 2021
<ul style="list-style-type: none"> Maintain a proactive role in developing the already vast scope of application of cork, sustained by the innate properties of the material. 	<ul style="list-style-type: none"> Strengthen resilience and the ability to adapt to climate-related risks; Upgrade infrastructure and rehabilitate industries to make them sustainable; Promote development-oriented policies that support productive activities, entrepreneurship, creativity and innovation; Enhance scientific research; Encouraging innovation through the research and development area. 	<ul style="list-style-type: none"> ≥10 carbon footprint / product life cycle analysis studies.

Corticeira Amorim’s activities aim to guarantee quality, based on the continuous improvement of processes, products and services available and the search for innovative solutions supported by technological development, in order to serve customers with sustainable, quality, differentiated solutions, adapted to their needs and that bring value. The performance is guided by the following key principles:

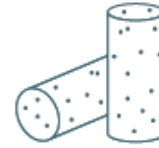
- Develop new products and markets for cork, involving customers in this process, maintaining proximity and making them ambassadors for cork;
- Search for new technological solutions for its products, in partnership with customers, suppliers and other entities;
- Reinforce awareness of its brands, through constant evolution of the commercial offer in response to new market and consumer trends;
- Promote a culture of innovation, through an environment that is conducive to creativity, and a critical and initiative spirit of its employees, fostering teamwork and transversal mutual assistance;
- Valuing innovative practices;
- Create an environment that encourages boldness, and assumes both risk and failure as a core component of the innovation process;
- Provide ongoing training for employees to ensure their professional and personal fulfilment;
- Facilitate internal and external communication, establishing new and improved channels for exchanging information;
- Seek to implement best management practices and continuously monitor their processes, identifying opportunities for improvement.

At a time when carbon neutrality is one of society’s biggest challenges to guarantee preservation of planet Earth, Corticeira Amorim is developing an activity with a positive impact on climate regulation, promoting higher levels of carbon sequestration than its CO₂ emissions. All of this is possible due to the main raw material that is used by the group: cork, a 100% natural, renewable, recyclable and reusable product that is an excellent alternative for promotion of a circular bioeconomy, which combats climate change and minimises waste. Contributing to the transition to a low carbon economy is part of the Group’s ambition.

Green Products

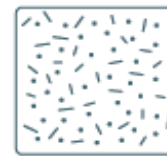
Amorim Cork

- 1st choice for customers who want better quality and contribute to climate regulation



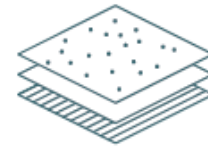
Amorim Cork Flooring

- 100% floors and coverings with indoor air quality certification, whether TÜV-PROFICERT, french certification for VOC (A+) or GREENGUARD, and contributions to sustainable construction certifications, LEED / BREEAM



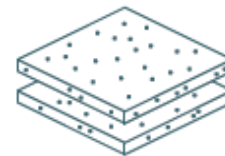
Amorim Cork Composites

- > 500 applications developed for various sectors of activity, allying innovation and circular economy practices



Amorim Cork Insulation

- 0% of additives in insulation products that are simultaneously 100% natural, recyclable, reusable and long-lasting



[5] Social Pillar

Corticeira Amorim’s activity has an impact on society – ever since the company was founded. It is a source of great pride to work with an extraordinary raw material such as cork, which, in addition to being natural and versatile, fosters a unique cultural, environmental and social heritage in the Mediterranean basin. Corticeira Amorim’s sustainable growth strategy is crucially dependent on its employees, from all continents, and their determination to always achieve more, overcoming challenges, influencing by example and promoting the well-being of the communities that are closest to them.

Corticeira Amorim employees are essential to achieve the business objectives and to ensure the sustainability in the present and above all in the future. Corticeira Amorim has been adopting good practices in its employment system, enhancing a safe and stimulating work environment, committing itself to the training and professional development of teams, encouraging innovation and development, promoting the inclusion and diversity of gender, age, cultures, beliefs and nationalities.

Corticeira Amorim’s employee management system relies on its people motivation policies and management practices, which aim to:

- Adopt and assume the principle of freedom of association;
- Promote a physically, socially and psychologically safe and healthy work environment, that constantly seeks to evolve through the adoption of the best techniques and practices in the field;
- Foster implementation of the principles and adoption of the behaviour mentioned in the Code of Ethics and Professional Conduct, which should structure the internal relations between employees, as well as their interactions with different stakeholders;
- Implement personnel management practices in the framework of recruitment and skills development that foster non-discrimination of any kind and guarantee equal opportunities, building work contexts in which plurality and difference are a factor of continuous improvement and innovation;
- Adopt practises of leading-by-example, that value learning and evolution, and recognition and compensation practices, based on merit and free from judgments.

5.1. PROMOTING TRAINING AND WELL-BEING

Objective	Main goals	Target 2021-2024
• Promote training, well-being and personal and professional development for all.	<ul style="list-style-type: none"> • Provide training for all; • Ensure equal access to opportunities; • End all forms of discrimination; • Protect the labour rights. 	<ul style="list-style-type: none"> • 95% employees accessing training by 2024; • 25% women in management position by 2024.

4.4.1. CARBON BALANCE

Since 2018, Corticeira Amorim has developed 15 studies in order to assess the environmental impacts / carbon footprints of its main products. The studies have concluded, without exception, that the products have a negative carbon balance when considering the carbon sequestration of the cork oak forests and the emissions associated to production of the product.

These studies provide relevant information on the environmental contribution of cork products and provide Corticeira Amorim’s approximately 27,000 national and international customers with quantifiable information on how to reduce the carbon footprint of their products. Prepared by PwC in the case of the Neutrocork study and by EY, in the other studies, they showed that the carbon balance can attain:

Amorim Cork
Still wines <ul style="list-style-type: none"> • -309 gCO₂eq per natural cork stopper • -392 gCO₂eq per Neutrocork stopper • -297gCO₂eq per Twin Top Evo stopper • -328 gCO₂eq per Advantec stopper Spirits <ul style="list-style-type: none"> • -96 gCO₂eq per natural cork stopper with a wooden capsule • -148 gCO₂eq per neutro stopper with a wooden capsule • -87 gCO₂eq per natural cork stopper with a plastic capsule • -138 gCO₂ per neutro stopper with a plastic capsule Sparkling wines <ul style="list-style-type: none"> • -562 g CO₂eq per sparkling wine stopper with two discs • -540 gCO₂eq per agglomerated cork stopper for sparkling wines
Amorim Cork Flooring
<ul style="list-style-type: none"> • -101 kg de CO₂eq per m² of Amorim Wise cork Inspire 700 flooring • -93 kg CO₂eq per m² of Amorim Wise wood Inspire 700 SRT flooring
Amorim Cork Composites
<ul style="list-style-type: none"> • -39,3 kg de CO₂eq per m² of Top Layer NRT® 94 • -14,2 kg CO₂eq per m² of Underlay Fusion • -8,2kg CO₂eq per m² of Footcork® Evolution

These results illustrate the differentiating factor between cork and other forest products. Bearing in mind that cork oak trees retain carbon for more than 100 years, regardless of the harvesting of cork, cork production supports the maintenance of the ecosystem, thereby making a positive contribution to climate regulation.

World Finance magazine's Sustainability Awards

Corticeira Amorim was the winner in the "Wine products industry" category of the World Finance magazine's Sustainability Awards. Distinguished, in 2020, for the second consecutive year, Corticeira Amorim was thereby recognised for the principles and practices of sustainable development implemented throughout its entire chain of operations, giving rise to a vast portfolio of products and solutions with superior technical performance and unparalleled sustainability credentials.

Of the universe of employees represented in this report, more than 96% belong to industrial-based companies. The indicators shown in this chapter are, therefore, influenced by the predominance of operational management activities, and should be related to this expression.

5.1.1. CHARACTERISATION OF WORKERS

As of December 31, 2020, Corticeira Amorim had 4,357 male and female workers (2019: 4,424), equivalent to a decrease of 1.5% compared to 2019. In terms of geographic distribution, there was no significant change in the percentage of the working population in Portugal (72%); in terms of age, the average age is 42 years (2019: 43 years) and the majority (56%) is aged between 30-50 years.

Within the framework of this report, and of the companies covered by it, about 66% of the working population works as production operators - the most numerous functional group, followed by the group of maintenance, quality and logistic technicians and, thirdly, from the group of management support technicians.

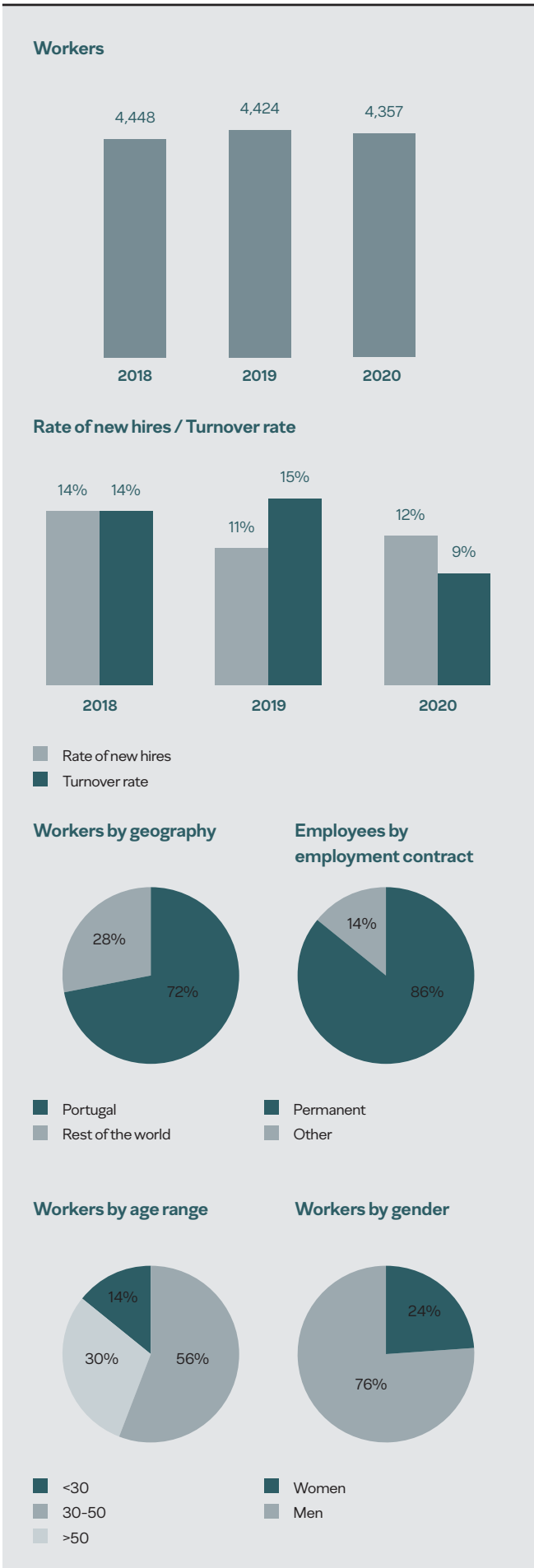
In the year under review, there was no considerable gender variation, with maintenance of the under-representation of female employees: 24% of the total (2019: 25%). The difference in the distribution by gender is mainly reflected in the category of board members, directors and production operators, where there is a higher prevalence of male employees. The highest proportion of women in relation to the total is in the administrative area.

There were also no significant variations in the number of employees in senior management positions. The commitment to uphold personnel management based on policies that favour stability and a medium and long-term commitment with its workforce, as reflected in the employment relationship established: 86% through permanent work contracts (2019: 84%).

The rate of new hires was 9% (2019: 15%) and, similarly to other years, there was a higher number of new male employees and in the age group below 30 years. The staff turnover rate rose to 12% (2019: 11%) and was higher in the age groups under 30 and over 50, especially among women.

Book and Exhibition
Traços de Gente

The year in which Corticeira Amorim celebrated its 150th anniversary could not pass by without a deserved tribute to its employees, whose work and dedication contributed to the group's success. The book Traços de Gente, published by Corticeira Amorim, therefore represents this recognition to the thousands of employees around the world. Traços de Gente compiles the stories of 30 employees those that reflect different eras, cycles and cultures, and also feelings, emotions and beliefs. An undeniable social wealth combined with an immortal human dimension. Corticeira Amorim is proud of its people. The book gave rise to an itinerant exhibition with large-scale photographs of the people portrayed in the book. The exhibition toured all of Corticeira Amorim's manufacturing units in Portugal.



5.1.2. RESPECT FOR FREEDOM OF ASSOCIATION

In Portugal, 100% of employees are covered by collective bargaining agreements (2019: 100%), which are part of the regulation of the working conditions of the Group's employees and which, among other elements, include aspects such as hours, remuneration, access to training.

The right to association and union membership is a relevant principle for Corticeira Amorim; about 18% of their employees actively exercise this right (2019: 19%).

Depending on their size, the companies of the Group choose workers' representation structures (workers' commissions and trade union commissions), elected by the companies' employees and mandated by them, as their representatives. In each company, there are union delegates or workers' commissions or committees (each of these bodies have specific powers and mandates). At Corticeira Amorim, the human resources departments and the management of the Business Units meet, on average, twice a year, to talk about the company's results, and about general and transversal problems related to the management of the company and their employees.

In addition, in the event of any decision relevant to the life of the company, in particular restructuring, schedule changes, activity variation, short-term problems affecting the companies or their employees, the employees' representatives are consulted, listened to and invited to give their opinions and suggestions.

5.1.3. LABOUR RELATIONS AND SOCIAL CLIMATE

Companies with the largest number of employees monitor the social climate at least every two years, and some do so on an annual basis. The questionnaires that serve as a basis for the collection of information are anonymous, and all employees are invited to respond. The compiled data (related to employees' perception of communication, teamwork, leadership, salary practices, relations with colleagues and managers, performance evaluation and professional evolution, among others) allow the analysis of matters and themes that can be improved, it is up to each Business Unit to define specific action plans for its evolution.

In 2020, we highlight the Raw Materials Business Unit, which promoted a consultation with employees with the objective of improving the area of occupational health and safety.

Consultation
with Amorim
Florestal's
employees

In order to improve the actions implemented in the area of occupational health and safety, Amorim Florestal distributed a survey to all employees, analysing the information by work centre and defining improvement actions for the topics that obtained a higher negative score to 50%. The results showed an average of more than three on a scale of one to five (1, negative; 5, completely positive) in the qualitative answer questions and some suggestions for improvement were made in the open answer questions.

5.1.4. WELL-BEING AND BENEFITS

Corticeira Amorim has a long tradition of "taking care" of its employees. The company provides several benefits in terms of the acquisition of products and services (own and those resulting from partnerships and protocols) that aim to provide access to such products and services under advantageous conditions, contributing to the increase in everyone's quality of life.

Thus, employees benefit from various services, salary bonuses and support that encourage the reconciliation between personal and family life and work, in particular:

- Benefits in health services: in all companies in Portugal, hospital admission insurance is available; in the larger units (or headquarters), curative medical consultations are organised twice a week; there are protocols with clinical analysis laboratories that collect samples from companies and pharmacies that collect orders and deliver medicines to the premises; several tests are regularly carried out (ophthalmological, hypertension, healthy habits) with a view to promoting health; an influenza vaccination campaign is held annually;
- Benefits and school support: support for the education of employees and their children, with the grant of school subsidies, merit scholarships for employees' children (currently more than 30 young people per year);
- Benefits and initiatives for recognition and celebrations throughout the year: offering toys to employees' children, Christmas baskets to all employees, seniority awards and various employee recognition awards;
- Benefits to support daily life: access to company canteens by the employees' direct relatives, also allowing the employee to purchase takeaway meals.

Extraordinary
bonus to
Corticeira Amorim
employees for the
celebration
of 150 years

In 2020, Corticeira Amorim celebrated its 150th anniversary. This year, as in all 149 previous years, employees made a difference with an exceptional response in the context of the covid-19 pandemic, ensuring, even in the most difficulty, the normal maintenance of activity and the monitoring of employees, customers, and employees were awarded an extraordinary bonus. In this way, the Board of Directors thanked employees for their contributions, underlining its profound recognition of all those who build the company's successes on a daily basis.

Family Audit Certification in Amorim Cork Itália

The concern to develop and cultivate an organisational culture focused on the balance between family and work led Amorim Cork Italy to achieve yet another prestigious result: the Family Audit certification. It is a true virtuous circle, which aims to activate cultural change in companies through innovative actions to reconcile personal and professional life. The Autonomous Province of Trento is the promoter and monitoring body, which aims to encourage companies to create excellent work environments, in perfect harmony with the human and professional needs of people. A team result achieved at Amorim Cork Itália, and a sensitivity that has long been present in the company's culture.

Investors in People at Amorim Cork Flooring

The Investors in People accreditation is awarded to companies that consistently exceed industry standards for people management. Created to respond to the constant challenges of everyday life, Investors in people is also designed to leverage the performance of an organisation through its employees. It reflects the latest trends, good practices in the workplace and the conditions necessary to create exceptional teams, focused on three key areas: Leadership, Support and Improvement. This recognition is the sign of a company that provides its employees with a work place with above average conditions and a clear commitment to the best practices in people management.

5.1.5. TRAINING AND DEVELOPMENT

At Corticeira Amorim, people are an essential value to ensure the company's sustainable development, and their dedication and commitment is influenced by the investment that the company makes in its people.

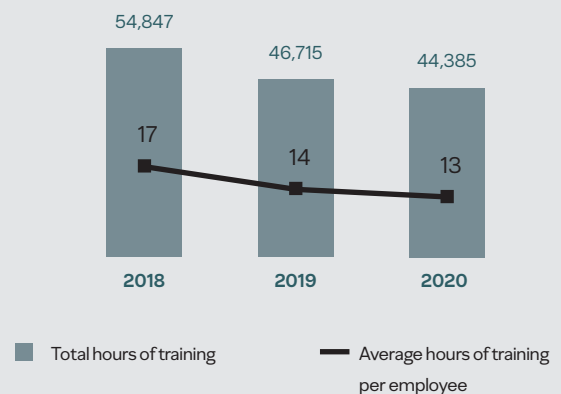
To this effect, Corticeira Amorim seeks to provide all its employees with access to relevant and quality training, promoting learning opportunities and the improvement of skills, not only technical, but also management and behavioural. In 2020, the company organised a total of 44,385 hours of training (2019: 46,715), which corresponds to an average of 13 hours of training per employee (2019: 14 hours). The professional categories with the highest average number of training hours were those of management support technicians, directors and head of department. Despite the strong production activity, which resulted in a supplementary work for several areas that traditionally invest in training, the training levels of recent years have been maintained. A further complication was the Covid-19 pandemic, which made it impossible to carry out a large part of the in-person training sessions. In some cases it was possible to substitute them by distance learning actions, but not all topics and content allowed this approach and, therefore, some planned training initiatives were not carried out.

In 2020, 74% of Corticeira Amorim's employees had access to training. Corticeira Amorim intends to ensure that 95% of employees are involved in training initiatives on an annual basis by the end of 2024. To do so, different approaches and different programmes are being designed, including in e-learning and blended formats that combine e-learning and in-person training that will cover different employee groups in different areas of the company. Corticeira Amorim believes that these initiatives will enable its employees to have widespread access to content that is relevant to their professional and personal development.

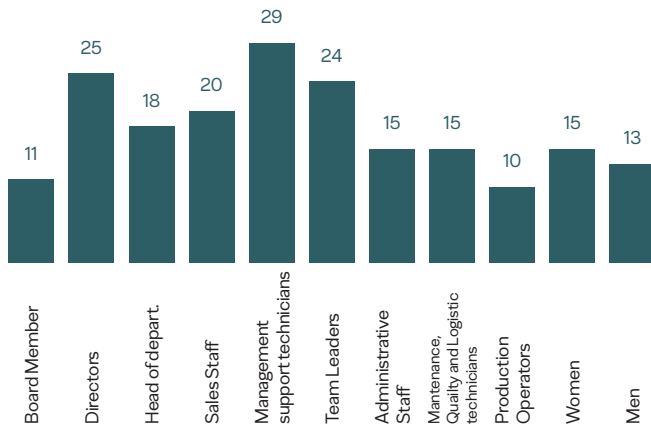
ACC Academy

This project aims to promote the mission, culture, values and principles of Amorim Cork Composites, to develop transversal and technical skills, as well as the knowledge that is considered strategic for the company. It also wants to enhance the capabilities of its employees so that they can be prepared to take on new responsibilities within the organisation. All ACC Academy programmes have a pre-established training path in order to guarantee the quality of experience and knowledge acquisition, covering three stages: diagnosis, assessment and certification. With four different training pillars: corporate, operations, market and innovation, the project was created in 2018 and already has eight courses, 224 participants and a 91% approval rate. Through this project, it was possible to create a culture of knowledge that relies on the involvement of all elements of the organisation, as well as that of external specialists (customers, development centres, technical centres, other partners).

Training



Average hours of training



Amorim Cork's Operators Technical School

The current context of change requires strategies aimed at adapting the necessary competences in a structured manner. Amorim Cork restructured its training processes

by creating the Operators Technical School, with the purpose of responding to three needs: ensuring the qualification (training and education) of new employees; increase versatility and internal mobility; certify knowledge and skills for greater autonomy and accountability for the job. Beginning in 2019, the project involves the participation of the in-house trainers team, the management team of the Amorim Cork training academy, management staff and middle management. The objective is to train up to 150 employees per year, through training and certified training in skills relevant to the labour market for industry in general and for the cork industry in particular. The experience has revealed a strong adhesion and a significant impact on the employees' learning, and has constituted an important support for talent management in the organisation and for professional growth.

5.1.6. CAREER MANAGEMENT AND EMPLOYABILITY

Corticeira Amorim has several programmes and strategies for career development and promotion of the employability of its employees. This priority is evident in the recruitment of recent graduates, with several internship programmes and cooperation agreements with universities. One of these programmes (with an average duration of two years) provides for the rotation of young graduates in management across the companies' different structures, with the main objective of promoting mobility and job rotation in the future. It enables employees to adapt to different contexts and teams and stimulates curiosity and interest in different realities, promoting a spirit of openness and initiative that is sought as a distinguishing characteristic of employees.

Another example of programmes for employees' professional management is the two technical schools of the Cork Stoppers Business Unit (operator school and maintenance school) in which it is intended to train and qualify, in the medium term (investment of two years of training), production operators and maintenance technicians. The employees involved are not being trained for the positions that they occupy, but are instead developing skills to enable them to evolve and occupy other job positions in the future. Also of note, in the commercial area of the same Business Unit, is the recruitment programme for customer service areas, which implies specific on the job training, to allow access to a career in the commercial area.

It should also be noted that Corticeira Amorim has a structured succession plan, with successors identified for all key positions and for senior and middle management positions, which includes the definition of short and medium-term professional development goals and actions for these staff members.

4.1.7. DIVERSITY, INCLUSION AND NON-DISCRIMINATION

Corticeira Amorim is an advocate of diversity and equal opportunities, and guides its labour policies and procedures in order to prevent discrimination and different treatment, based on ethnic or social origin, gender, sexual orientation, age, creed, marital status, physical characteristics or disability, religious beliefs, political orientation, opinion, family situation, social class, place of birth or union association, whether in recruitment and selection, whether in remuneration, access to training, promotion or dismissal.

Gender diversity is a topical issue in the modern workplace. Currently, about 24% of Corticeira Amorim's workers are women. The predominance of male employees is explained by the long history of this industry, which, although it has been in a process of major technical, technological and organisational transformation for several years, its past is based on intensive manual work, in which the structuring of industrial work was based on a set of job positions where physical constitution, strength and physical capacity were attributes considered to be fundamental. On the other hand, less demanding functions in terms of these attributes, that are currently considered to be "lighter", were performed, in the majority of cases, by female employees. This gender stereotype has been in force for many decades, leaving marks on Corticeira Amorim where employee turnover has always been - and continues to be - relatively low, and where there are high levels of seniority.

In an analysis of the different professional categories, it appears that the under-representation of female employees stands in line with the general ratio, with the exception of the categories of company directors and departmental directors where there is a higher proportion of men. The underrepresentation of female employees is not found only in the administrative category, thereby corroborating the effect of social stereotypes of the professions.

Specifically in relation to the company, Corticeira Amorim, S.G.P.S., S.A., a diversity policy is recommended in the composition of

its corporate bodies, in particular the Board of Directors and the Statutory Audit Committee, as a way to:

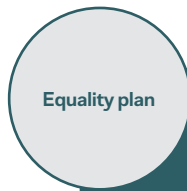
- Promote diversity in the composition of the respective bodies;
- Enhance the performance of each body and each individual member of those bodies;
- Encourage wide-ranging, balanced and innovative analyses with a view to facilitating well-founded and agile decision-making and control processes; and
- Contribute to increased innovation and to the self-renewal of the Company, together with its sustained development and the creation of long-term value for its shareholders and other stakeholders. The gap between the wages of male and female employees, in general, observes a positive trend. This is also the case for the pay ratio between women and men.

The Group seeks to develop models and policies for human resources that comply with its values and principles of integration and appreciation of people. It has defined a gender Equality Plan for 2021, applied to companies in Portugal, with the following main intervention lines:

- Internal and external commitment of the Organisation to gender balance issues, setting objectives and targets and ensuring their monitoring;
- Raising awareness, involving and training management and all employees on the issue of gender equality in companies, in order to ensure the evolution of practices in this field;
- Increase the number of women in management positions;
- Increase the number of women working as employees of the company.

Detailed information on approach, actions, goals and performance is available at: https://www.amorim.com/xms/files/v1/Investidores/7_Comunicados/Corticeira_AmorimPlanoparaGualdade2021_EN.pdf.

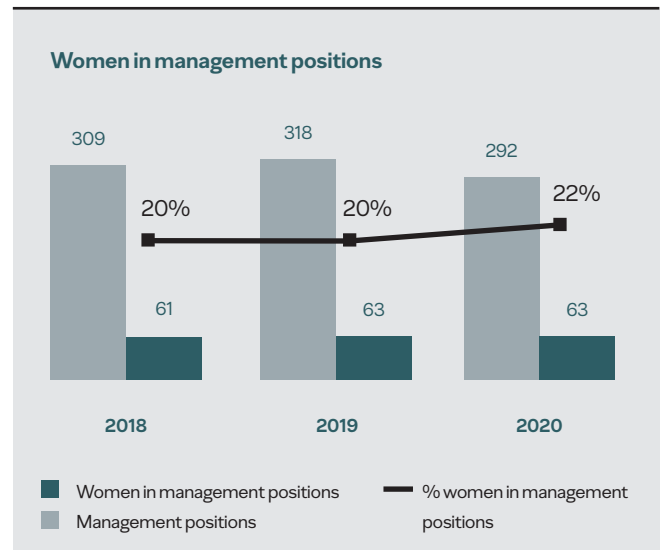
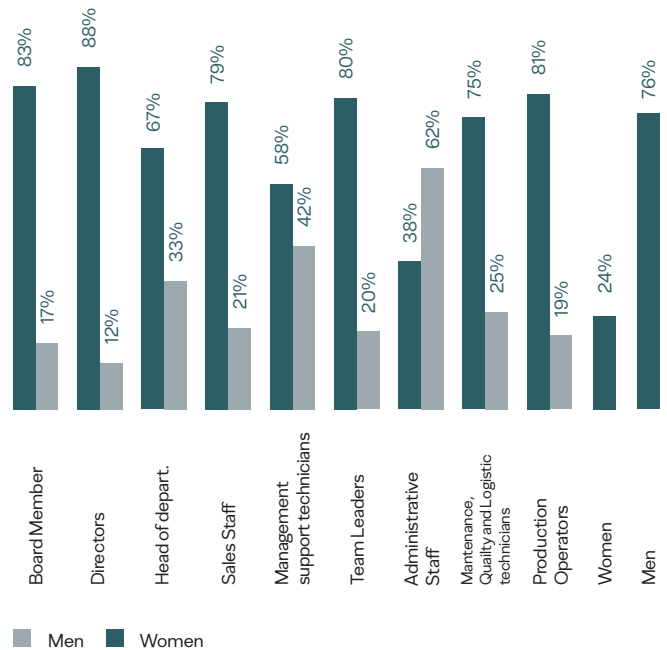
Among the goals defined in the scope of the equality plan, there is an increase in the representation of women in management positions (board members, directors, heads of department and team leaders), currently stands at 22%, and Corticeira Amorim intends to increase this to 25% by 2024.



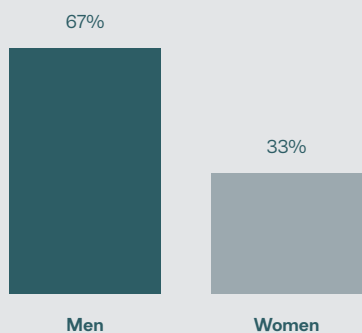
Equality plan

In 2020, Corticeira Amorim formalised and communicated the gender Equality Plan 2021. In addition to the fact that this topic is explicitly enshrined in the Code of Ethics and Professional Conduct, revised and formalised in June 2020, a global diagnosis was carried out on various items related to the theme of policies and practices with regard to gender equality between men and women in the workplace. The accomplishment of this work allowed to identify priority areas of intervention for the coming years, with associated objectives. These themes concern the increase in the presence of women in the universe of employees and in management positions. The study also identified the need to raise the awareness of all employees and managers in particular towards gender bias and its impact on work life.

Employees by gender and professional category (% total)



Board of Directors by gender



Racio of wage women/men

Directors	0.9
Head of Department	1.0
Sales Staff	0.6
Management Support Technicians	0.8
Team Leaders	1.2
Administrative Staff	1.1
Maintenance, Quality and Logistic Technicians	0.9
Production Operators	1.0

5.2. ENSURING HEALTH AND SAFETY

Objective	Main goals	Target 2021-2024
• Ensure the safety of employees in the workplace and access to quality health conditions	• Reduce the number of accidents and the ability to manage these; • Promote safe and secure work environments for all workers.	• ZERO accidents by 2024.

Corticeira Amorim assumes that working conditions are one of the fundamental factors for the success of any organisation. Ensuring the occupational safety, health and well-being of employees is relevant not only for the group but for all its stakeholders. Aware of the occupational safety risks, Corticeira Amorim promotes and encourages a culture of safety for all its employees, guaranteeing a safe working environment them and for all those around them, while also encouraging a healthy and sustainable lifestyle. In the field of occupational health and safety (OHS), Corticeira Amorim has defined the following objectives for all its companies:

- Reduce the frequency of work accidents (frequency and severity indicators);
- Improve working conditions and well-being of our employees;
- Improve the risk assessment and implementation of health and safety at work.

In this sense, Corticeira Amorim was committed in reducing the number of accidents by more than 50% in establishments in Portugal (2018-2020), promoting the physical, social and psychological well-being of all its employees. As a result of the dedicated effort in recent years, there has been a significant reduction in the frequency

of accidents over the past three years in Portugal, with a reduction of 49% in 2020. The target was renewed for a four-year cycle (2021-2024), with the ambition of reaching zero accidents in 2024.

At the end of 2020, in the perimeter of companies considered in this report, there were 76 accidents in the workplace (2019: 107 accidents). In general, there was a very positive evolution in the values of the indicators related to safety, in particular in the accident frequency index, in the rate of occupational diseases and in the rate of lost days.

In the reported period, there was an increase in the rate of occupational diseases, which, in similarity with previous years, is due to the validation by the official entities of several pending processes from previous years and faster and more affirmative classification of a specific types of pathologies, such as occupational disease. In light of these regulatory changes, new targets are being discussed in this field. Corticeira Amorim has already implemented an employee gymnastics programme in a large part of its industrial units, in order to prevent a specific type of professional diseases of musculoskeletal origin, which has a certain degree of prevalence.

Absenteeism has also risen in recent years, and 2020 was no exception. Essentially, the increase in the reporting year is explained by the pandemic situation. Absenteeism is a priority intervention domain, with very significant impacts, which Corticeira Amorim aims to improve over the coming years.

Compliance with the established goals involves investment and implementation of structured safety plans, monitored for their continuous optimisation, and the establishment of risk prevention practices aimed at mitigating the impacts of accidents on employees and other stakeholders.

Corticeira Amorim promotes compliance with all legal requirements, standards and procedures in the area of OHS, in all countries of operations, through the application of good practices, in particular:

- Mandatory admissions and periodic medical exams;
- Availability of personal protective equipment;
- Training for employees and service providers in the area of hygiene and safety adapted to the specific characteristics of each workplace;
- Training of all stakeholders in the work processes, including service providers;
- Health and safety commissions, with the participation of employees and / or their representatives.

In recent years, there has been a growing concern to have solid and sustainable structures in terms of occupational safety. The certification of the units will continue to be a privileged means to guarantee this goal, which is increasingly seen as a priority. Certification according to the international standard OHSAS ISO 18001 / ISO 45001 currently covers about 21% of employees, and it is estimated that it can cover more than 32% even during the first quarter of 2021, through the obtention of this certificate by Amorim Florestal.

Investment in this field also involves the awareness and training of employees, from small initiatives focused on raising their awareness, technical training in order to support skills, to physical activity and gymnastics programmes, wherein the latter is highly dedicated to the promotion of occupational health.

PREVENTIVE MEASURES FOR COVID-19

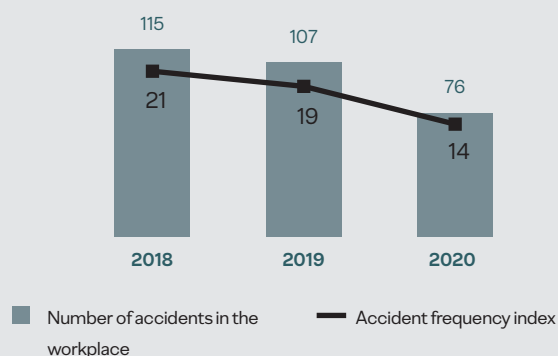
The companies in the Corticeira Amorim universe have adopted a set of preventive measures to preserve the physical integrity of their employees in the face of the covid-19 pandemic. These measures include information on preventive and protective behaviour to be adopted, within the framework of specific internal communication for this purpose, structured to alert and raise the awareness of employees and the implementation of primary prevention measures, considered appropriate to the level of risk, in particular:

- Changes and adaptation of manufacturing facilities and offices, mismatch in working hours, reduction in the number of people per space, installation of partitions;
- Installation of non-contact thermometers at the entrance gates to the companies' premises;
- Distribution of individual protection kits to all employees;
- Mandatory use of masks by all employees who remain on the premises of the companies;
- Restriction of the number of people in the cafeterias, with staggered meal times, ensuring the minimum distance between diners;
- Reinforcement of cleaning, sanitisation and disinfection of all operational areas;
- Provision of PCR tests to employees and family, when necessary;
- Provision of rapid tests at companies' medical units;
- Definition of procedures to be adopted and means of action in case of suspected cases, as well as definition of isolation sites.

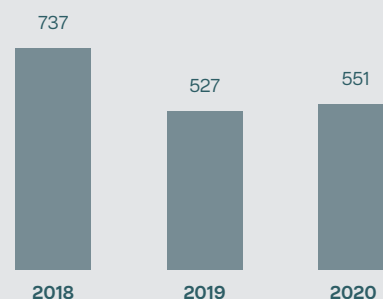
Additionally, the following complementary measures were also implemented:

- Minimisation of in-person meetings, encouraging the use of audio conferences, taking advantage of the infrastructure made available for this purpose;
- Travel between units and to units abroad has been limited to that which is strictly necessary for the maintenance of business operations;
- Implementation of teleworking for employees who perform compatible functions and as long as this is technically feasible.

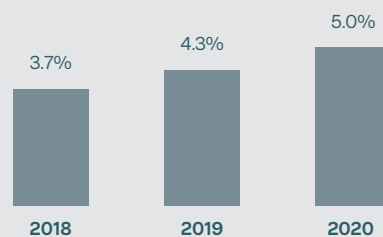
Accidents in the workplace



Lost working days



Absenteeism rate



5.3. COMMUNITY

Objective	Main goals
• Boost economic growth in a sustainable and inclusive manner, support and promote research, development and innovation and foster sustainable solutions.	• Sustain economic growth; • Achieve higher levels of economic productivity.

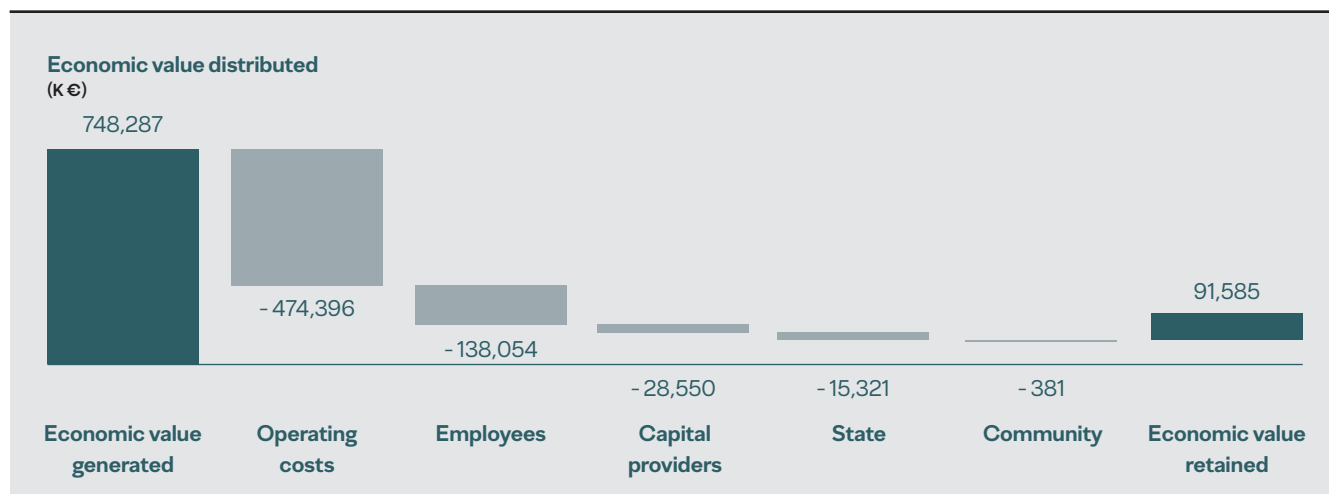
Environmental, economic and social impacts

EY study, with the objective of evaluating the impact of Corticeira Amorim's operations in the regions where it is present and in the Portuguese economy, calculated the direct, indirect and induced impacts, including the environmental impacts of its business activity and the impacts of the ecosystem services of the cork oak forest made possible by it, concluding that the total net value contributions to society in general are greater than €1.175 billion per year (more than seven times higher than the direct added value).

Corticeira Amorim's business activity generates economic value for the communities where it has operations, at the international, national, regional and local level, in a direct, indirect and induced manner. Direct impacts include salaries paid to employees, investments in the Community and payments to the government in the form of taxes, royalties and duties, which can be reinvested in

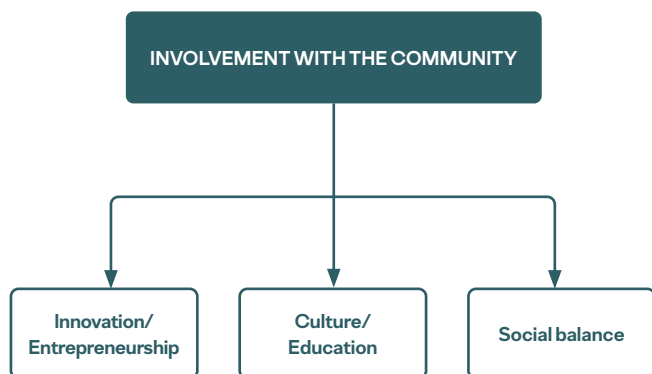
social and economic programmes that benefit the communities and regions where Corticeira Amorim operates.

In 2020, Corticeira Amorim generated an economic value of €748 million, and distributed €657 million to its stakeholders.



Programmes and initiatives

Corticeira Amorim invests a significant part of the economic value generated in the various countries where it has operations. The management structures have the processes and tools necessary to recognise and manage the impacts and understand the needs and interests of the communities, as well as to identify long-term investment opportunities in the local communities. Priority is given to programmes related to culture and education, innovation and entrepreneurship and social balance, which are believed to provide positive long-term benefits.



5.3.1. INNOVATION AND ENTREPRENEURSHIP

Innovation stands at the heart of Corticeira Amorim's strategy, which aims to extend the concept of innovation to all Business Units and improve areas such as portfolio diversification, process efficiency and quality and the circular economy.

Each business unit has its own R & D + I unit. However, there is an innovation structure across the entire group - Amorim Cork Research. Currently, investment in R & D + I is around €9.8 million per year. Over the last three years, Corticeira Amorim has applied for 10 patents, and is currently supporting the development of three companies through Amorim Cork Ventures: Ecochic, Gröwancork and TDCork.

Corticeira Amorim will never waver in its commitment to the unique raw material of cork. This is an uninterrupted mission that will be based on new applications in the future - even more after the

installation of i.cork factory, which is the pilot innovation factory of Amorim Cork Composites, the Composite Cork Business Unit. I.cork factory is a true hub of innovation and creativity for the development of new products and formulae for the manufacture of composite cork materials, always with cork and circular economy processes at the heart of its development.

Due to its strong investment in R & D + I, Corticeira Amorim is the organisation that knows the most about cork - from its production in the cork oak forest to its transformation, commercialisation, promotion and circularity. This wealth of knowledge, which is essential to Corticeira Amorim's success, is also directly disseminated to society (when the company voluntarily grants access to knowledge and certain innovations), or indirectly, through the generation of positive externalities resulting from its business activity, which include innovation projects in partnership with universities and specialised companies, the purchase of products from local producers, the induction of innovation in support industries, the development of new cork-based applications, the communication of the benefits of cork and the dissemination of good practices for the circular economy.

The promotion of entrepreneurship is another impact of Corticeira Amorim's activity that is generated by its direct initiative, through Amorim Cork Ventures, and has a significant impact on the promotion of innovation in the sector, as this is the only business incubator for cork through which innovative ideas and businesses are stimulated and supported. In the same sense, support and encouragement is provided for initiatives such as the creation of companies by former employees, the emergence of new uses of cork and the emergence of companies that support the cork industry.

i.cork factory

Founded in 2018, totally dedicated to the research and development of new and innovative products that value cork, with the main mission of designing new materials, and also test and explore the application of technologies not yet industrialised in the sector. I.cork factory works as a true hub of innovation and creativity for the development of new products and new formulae for the manufacture of composite materials with cork, developing its activity in line with the market, seeking to create solutions to meet the needs of various business sectors - always with cork and circular economy processes at the epicentre of its development. Given the proximity to the market, the innovation factory also functions as a platform for cooperation and collaborative work, from which synergies are developed with universities, research centres and customers, in search of high performance and, often, ground-breaking solutions. In addition to the contribution to the culture of innovation present in the DNA of Amorim Cork Composites, i.cork factory also plays a fundamental role in expanding the product portfolio, and in training technicians, customers and distributors.

<https://amorimcorkcomposites.com/>

Amorim Cork Ventures

Created in 2014 with the objective of supporting entrepreneurs with innovative products, solutions and applications for the cork sector. The main purpose is to foster the launch, growth and expansion of businesses related to cork, mainly aimed at foreign markets. A challenge that includes the development of new approaches, paths and formulae for cork in its natural state or combined with other materials.

Since its creation, ACV has received more than 370 applications, supported more than 20 projects (10 of which remain active), 8 submitted patent and utility model applications and 3 startups remain in the company's investment portfolio.

<https://www.amorimcorkventures.com/>

As Portuguesas

Project by Pedro Abrantes, a joint venture between Corticeira Amorim and Kyaia was launched in March 2016. The brand started by making flip flops with cork soles, but it has evolved in the concept and already has a significant variety of models of shoes and boots. And cork was added to other equally ecological materials, in particular plastic recovered from the oceans. The flipflops are sold to the entire world, from the United States of America to Japan, from South Africa, to the Philippines, from Russia to Israel, among many other markets, in addition, of course, throughout the European continent.

<https://asportuguesas.shoes/>

5.3.2. CULTURE AND KNOWLEDGE

Corticeira Amorim maintains a close relationship with the field of education. Over the years, it has developed numerous educational and training projects aimed at its employees and families, and also at the wider community. The objective is to create a positive impact by pursuing multiple initiatives in the field of education - from curricular internships to protocols with academic institutions, from environmental education to sponsorship.

Taking into account the Covid-19 pandemic situation experienced in 2020, some of the initiatives had to be suspended or carried out in alternative formats. One example was the Porto Futuro initiative, an educational project of Porto City Council, in which Corticeira Amorim is a partner with the Leonardo Coimbra School Grouping, whose initiatives planned for 2020 had to be cancelled. Environmental education initiatives with schools also had to be interrupted in the first quarter of 2020, but nonetheless reached 1,828 students (2019: 2,868). On the other hand, there is the reforestation programme, a tradition between volunteers from Corticeira Amorim and Quercus. Since 2011, in the framework of the Green Cork programme, this programme has planted around 2,000 autochthonous trees a year, and has been highlighted in a special manner, challenging the employees from the Amorim universe to

share a beautiful photograph of the cork oak tree offered by the company at the beginning of the year, as part of the launch of the celebrations of its 150 years of activity.

Cork Talent - Attraction/ Cork potential

In partnership with several colleges and higher institutes, Amorim Cork and Amorim Cork Composites intend to use these programmes to take an active role in preparing young students to ensure their integration into the job market. With initiatives ranging from the recruitment of interns, the reception and integration, back-up and monitoring and the evaluation and selection of potential candidates, the companies received more than 50 internships in 2020, of which about ten were subsequently integrated into the companies, in the areas of chemical engineering and industrial engineering and management.

Celebrating the Autochthonous forest

Forests are one of our greatest treasures. As a result, each year, Corticeira Amorim celebrates the Autochthonous Forest Day with special enthusiasm in which it carries out its annual planting of cork oak trees, with company volunteers. In 2020, due to the exceptional pandemic situation, the company was prevented from carrying out the action in the usual manner. However, the date was also celebrated in a very special manner: challenging employees in the Amorim universe to share a beautiful photograph of the cork oak tree offered by the company at the beginning of the year. The challenge was overcome with distinction, as shown by the beautiful examples presented. Symbolically, on the same date, a cork oak tree was also planted outside Amorim Cork's facilities.

Due to its awareness - like no other entity - of the potential of cork to ensure the transition to more sustainable economies, and more responsible and safer consumption, Corticeira Amorim has been developing a wide action plan that makes material available to society, in its most diverse forms, the team's know-how and technical expertise, encouraging knowledge thereof and making it possible to develop educational, research and artistic projects.

About ten years after the launch of the MATERIA collection, which, in 2011, marked the beginning of an ambitious strategy to position cork in a prominent position in the world of architecture and design, Corticeira Amorim analysed 979 projects in partnership with leading national and international institutions, artists and brands. Due to the fact that 2020, was marked by the Covid-19 pandemic, several initiatives had to be postponed such as the Venice Biennale of Architecture and the Serpentine Summer Pavilion, whose next editions will have the support of Corticeira Amorim and will highlight cork.

Matéria Collection – the beginning

Developed in 2010, the Matéria, cork by Amorim collection, curated by Experimentadesign, was a unique creative action in the sector, which presented cork in an unprecedented way, in the main international design arenas: as a collection of sustainable objects, applying new techniques and trends to cork, designed by national and international creatives, ranging from world-renowned designers to emerging talent. It has thereby been possible to captivate the involvement of a notable community of creative talent and conquer new territories for cork.

Design

Corticeira Amorim has enabled cork to progressively gain space and prominence in leading worldwide initiatives in the fields of design, architecture and sustainability, such as:

- The Serpentine Summer Pavillion 2012 and Serpentine Pavillion 2020/2021, the latter marking reflection on sustainability and circularity;
- The Quiet Motion installation by Bourroulec, which fulfilled BMWi's vision of sustainable mobility;
- The Istanbul Design Biennial "The future is not what it used to be", which literally placed cork at the base of the discussion about the future of design;
- The Superflex installation One Two Three, Swing for the Hyundai Commission in the Tate Gallery's Turbine Hall, that developed a unique cork flooring capable of guaranteeing the designers' visual language, durability, comfort and, above all, ensure safe use of the creative facilities;
- The City Cortex research programme (underway) which, against the backdrop of New York City, investigates the intersection between 21st century urban contexts and cork – which is natural, versatile and sustainable – thereby expanding its use in development of contemporary urban landscapes.

Workshops

Special attention is placed on expanding the knowledge of cork with this Community – of today and the future –, carrying out and participating in various training initiatives and in partnership with institutions such as:

- The Domaine de Boisbuchet, one of the world's leading spaces for creativity in harmony with nature; several summer workshops on cork and an international cork design / creativity contest have been held since 2010 (with more than 350 application projects received and analysed);
- The Royal College of Art, which, supported by Corticeira Amorim, included a module on cork in its master's degree course on Design – one of the most internationally prestigious design courses;
- Middlesex University (United Kingdom), Karlsruhe Institute (Germany), Nueva Academia Belle Arti di Milano (Italy), Lisbon School of Design (Portugal), Rhode Island School of Design and Pratt Insitute (USA), which organise initiatives, workshops and even multi-annual programmes on design, architecture and technology applied to cork.

In short, many hundreds of students, in the fields of design, architecture and technology, throughout the world who come into contact with cork during their education, receiving knowledge and a true motivation for cork and sustainability.

Editorial Plan

Through a strong editorial plan – including the uninterrupted quarterly edition of Amorim News since 1983; various publications on cork for different target audiences, including environmental education publications for children and young people; content that is constantly renewed on the www.amorim.com portal; several in-house publications, such as the books *Metamorphosis*, *Amorim: The Future is Our Present* and *The Cork Book*. Millions of different copies that reach millions of stakeholders.

5.3.3. SOCIAL BALANCE

Amorim was one of the first companies to provide workers with a cafeteria and a company doctor, even in 1938. Over the course of the twentieth century, social responsibility gained another dimension, eventually extending to the local community that is closest to the company.

In order to reinforce its support to the local community in the pandemic year, Corticeira Amorim extended its usual social, humanitarian and first aid interventions, through collaboration with social inclusion institutions, welcoming minors at risk and supporting senior citizens, fire brigades, the Portuguese Anti-Cancer League, hospitals, organisations and social institutions. It also carried out a solidarity campaign to collect foodstuffs, enabling the participation of all employees in Portugal.

The associations with which the Group collaborates most actively include:

- **Albertina Ferreira de Amorim Foundation** – This foundation promotes solidarity and appreciation of human advancement in its ethical, religious, cultural and civilisational aspects. It offers humanitarian and social support to causes and projects involving the local communities surrounding the Corticeira Amorim companies. It also hopes to boost scientific research in the field of cork preparation and treatment and is expected to award prizes in this and other field.
- **Bagos D'Ouro Association** – an institution that is dedicated to supporting children and young people in need from Douro region, through monitoring their school career and creating opportunities for the development of successful life projects.
- **Terras de Santa Maria Foundation** – Through the degree courses it offers, the foundation aims to create and reinforce skills that can boost the economic and social development of Portugal and, in particular, of the Entre Douro and Vouga region, where it is located. Corticeira Amorim is one of the ten founding members of this institution.
- **Academie Amorim** – A non-profit organisation comprising scientists dedicated to research in the field of winemaking in order to optimise the quality of the wine and to ensure the ageing process proceeds as expected. Since 1992, this institution has supported the work of the researchers by offering them an annual scholarship to fund the scientific work and help to improve knowledge about wine.

SOCIAL SOLIDARITY CAMPAIGNS

The year 2020 will inevitably be remembered as the year of the covid-19 pandemic. On the front line were thousands of health professionals, doctors, nurses and caregivers, whose commitment, sacrifice and dedication saved countless lives. To honour them all and help victims, Corticeira Amorim donated electrocardiographs, ultrasound equipment, masks, visors, glasses, gloves and gowns, to hospitals, organisations and social institutions in the nearby Community. This includes the Hospital de São Sebastião, in Santa Maria da Feira, the Hospital Eduardo Santos Silva, in Vila Nova de Gaia, the Centro Hospitalar Universitário de São João (CHUSJ), the Group of Health Centres of Entre Douro e Vouga I - Feira / Arouca, the Municipality of Santa Maria da Feira, the Municipality of Ponte de Sor, the Municipality of Coruche, the Mozelos Social Support Centre, Mozelos Parish Council, the Santa Maria de Lamas Associação Bem Estar and the Casa Ozanam.

Corticeira Amorim wanted, more than ever, to have an active presence in the local communities, reinforcing, throughout the year, the various social, humanitarian and first aid interventions, such as support for institutions supporting social insertion and children at risk, the provision of computer equipment to underprivileged students and assistance to the elderly.

The possibility of helping others was also extended to Corticeira Amorim employees through the organisation of a social solidarity campaign to collect foodstuffs. Each Business Unit chose a social solidarity institution, taking into account the criterion of proximity and the impact on the Community in which it operates. Corticeira Amorim doubled, in weight, the quantity of goods to be delivered.



[6] Methodological Notes

6.1. PERIMETER

The universe of companies that make up the perimeter considered in matters of sustainability has not changed significantly compared to 2020, except for two companies that were integrated in the Composite Cork Business Unit - Amorim Sports, formed in 2018, and Corkeen Europe, formed in 2020.

The environmental indicators of the companies operating in the forestry area (Cosabe and Amorim Florestal III) are not consolidated with the information reported in this report, and separate information is provided. Corticeira Amorim intends to pursue further work to consolidate the methodology used to report environmental aspects related to forestry projects.

The geographical scope considered in the 2021-2024 plan is Portugal and the companies that are consolidated within the framework of this report, that cover the majority of Corticeira Amorim's operations. The same scope was considered in the management approach to the topic of occupational health and safety - GRI table: Material topic: GRI 403 - Occupational health and safety 2018. Corticeira Amorim promotes compliance with all requirements, standards and legal procedures in the area of OHS in all countries where it has operations, through the application of good practices, as noted in subchapter 5.2. Ensuring health and safety.

In the information considered in subchapter 5.3. Community, in particular, regarding economic value distributed, we present the consolidated values of Corticeira Amorim (100% of the companies included). In the remaining chapters, the companies included comprise 89% of the industrial units, corresponding to 82% of all Corticeira Amorim employees, 83% of consolidated sales, as shown in the following table:

Company	Location	Country	2020	2019
Raw Materials BU				
Amorim Natural Cork, S.A.	Vale de Cortiças – Abrantes	PORTUGAL	100%	100%
Amorim Florestal, S.A.	Ponte de Sor	PORTUGAL	100%	100%
Amorim Florestal III, S.A.	Ponte de Sor	PORTUGAL	100%	100%
Amorim Florestal España, S.L.	San Vicente Alcántara	SPAIN	100%	100%
Amorim Florestal Mediterrâneo, S.L.	Cádiz	SPAIN	100%	100%
Amorim Tunisie, S.A.R.L.	Tabarka	TUNISIA	100%	100%
Comatral – C. de Maroc. de Transf. du Liège, S.A.	Skhirat	MARROCOS	100%	100%
Cosabe – Companhia Silvo-Agrícola da Beira S.A.	Lisboa	PORTUGAL	100%	100%
Société Nouvelle du Liège, S.A. (SNL)	Tabarka	TUNISIA	100%	100%
Société Tunisienne d'Industrie Bouchonnière	Tabarka	TUNISIA	55%	55%
Cork Stoppers BU				
Amorim Cork, S.G.P.S, S.A.	Santa Maria de Lamas	PORTUGAL	100%	100%
All Closures In, S.A.	Paços de Brandão	PORTUGAL	75%	75%
Amorim Cork, S.A.	Santa Maria de Lamas	PORTUGAL	100%	100%
Amorim Bartop, S.A.	Vergada	PORTUGAL	75%	75%
Amorim Champcork, S.A.	Santa Maria de Lamas	PORTUGAL	100%	100%
Amorim Top Series, S.A.	Vergada	PORTUGAL	75%	75%
Biocape – Importação e Exportação de Cápsulas, Lda.	Mozelos	PORTUGAL	60%	60%
Elferson & Co. AB	Paryd	SWEDEN	75%	53%
Francisco Oller, S.A.	Girona	SPAIN	94%	94%
Portocork Internacional, S.A.	Santa Maria de Lamas	PORTUGAL	100%	100%
Socori, S.A.	Rio Meão	PORTUGAL	80%	70%
Floor & Wall Coverings BU				
Amorim Cork Flooring, S.A.	S. Paio de Oleiros	PORTUGAL	100%	100%
Amorim Benelux, BV	Tholen	NETHERLANDS	100%	100%
Amorim Deutschland, GmbH	Delmenhorts	GERMANY	100%	100%
Amorim Subertech, S.A.	S. Paio de Oleiros	PORTUGAL	100%	100%
Amorim Flooring (Switzerland) AG	Zug	SWITZERLAND	100%	100%
Amorim Flooring North America Inc.	Hanover – Maryland	U.S AMERICA	100%	100%
Composite Cork BU				
Amorim Cork Composites, S.A.	Mozelos	PORTUGAL	100%	100%
Amorim Cork Composites, Inc.	Trevor – Wisconsin	U.S AMERICA	100%	100%
Amorim Sports, Lda.	Mozelos	PORTUGAL	70%	100%
Corkeen Europe	Mozelos	PORTUGAL	85%	-
Composite Cork BU				
Amorim Cork Insulation, S.A.	Vendas Novas	PORTUGAL	100%	100%
Holding Cortiça				
Corticeira Amorim, S.G.P.S., S.A.	Mozelos	PORTUGAL	100%	100%
Amorim Cork Research, Lda.	Mozelos	PORTUGAL	100%	100%
Amorim Cork Services, Lda.	Mozelos	PORTUGAL	100%	100%
Amorim Cork Ventures, Lda.	Mozelos	PORTUGAL	100%	100%

6.2. DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED

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

The 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 into the local community only includes the amount of cash donations and does not include contributions and donations in kind.

6.3. ENERGY

The conversion factors used were those considered in the SGCIE - Energy Intensive Consumption Management System audits (dispatch 17313/2008):

Energy source	Unit	Conversion factor
Natural gas	GJ/1000 m ³	37.9
Propane gas	GJ/t	46.65
Diesel	GJ/t	42.8
Gasoline	GJ/t	44.5
Biomass (cork dust)	GJ/t	15.7
Biomass (other)	GJ/t	11.6
Electricity	GJ/kWh	0.0036

Energy from renewable sources considers the energy from biomass (cork powder), biomass (other) and renewable component of the electricity purchased. The latter considered the information from the energy supplier available at the date when the report was drawn up, which considers a weighted average for the first three quarters of 2020.

6.4. EMISSIONS

The conversion factors used for the SGCIE - Energy Intensive Consumption Management System audits (dispatch 17313/2008) were used for calculation of CO₂ emissions. Calculation of the emissions associated with electricity consumption considered the information from the vendor, available at the date when the report was drawn up (location method) and the SGCIE - Energy Intensive Consumption Management System reference (market method), (dispatch 17313/2008). Emissions located outside Portugal were considered to be of marginal material importance (around 7%):

Energy source	Unit	Conversion factor
Natural gas	kg CO ₂ /GJ	64.1
Propane gas	kg CO ₂ /GJ	63
Diesel	kg CO ₂ /GJ	74
Gasoline	kg CO ₂ /GJ	69.2
Biomass (cork dust)	kg CO ₂ /GJ	0
Biomass (other)	kg CO ₂ /GJ	0
Electricity – supplier – 2020	Kg CO ₂ /kwh	207.24
Electricity – supplier – 2019*	Kg CO ₂ /kwh	270.45
Electricity – supplier – 2018	Kg CO ₂ /kwh	398.88
Electricity – Portugal	Kg CO ₂ /kwh	470.00

* Updated according to most recent information from energy provider.

6.5. WATER

All the water captured by Corticeira Amorim is freshwater.

Due to changes in assumptions and the introduction of new tools to manage water issues, in 2020 Corticeira Amorim began a new series for monitoring and controlling water consumption. For the purposes of comparison with previous years, an estimate was made for 2019, taking into account the same assumptions. The calculation presented shows a 1% reduction in the capture of water in the year 2020.

	2020	2019
Capture of water (m ³)	770,116	779,009

Corticeira Amorim has no indication that there is any hydric stress in the hydrographic basins where water capture has been reported. To characterise the areas under hydric stress in the framework of this report, used the tool of the World Resources Institute - Aqueduct Water Risk Atlas, available at <https://www.wri.org/aqueduct>.

6.6. MEASUREMENTS OF INTENSITY

In view of the diversity of Corticeira Amorim's applications and businesses, it is difficult to define an indicator that clearly makes it possible to observe the evolution of some indicators in relation to the level of activity. Over time, an attempt has been made to respond to this need, analysing different indicators. In recent years we have opted to analyse the ratio between energy consumption / emissions and the value of the company's total sales. This has presented several limitations, in particular related to the differences between the perimeter considered in the numerator (more restricted) and the perimeter considered in the denominator (wider). This has become more evident in years of material changes in the perimeter. During 2019 (with recalculation for 2018), this constraint was overcome by matching the perimeter of the numerator to that of the denominator. However, limitations were found in terms of monitoring / comparing the individual performance of the Corticeira Amorim Group's companies. After analysing various possibilities and having conducted an internal debate about environmental areas, energy and management control, it was decided to build a denominator that is directly related to the individual sales of companies that are included within the sustainability perimeter. For the purposes of comparison with 2018 and 2017, the respective recalculation was carried out, which also takes into account, in the case of carbon intensity, the most recent information from the energy supplier. As a result, the denominator used for the years 2020, 2019 and 2018 is, respectively, in millions of euros:

2020	2019	2018
945	1,003	957

6.7. CARBON FOOTPRINT

In the case of energy consumption outside the organisation, and given that there are still no conversion factors in the bibliography that make it possible to accurately determine this data, Corticeira Amorim used several assumptions regarding the calculation method and emission factors to be considered, both in relation to fuels and in relation to purchased products. For this reason, the calculation presented is an estimate. Corticeira Amorim aims to continue working to consolidate the methodology used. Corticeira Amorim considers that the most important aspects of its value chain are represented, since it is in Portugal that most industrial production

and processing units are located (61%) and that reflect the majority of exports (94%). Hence, six activities were considered as well as the following assumptions:

- Purchase of goods and services - The quantity of product purchased was considered; emission factors associated with the products or product category;
- Transport and distribution upstream, and distribution downstream - The quantity of product purchased and sold, which corresponds to 95% of the total, was considered; emission factors associated with the transportation of products, by sea, air and / or road;
- Waste generated in operations - Total waste produced and waste sent to the respective recipients was considered; emission factors associated with road transport per ton transported;
- Business travel - Emission values calculated by the travel agent;
- Transport of employees - The distances travelled by employees were measured; the factor of emissions associated with road transport by the distance travelled on the route between home-work-home. No adjustment was made due to teleworking, since it was considered that there were no significant interruptions in activity.

All the emission factors considered were based on the factors published by the GHG Protocol and by Defra - Department for Environment, Food & Rural Affairs. When not available, the factors considered in the inventory of GHG emissions 2018, carried out by EY in 2019, were used and which had as reference the "Ecoinvent database 3.5".

For a historical comparison, the report has considered scope 3 emissions, obtained through the 2018 GHG emissions inventory, carried out by EY, adjusting for comparable categories.

6.8. RATE OF NEW HIRES AND EMPLOYEE TURNOVER RATE

The formulae considered are as follows:

- Rate of new hires = Number of new employees / Total number of employees
- Employee turnover rate = Number of employees who leave the company / Total number of employees

The calculation formula was changed for the rate of new hires and employee turnover rate, respectively, by age group, gender and geography, considering, for each case, the number of employees of the age group, gender and geography (2019: total number of employees).

6.9. HEALTH AND SAFETY

The procedure for calculating the frequency index, the rate of occupational diseases and the rate of days lost is in accordance with ILO Code of Practice. The formulae considered are as follows:

- Accident frequency index = Number of accidents / Hours worked x 1,000,000;
- High-consequence accident frequency index = Number of high-consequence accidents / Hours worked x 1,000,000;
- Rate of days lost (severity index) = Number of days lost / Hours worked x 1,000,000;
- Occupational disease rate = Number of cases of occupational disease / Hours worked x 1,000,000;
- Absenteeism rate = Days of absence / Potential days of work.

As in previous years, when calculating potential days, the accounting of holidays was eliminated, which has direct effects on the absenteeism rate. The use of a different criterion was identified in the calculation of the absenteeism rate for 2019, and the data was recalculated. For calculation of the accident frequency index, only accidents that give rise to lost working days are considered. In determining the days lost, the number of working days is considered and begins to be counted the day after the accident occurs until the injured person returns to work.



[7] GRI Table

GRI Ref	DESCRIPTION	VALUE / LOCATION	SDG																																																																																				
Gri 102 – general disclosures 2016																																																																																							
Organisational profile																																																																																							
102-1	Name of the organisation	1. Corticeira Amorim																																																																																					
102-2	Activities, brands, products, and services	1. Corticeira Amorim																																																																																					
102-3	Location of headquarters	1.3. Worldwide Presence																																																																																					
102-4	Location of operations	Consolidated Annual Report 2020																																																																																					
102-5	Ownership and legal form	1. Corticeira Amorim																																																																																					
102-6	Markets served	1.2. Business units																																																																																					
102-7	Scale of the organisation	Consolidated Annual Report 2020																																																																																					
102-8	Information on employees and other workers	5.1. Promoting training and well-being <table border="1" style="margin-left: 20px;"> <thead> <tr> <th></th> <th>2020</th> <th>2019</th> <th>2018</th> </tr> </thead> <tbody> <tr> <td>Permanent</td> <td>2,841</td> <td>2,875</td> <td>2,748</td> </tr> <tr> <td>Female</td> <td>726</td> <td>748</td> <td>707</td> </tr> <tr> <td>Male</td> <td>2,115</td> <td>2,127</td> <td>2,041</td> </tr> <tr> <td>Portugal</td> <td>2,432</td> <td>2,435</td> <td>2,312</td> </tr> <tr> <td>Rest of the World</td> <td>409</td> <td>440</td> <td>436</td> </tr> <tr> <td>Fixed Term</td> <td>473</td> <td>536</td> <td>538</td> </tr> <tr> <td>Female</td> <td>117</td> <td>116</td> <td>124</td> </tr> <tr> <td>Male</td> <td>356</td> <td>420</td> <td>414</td> </tr> <tr> <td>Portugal</td> <td>437</td> <td>500</td> <td>498</td> </tr> <tr> <td>Rest of the World</td> <td>36</td> <td>36</td> <td>40</td> </tr> <tr> <td>Full time</td> <td>3,301</td> <td>3,379</td> <td>3,247</td> </tr> <tr> <td>Female</td> <td>836</td> <td>855</td> <td>824</td> </tr> <tr> <td>Male</td> <td>2,465</td> <td>2,524</td> <td>2,423</td> </tr> <tr> <td>Portugal</td> <td>2,869</td> <td>2,929</td> <td>2,800</td> </tr> <tr> <td>Rest of the World</td> <td>836</td> <td>855</td> <td>824</td> </tr> <tr> <td>Part time</td> <td>13</td> <td>32</td> <td>39</td> </tr> <tr> <td>Female</td> <td>6</td> <td>9</td> <td>7</td> </tr> <tr> <td>Male</td> <td>7</td> <td>23</td> <td>32</td> </tr> <tr> <td>Portugal</td> <td>–</td> <td>6</td> <td>10</td> </tr> <tr> <td>Rest of the World</td> <td>13</td> <td>26</td> <td>29</td> </tr> </tbody> </table> <p style="margin-left: 20px;">This disclosure considers the perimeter of the companies that report information for the sustainability report i.e. 3,314 employees.</p>		2020	2019	2018	Permanent	2,841	2,875	2,748	Female	726	748	707	Male	2,115	2,127	2,041	Portugal	2,432	2,435	2,312	Rest of the World	409	440	436	Fixed Term	473	536	538	Female	117	116	124	Male	356	420	414	Portugal	437	500	498	Rest of the World	36	36	40	Full time	3,301	3,379	3,247	Female	836	855	824	Male	2,465	2,524	2,423	Portugal	2,869	2,929	2,800	Rest of the World	836	855	824	Part time	13	32	39	Female	6	9	7	Male	7	23	32	Portugal	–	6	10	Rest of the World	13	26	29	
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102-9	Supply chain	3.6. Value chain																																																																																					
102-10	Significant changes to the organization and its supply chain	6.1. Perimeter																																																																																					
102-11	Precautionary principle or approach	Corporate Governance Report – C. Internal Organisation																																																																																					
102-12	External initiatives	3.3. Voluntary commitments																																																																																					

GRI Ref	DESCRIPTION	VALUE / LOCATION	SDG
102-13	Membership of associations	3.3. Voluntary commitments	
STRATEGY			
102-14	Statement from senior decision-maker	Consolidated Annual Report 2020	
102-15	Key impacts, risks, and opportunities	Consolidated Management Report – 14. Business risk and uncertainties	
ETHICS AND INTEGRITY			
102-16	Values, principles, standards, and norms of behaviour	3.4. Responsible conduct	
102-17	Mechanisms for advice and concerns about ethics	3.4. Responsible conduct	
GOVERNANCE			
102-18	Governance structure	3.1. Management strategy and model Corporate Governance Report -B. Corporate Boards and Committees	
102-24	Nominating and selecting the highest governance body	Corporate Governance Report -B. Corporate Boards and Committees	
STAKEHOLDERS ENGAGEMENT			
102-40	List of stakeholder groups	3.5. Stakeholders	
102-41	Collective bargaining agreements	5.1.2. Respect for freedom of association	8
102-42	Identifying and selecting stakeholders	3.5. Stakeholders	
102-43	Approach to stakeholder engagement	3.5. Stakeholders	
102-44	Key topics and concerns raised	3.5. Stakeholders	
REPORTING PRACTICE			
102-45	Entities included in the consolidated financial statements	Notes to the Consolidated Financial Statements – Companies included in the Consolidated Financial Statements	
102-46	Defining report content and topic boundaries	In relation to this report	
102-47	List of material topics	Materiality matrix	
102-48	Restatements of information	6. Methodological notes	
102-49	Changes in reporting	6.1. Methodological notes – perimeter	
102-50	Reporting period	01 January 2020 to 31 January 2020.	
102-51	Date of most recent report	Sustainability Report 2019, for the years 2017, 2018 and 2019	
102-52	Reporting Cycle	About this report	

GRI Ref	DESCRIPTION	VALUE / LOCATION	SDG
102-53	Contact point for questions regarding the report	About this report	
102-54	Claims of reporting in accordance with the GRI Standards	About this report	
102-55	GRI content index	About this report	
102-56	External assurance	About this report	

GRI 200 – ECONOMIC DISCLOSURES 2016

Material topic: 201 – Economic Performance 2016

103 – Management approach 2016

103-1	Explanation of the material topic and its boundary	The material topics of Corticeira Amorim were based on comparison between the results from stakeholder's consultation with the company's internal perspective and alignment with the SDG. In direct relation to economic performance, the topic "Economic Performance" was considered to be a topic with a high materiality (materiality matrix).
103-2	The management approach and its components	Over the years, Corticeira Amorim has promoted several initiatives related to economic performance (5.3. Community).
103-3	Evaluation of the management approach	Corticeira Amorim performs the measurement and monitoring of the indicators associated with this aspect and discloses them in this Report (5.3. Community).
201-1	Direct economic value generated and distributed	5.3. Community
201-2	Financial implications and other risks and opportunities due to climate change	Consolidated Management Report – 14. Business risk and uncertainties Corporate Governance Report – C. Internal Organisation, III. Internal Control and Risk Management
201-3	Defined benefit plan obligations and other retirement plans	In all the countries in which it operates, Corticeira Amorim contributes to local social security schemes, in accordance with the terms of specific applicable legislation, which cover all its employees. In 2020, the amounted to €22,321 thousand.

	2020	2018	2017
Contributions to local social security schemes (thousand euros)	22,321	22,511	22,056

Topic: Gri 204 – Procurement Practices 2016

204-1	Proportion of spending on local suppliers	3.6. Value Chain	12
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Topic: Gri 205 – Anti Corruption 2016

205-1	Operations assessed for risks related to corruption	3.4. Responsible conduct
205-3	Confirmed incidents of corruption and actions taken	3.4. Responsible conduct

Material Topic: Research, Development and Innovation

103 – Management approach 2016

103-1	Explanation of the material topic and its boundary	The material topics of Corticeira Amorim were based on the comparison of the results from the stakeholder's consultation with the company's internal perspective and alignment with the SDG. In direct relation to research, development and innovation, the topic "Research, Development and Innovation" was considered to be a topic with a high materiality (materiality matrix).
103-2	The management approach and its components	Over the years, Corticeira Amorim has promoted several initiatives relating to research, development and innovation (4.4. Developing green products and 5.3. Community).

GRI Ref	DESCRIPTION	VALUE / LOCATION	SDG
103-3	Evaluation of the management approach	Corticeira Amorim performs the measurement and monitoring of the indicators associated with this aspect and discloses them in this Report (4.4. Developing green products and 5.3. Community).	
	Average annual investment	5.3.1. Innovation and entrepreneurship	8, 9
	Submission of patents	5.3.1. Innovation and entrepreneurship	8, 9
GRI 300 – ENVIRONMENTAL DISCLOSURES 2016			
Topic: GRI 301-Materials 2016			
301-1	Material used by weight or volume	4.3.1. Materials	12
Material Topic: Gri 302 – Energy 2016			
103 – Management approach 2016			
103-1	Explanation of the material topic and its boundary	Corticeira Amorim’s material topics were based on the cross-checking of stakeholder consultation results with the company’s internal perspective and alignment with the SDGs. With a direct relation to the Energy aspect, the theme “Energy efficiency and climate change” was considered to be a materiality topic of high importance (materiality matrix).	
103-2	The management approach and its components	Over the years, Corticeira Amorim has promoted several initiatives related to the consumption of Energy (4.2.1. Energy).	
103-3	Evaluation of the management approach	Corticeira Amorim performs the measurement and monitoring of indicators associated with this aspect and discloses them in this Report (4.2.1. Energy).	
	Specific forms of management	Some Corticeira Amorim units are covered by regulations of the Energy Intensive Consumption Management System (SGCIE).	
302-1	Energy consumption within the organisation	4.2.1. Energy 6.3. Methodological notes – Energy	7, 11, 13
302-3	Energy intensity	4.2.1. Energy 6.3. Methodological notes – Energy 6.6. Methodological notes – measurements of intensity	7, 11, 13
302-4	Reduced energy consumption	4.2.1. Energy 6.3. Methodological notes – Energy	7, 11, 13
302-5	Reduction in energy requirements for products and services	4.2.1. Energy 6.3. Methodological notes – Energy	7, 11, 13
Material Topic: Gri 303 – Water and Effluents 2018			
103 – Management approach 2016			
103-1	Explanation of the material topic and its boundary	Corticeira Amorim’s material topics were based on the cross-checking of stakeholder consultation results with the company’s internal perspective and alignment with the SDGs. With a direct relation to the water and effluent aspect, the theme “Energy efficiency and climate change” was considered to be a materiality topic of high importance (materiality matrix).	
103-2	The management approach and its components	Over the years, Corticeira Amorim has promoted several initiatives related to the consumption of Energy (4.2.3. Water).	
103-3	Evaluation of the management approach	Corticeira Amorim performs the measurement and monitoring of indicators associated with this aspect and discloses them in this Report (4.2.3. Water).	
303-1	Interactions with water as a shared resource	Corticeira Amorim is aware of the need to preserve water and has an approach based on three pillars: lower consumption, treatment and hydrological regulation. The company established for the period until 2024 a reduction in the intensity of water consumption of 1% per year, in its activities in Portugal. Additionally, Corticeira Amorim assumes as a strategic priority the preservation of the cork oak forest and its ecosystem services, including its ability to regulate the water cycle. The left bank of the Tejo-Sado river has about 36% of the area occupied by cork oak trees and is one of the most productive and deep aquifer systems in the Iberian Peninsula, that is resupplied by the infiltration of rainwater into the soil. The interception of rainwater by cork oak trees is important to protect the soil from water erosion, contributing to the fight against desertification.	
303-2	Management of water discharge-related impacts	Corticeira Amorim complies with the legislation in force that regulates this matter and the company’s effluents are subject to adequate treatment, especially secondary and tertiary treatment, before being sent to the receiving environment.	

GRI Ref	DESCRIPTION	VALUE / LOCATION	SDG
303-3	Water withdrawal	4.2.3. Water 6.5. Methodological notes – Water Conversion: 1 ML = 1000 m3	6
303-4	Water discharge	4.2.3. Water 6.5. Methodological notes – Water Conversion: 1 ML = 1000 m3	
303-5	Water consumption	4.2.3. Water 6.5. Methodological notes – Water Conversion: 1 ML = 1000 m3	
	Water intensity	4.2.3. Water 6.5. Methodological notes – Water 6.6. Methodological notes – measurements of intensity	

Material Topic: Product Environmental Impact

103 – Management approach 2016

103-1	Explanation of the material topic and its boundary	Corticeira Amorim's material topics were based on the cross-checking of stakeholder consultation results with the company's internal perspective and alignment with the SDGs. With a direct relation to the product environmental impact, the theme "Product environmental impact", which also involves "Product quality and responsibility", was considered to be a materiality topic of high importance (materiality matrix)	
103-2	The management approach and its components	Over the years, Corticeira Amorim has promoted several initiatives related to product environmental impact (4.4 Developing green products).	
103-3	Evaluation of the management approach	Corticeira Amorim performs the measurement and monitoring of indicators associated with this aspect and discloses them in this Report (4.4. Developing green products).	
	Developing green products	4.4. Developing green products	6, 7, 13

Material Topic: Gri 304 – Biodiversity 2016

103 – Management approach 2016

103-1	Explanation of the material topic and its boundary	Corticeira Amorim's material topics were based on the cross-checking of stakeholder consultation results with the company's internal perspective and alignment with the SDGs. With a direct relation to the biodiversity aspect, the theme "Promotion of the Montado, its biodiversity and ecosystem services" was considered to be a materiality topic of high importance (materiality matrix).	
103-2	The management approach and its components	Over the years, Corticeira Amorim has promoted several initiatives related to biodiversity (4.1. Preserving the cork oak forest and ecosystem services).	
103-3	Evaluation of the management approach	Corticeira Amorim performs the measurement and monitoring of indicators associated with this aspect and discloses them in this Report (4.1. Preserving the cork oak forest and ecosystem services).	
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	4.1. Preserving the cork oak forest and ecosystem services	11, 12, 15
304-2	Significant impacts of activities, products, and services on biodiversity	4.1. Preserving the cork oak forest and ecosystem services	11, 12, 15

Material Topic: Gri 305 – Emissions 2016

103 – Management approach 2016

103-1	Explanation of the material topic and its boundary	Corticeira Amorim's material topics were based on the cross-checking of stakeholder consultation results with the company's internal perspective and alignment with the SDGs. With a direct relation to the emissions aspect, the theme "Energy efficiency and climate change" was considered to be a materiality topic of high importance (materiality matrix).	
103-2	The management approach and its components	Over the years, Corticeira Amorim has promoted several initiatives related to Emissions (4.2.2. Emissions).	

GRI Ref	DESCRIPTION	VALUE / LOCATION	SDG																																																																												
103-3	Evaluation of the management approach	Corticeira Amorim performs the measurement and monitoring of indicators associated with this aspect and discloses them in this Report (5.1.1. Characterisation of workers).																																																																													
	Specific forms of management	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 comply with the labour legislation in each country where the activity is developed.																																																																													
401-1	New employee hires and employee turnover	5.1.1. Characterisation of workers 6.8. New hire rate and employee turnover rate	5, 8																																																																												
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103 - Management approach 2016																																																																															
103-1	Explanation of the material topic and its boundary	The material topics of Corticeira Amorim were based on the comparison of the results from stakeholder's consultation with the Company's internal perspective and alignment with the SDG. In direct relation to labour relations, the topic "Training and Development" was considered to be a materiality topic of high importance (materiality matrix).																																																																													
103-2	The management approach and its components	Over the years, Corticeira Amorim has promoted several initiatives related to labour relations (5.1. Promoting training and well-being).																																																																													
103-3	Evaluation of the management approach	Corticeira Amorim measures and monitors the indicators associated with this aspect and discloses them in this Report (5.1. Promoting training and well-being).																																																																													
	Specific forms of management	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 comply with the labour legislation in each country where the activity is developed.																																																																													
402-1	Minimum notice periods regarding operational changes	Regulations concerning prior notice relating to the work location (in particular those that require subsequent amendments) complied with by Corticeira Amorim.	8																																																																												

GRI Ref	DESCRIPTION	VALUE / LOCATION	SDG
Material Topic: Gri 403 – Occupational Health And Safety 2018			
103 – Management approach 2016			
103-1	Explanation of the material topic and its boundary	The material topics of Corticeira Amorim were based on the crossing the results of stakeholder consultation with the internal perspective of the company and alignment with the SDG. With a direct relation to the aspect Occupational Health And Safety, the theme "Health and safety at work" was considered to be a materiality topic of high importance (materiality matrix).	
103-2	The management approach and its components	Corticeira Amorim has promoted over the years several initiatives related to health and safety at work (5.2. Ensuring health and safety).	
103-3	Evaluation of the management approach	Corticeira Amorim performs the measurement and monitoring of indicators associated with this aspect and discloses them in this Report (5.2. Ensuring health and safety).	
	Specific forms of management	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 comply with the labour legislation in each country where the activity is developed	
403-1	Occupational health and safety management system	Corticeira Amorim promotes compliance with all legal requirements, standards and procedures in the area of OHS, in all countries of operations, through the application of good practices, as noted in subchapter 5.2. Ensure health and safety	
403-2	Hazard identification, risk assessment and incident investigation	The hazard identification and risk assessment procedures apply to all tasks and processes developed in the company that imply a risk to occupational health and safety (OHS). These include routine, occasional and emergency activities carried out by permanent, temporary or service providers at the company's facilities. It is the responsibility of the OHS departments to ensure the identification of hazards, assess the risk and propose / validate corrective, preventive or opportunity for improvement measures. Workers are involved and consulted, and their point of view is consulted in terms of hazard identification and risk assessment, as well as the definition of control measures. Whenever there are substantial changes in the hazards that could alter the risk, the risk is reassessed. As there is not yet a specific procedure in place, an increasing number of incidents in the company are increasingly analysed by a multidisciplinary team that includes members of the OHS team, the person (s) responsible for the area where the incident occurred, and the support areas that may be relevant in the analysis of the occurrence, as well as the employees of the area, in order to identify the root cause of the incident and define actions to eliminate or control the risk. The results of the incident analysis are disclosed within the company.	3, 8
403-3	Occupational health services	The company provides occupational medicine and nursing services as well as curative medicine. Depending on the units, these areas work either under coordination or in conjunction with the OHS department and aim to ensure the monitoring of the suitability of employees for the activities to be carried out, any impacts of work on their health, as well as providing medical care health in general.	
403-4	Worker participation, consultation, and communication on occupational health and safety	Workers are consulted through their OHS representatives in the context of the functioning of the OHS committee. The OHS commission is responsible for: <ul style="list-style-type: none"> • Request and appreciate suggestions from workers on issues related to health and safety; • Carry out visits to the workplace to recognise the risks to health and safety, and to evaluate the preventive measures adopted; • Propose initiatives in the context of preventing risks to occupational health and safety, aiming at improving working conditions and correcting detected deficiencies; • Participate in the definition of measures to be included in the prevention plan; • Analyse the available elements related to accidents at work and occupational diseases; • Participate in the development of the OHS Department's annual programme and follow up on it. 	

GRI Ref	DESCRIPTION	VALUE / LOCATION	SDG
403-5	Worker training on occupational health and safety	<p>In the scope of OHS, special emphasis is given to training to welcome new employees, as well as OHS training in the workplace, which is mandatory whenever the employee is faced with the start of activity in a new workplace.</p> <p>Regularly, training content in OHS is recycled, in order to ensure the updating of knowledge and awareness necessary for issues of occupational health and safety. Increasingly, priority is given to the development of OHS training in an on-job context to the detriment of classroom training, always with the aim of individualising training and thereby enabling a better transmission of safety knowledge among employees.</p>	
403-6	Promotion of worker health	<p>As part of the development of OHS activity, and the component of workers' health, the company makes available to its employees the provision of occupational medicine, curative medicine and occupational nursing services, in order to ensure the access of its employees to the provision of health care.</p> <p>Some units have implemented a gymnastics programme to prevent musculoskeletal injuries.</p>	
403-7	Prevention and mitigation of health and safety impacts directly linked to business relationships	<p>The work carried out in Corticeira Amorim's supply chain takes place in accordance with institutional and legal structures.</p> <p>The working conditions in Corticeira Amorim's supply chain comply with the labour legislation in force in each country where the activity is developed.</p>	
403-8	Workers covered by an occupational health and safety management system	<p>The company has implemented an OHS management system, which covers all its employees (internal and external), and activities developed. The management system is based on an OHS performance improvement policy and objectives, which are supported by an activity plan. In addition, about 21% of workers are covered by systems certified according to the international standard OHSAS ISO 18001 / ISO 45001, and it is estimated that they can cover more than 32% even in the first quarter of 2021 with the obtaining of the certificate for Amorim Florestal. Information on management systems with external certifications is available in the Consolidated Management Report - 6. Approach to sustainability.</p>	

GRI Ref	DESCRIPTION	VALUE / LOCATION	SDG
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403-9 Work-related injuries

5.2. Ensuring health and safety
6.9. Methodological notes – Health and safety

	2020	2019	2018
Number of workplace accidents	76	107	115
Female	13	10	9
Male	63	97	106
Portugal	54	77	96
Rest of the World	22	30	19
Accident frequency index	14	19	21
Female	9	7	7
Male	15	23	25
Portugal	11	16	20
Rest of the World	29	38	27
Serious accident frequency index	0.4	0.5	0.7
Female	–	–	0.7
Male	0.5	0.7	0.7
Portugal	0.4	0.2	0.4
Rest of the World	–	2.5	2.8
Severity index	551	527	737
Female	507	347	433
Male	565	586	800
Portugal	546	479	700
Rest of the World	580	820	986
Number of deaths	–	–	–
Female	–	–	–
Male	–	–	–
Portugal	–	–	–
Rest of the World	–	–	–
Rate of absenteeism	5.0%	4.3%*	3.7%
Female	6.6%	5.4%*	4.8%
Male	4.4%	3.9%*	3.3%
Portugal	5.4%	4.3%	3.7%
Rest of the World	2.3%	4.0%	3.6%

* Change according to methodological notes

Indirect workers:

	2020	2019	2018
Number of accidents	6	12	32
Female	2	1	2
Male	4	11	30
Index of frequency of accidents	17	31	43
Female	38	35	11
Male	13	31	54
Number of deaths	–	–	–
Female and Male	–	–	–

For this disclosure, the perimeter of the companies that report information for the sustainability report was considered, i.e. 278 indirect workers.

403-10 Work-related ill health

5.2. Ensuring health and safety
6.9. Methodological notes – Health and safety

	2020	2019	2018
Work-related ill health	6	4	7
Female	16	4	10
Male	3	3	6
Portugal	7	4	8
Rest of the World	1	4	–

GRI Ref	DESCRIPTION	VALUE / LOCATION	SDG																																																
Material Topic: Gri 404- Training and Education 2016																																																			
103 - Management approach 2016																																																			
103-1	Explanation of the material topic and its boundary	The material topics of Corticeira Amorim were based on the crossing the results of stakeholder consultation with the internal perspective of the company and alignment with the SDG. With a direct relation to the training and education aspect, the theme "Training and Development" was considered to be a materiality topic of high importance (materiality matrix).																																																	
103-2	Management approach and respective components	Corticeira Amorim has promoted over the years several initiatives related to training and education (5.1.5. Training and development).																																																	
103-3	Evaluation of the management approach	Corticeira Amorim performs the measurement and monitoring of indicators associated with this aspect and discloses them in this Report (5.1.5. Training and development).																																																	
404-1	Average hours of training per year per employee	5.1.5. Training and development	4, 5, 8																																																
		<table border="1"> <thead> <tr> <th></th> <th>2020</th> <th>2019</th> <th>2018</th> </tr> </thead> <tbody> <tr> <td>Board Members</td> <td>11</td> <td>3</td> <td>5</td> </tr> <tr> <td>Directors</td> <td>25</td> <td>24</td> <td>36</td> </tr> <tr> <td>Head of Department</td> <td>18</td> <td>14</td> <td>36</td> </tr> <tr> <td>Sales staff</td> <td>20</td> <td>11</td> <td>19</td> </tr> <tr> <td>Management Support Technicians</td> <td>29</td> <td>64</td> <td>68</td> </tr> <tr> <td>Team Leaders</td> <td>24</td> <td>12</td> <td>29</td> </tr> <tr> <td>Administrative Staff</td> <td>15</td> <td>10</td> <td>14</td> </tr> <tr> <td>Maintenance, Quality and Logistic Technicians</td> <td>15</td> <td>23</td> <td>21</td> </tr> <tr> <td>Production Operators</td> <td>10</td> <td>7</td> <td>9</td> </tr> <tr> <td>Women</td> <td>15</td> <td>18</td> <td>23</td> </tr> <tr> <td>Men</td> <td>13</td> <td>12</td> <td>15</td> </tr> </tbody> </table>		2020	2019	2018	Board Members	11	3	5	Directors	25	24	36	Head of Department	18	14	36	Sales staff	20	11	19	Management Support Technicians	29	64	68	Team Leaders	24	12	29	Administrative Staff	15	10	14	Maintenance, Quality and Logistic Technicians	15	23	21	Production Operators	10	7	9	Women	15	18	23	Men	13	12	15	
	2020	2019	2018																																																
Board Members	11	3	5																																																
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Production Operators	10	7	9																																																
Women	15	18	23																																																
Men	13	12	15																																																

Material Topic: Gri 405 - Diversity And Equal Opportunity 2016			
103 – Management approach 2016			
103-1	Explanation of the material topic and its boundary	The material topics of Corticeira Amorim were based on comparing the results of stakeholder consultation with the internal perspective of the company and alignment with the SDG. With a direct relation to the diversity and equal opportunity aspect, the theme "Training and Development" was considered to be a materiality topic of high importance (materiality matrix).	
103-2	The management approach and its components	Corticeira Amorim has promoted over the years several initiatives related to diversity and equality of opportunities (5.1.7. Diversity, inclusion and non-discrimination).	
103-3	Evaluation of the management approach	Corticeira Amorim performs the measurement and monitoring of the indicators associated with this aspect and discloses them in this (5.1.7. Diversity, inclusion and non-discrimination).	
	Specific management forms	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	5.1.1. Characterisation of workers 5.1.7. Diversity, inclusion and non-discrimination 6.1. Methodological notes – Perimeter	5, 8
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	Age			Sex	
	< 30	30 – 50	>50	Female	Male
Board Members	–	6	17	4	19
Directors	1	52	39	11	81
Head of Department	9	56	29	31	63
Sales staff	7	50	35	19	73
Management Support Technicians	98	119	28	104	141
Team Leaders	7	44	32	17	66
Administrative Staff	21	128	80	143	86
Maintenance, Quality and Logistic Technicians	53	185	119	88	269
Production Operators	318	1,361	698	462	1,915
Total 2018	473	1,753	1,060	831	2,455
Total 2019	538	1,764	1,109	864	2,547
Total 2020	514	2,001	1,077	879	2,713

For this disclosure, the perimeter of the companies that report information for the sustainability report was considered, i.e. 3314 employees and 278 indirect workers.

405-2	Ratio of basic salary and remuneration of women to men	5.1.1. Characterisation of workers 5.1.7. Diversity, inclusion and non-discrimination 6.1. Methodological notes – Perimeter	5, 8
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Salary ratio:

	2020	2019	2018
Board Members	0.9	0.7	0.7
Directors	1.0	1.0	0.9
Head of Department	0.6	0.9	0.6
Sales staff	0.8	0.8	0.8
Management Support Technicians	1.2	1.1	1.2
Team Leaders	1.1	1.1	1.1
Administrative Staff	0.9	0.8	0.9
Maintenance, Quality and Logistic Technicians	1.0	0.9	1.0

Remuneration ratio:

	2020	2019	2018
Board Members	0.8	0.7	0.6
Directors	1.0	0.9	0.9
Head of Department	0.6	0.9	0.7
Sales staff	0.8	0.8	0.7
Management Support Technicians	1.2	1.0	1.1
Team Leaders	1.0	1.1	1.0
Administrative Staff	0.8	0.8	0.9
Maintenance, Quality and Logistic Technicians	0.9	0.8	0.9

GRI Ref	DESCRIPTION	VALUE / LOCATION	SDG
Topic: Gri 413 – Local Communities 2016			
413-1	Operations with local community engagement, impact assessments, and development programs	3.3. Voluntary commitments 5.3. Community	
Topic: Gri 414 – Social Evaluation of Suppliers 2016			
414-2	Negative social impacts in the supply chain and actions taken	3.6. Value chain	8, 12, 17
Topic: GRI 415 - Public Policy 2016			
415-1	Political contributions	Corticeira Amorim assumes itself as a non-partisan and non-political organisation. It does not support financially, or in kind, under any circumstances, political parties, organisations or individuals associated with these, whose mission is essentially political.	

Mozelos, 29 March 2021

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

[8] Independent Assurance Report

Independent Limited Assurance Report of the Sustainability Report

(Free translation from the Original Independent Limited Assurance Report in Portuguese dated March 30, 2021.
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 2020 Sustainability Report (hereinafter the "Sustainability Report") included in the "Report and Accounts 2020", relating to the sustainability activities carried out from 1 January to 31 December 2020.

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 2020;
 - ▶ 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.

6. Regarding sustainability reporting standards of the Global Reporting Initiative - GRI Standards, we performed a review of the self-evaluation made by Management of the adopted option to apply the GRI Standards 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 and by the Article 508-G of the Portuguese Companies Act and paragraph r) of the article 245-A of the Securities Market Code.

Porto, March 30, 2021

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

Represented by:

(signed)

Rui Manuel da Cunha Vieira - ROC nr. 1154
Registered with the Portuguese Securities Market Commission under license nr. 20160766

