

# AMORIM NEWS

YEAR 38 / NUMBER 4

## The best is yet to come

We are one of the most recent participants of the UN Global Compact - a United Nations initiative that brings together organisations whose strategies, activities and operations are aligned with universal principles of human rights, labour practices, environmental protection and anti-corruption. Over the past ten years, our employees have planted tens of thousands of native trees in Portugal, contributing to the country's reforestation, maintenance of ecosystems and preservation of biodiversity. We support R&D projects based on knowledge, technology and innovation, whose objective is to make forestry production more attractive, profitable and resilient. UNESCO environmental consultant, Martí Boada, confides that "the cork tree is my favourite", millennials prefer wine bottles sealed with cork stoppers, the new MINI Strip, designed by the stylist, Paul Smith, incorporates cork in its interior. And the best is yet to come!



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One of the most recent studies conducted in the United Kingdom has concluded that the cork stopper is the first choice for the new generations – *Millennials* (born between 1981 and 1996) and Generation Z (born between 1996 and 2010).

One of the most recent studies conducted in the United Kingdom has concluded that the cork stopper is the first choice for the new generations - *Millennials* (born between 1981 and 1996) and Generation Z (born between 1996 and 2010). In other words, so-called “digital natives” are today the main driving forces of the future of the wine business. These young adults place great value on natural, ecological and biodegradable products and are especially attentive to factors such as origin, quality and sustainability. This is excellent news for the future of the cork stopper industry, which continues to have much to offer to the wine-growing world. Corticeira Amorim will continue to focus on innovation in order to secure an even bigger market share, compared to synthetic closures, and will make every effort to reduce the environmental impact of its cork stopper production and pursue further research to better understand the interaction between wine and cork stoppers. Our company’s current role extends far beyond these magical cylinders - that maintain their status as the most valuable product in the entire cork sector. The aerospace, automotive, construction, sports, energy and interior design industries are just a few of the sectors where we continue to strive to create new materials, solutions and applications. Always underpinned by cork’s unparalleled properties. This can also be achieved by mixing cork with by-products from other fields of activity, such as textiles, footwear or rubber - creating innovative references for the circular economy. At Corticeira Amorim these practises constitute a fundamental part of an integrated management strategy, which is also based on reduction, reuse and recycling.

We also aim to reinforce our intervention in the forestry sector, in order to promote the profitability, biodiversity and sustainability of the cork oak forest. We will encourage more study, research and investigation dedicated to the cork oak tree, in order to expand our scientific knowledge of the species, devise renewed methods, systems and technologies to develop cork oak forests, and increase the resistance, conservation and survival capacity of this unique native tree species. High-precision forestry based on biotechnology, involving the collaboration of companies, laboratories, universities, knowledge centres and forest owners. It will thereby be possible to support the expected rising demand for cork, due to its growing applicability in different products, activities and sectors. At the same time, we offer forestry producers extremely appealing economic and financial returns. Corticeira Amorim, as the leader of one of the world’s most sustainable industries, makes an equally strong commitment to offer articles with a low carbon footprint, develop more efficient processes and implement new technologies, tools and techniques that will deliver a stronger environmental performance. These goals are aligned with the ESG (Environmental, Social and Governance) principles that are extremely important for the company, our shareholders and our various stakeholders, without forgetting Corticeira Amorim’s complete commitment to the UN’s Sustainable Development Goals (SDGs). Yesterday as today, the Amorim universe is driven by our passion for cork. Our greatest asset is our knowledge of this unique raw material. We will steadfastly continue to expand our expertise, by reinforcing our in-house skills, expanding different areas of activity and establishing qualified partnerships with scientific institutions. Because the best is yet to come.

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# 1870 AMORIM 2020: Matéria, Memória, Futuro (Material, Memory, Future)

Corticeira Amorim has just published “1870 AMORIM 2020”, dedicated to the Amorim family’s 150 years of business history. Divided into three volumes, “Material”, “Memory” and “Future”, the publication traces the projects, challenges and achievements charted by the four generations of the family. Inspired by the motto “not just one market, not just one client, not just one currency, not just one product”, the Amorim group has overcome geographical barriers, economic crises, political regimes, social upheavals and industrial constraints, to become one of the main players in Portugal’s business ecosystem, with major international projection. Its position as the global leader in the cork sector, is currently consolidated in dozens of companies, operating across five continents, that export various products to more than 100 countries. This genuinely Portuguese raw material involves more than 4,400 employees around the world on a daily basis.

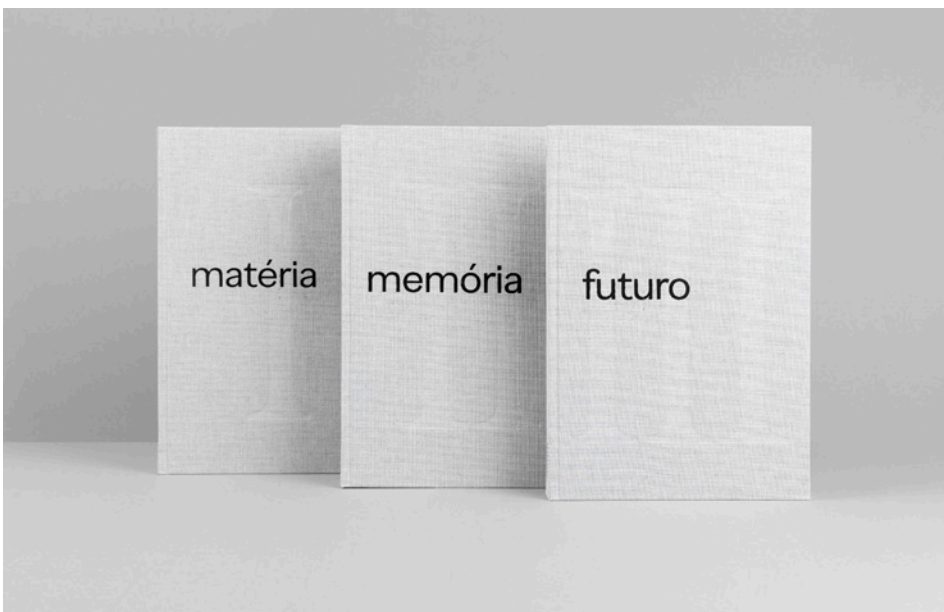
This epic journey began in 1870, when António Alves de Amorim founded a small cork workshop in Vila Nova de Gaia, to take advantage of the rising international demand for port wine. This inaugural milestone, identified in the volume, “Memory”, was the initial seed of multiple events that have enhanced the Amorim family’s history. 150 years of tremendous effort, initiative and perseverance have cork as a common denominator - the raw material upon which one of Portugal’s most solid economic groups has been built. Based on thorough research by Professor Carlos Oliveira Santos, the volume also reveals how the family’s internal dynamics determined the Amorim group’s key management decisions and successes. Clearly the most notable figure in this history was Américo Amorim, one of the main people responsible for the industrial expansion, vertical integration and internationalisation of the cork business, and who led the group’s pioneering and successful incursion into many other business sectors, such as banking, real estate, telecommunications, hotels and tourism.



But, there would be no history to tell without this unique raw material. Cork's unique attributes, qualities and characteristics have inspired the creation of countless objects, solutions and functions. Also based on research coordinated by Professor Carlos Oliveira Santos, the volume, "Material", divides this narrative into four moments – the four "Eras of Cork" – tracing a fascinating path that demonstrates how quickly humanity realised the tremendous potential of cork. This 100% natural, ecological, renewable, recyclable and reusable product was used in Antiquity as a seal for amphorae. During the Medieval, Industrial and Post-industrial eras there has been continued search for new uses of this gift from Nature.

### Envisioning the future

Our 150th anniversary is the perfect opportunity to look towards the future. Corticeira Amorim is thinking about, designing and building the future, focusing on innovation, research and sustainability. The company is certain of the growing role that cork will play in creating a better world. Cork has unique characteristics that no product created in a laboratory has yet been able to replicate: each cubic centimetre of cork contains about 40 million cells! It is a 100% natural, ecological, renewable, recyclable and reusable raw material. Light, waterproof and hypoallergenic. An elastic and compressible organic resource, waterproof, floating and resilient, which offers thermal and acoustic insulation. An unparalleled raw material that is capable of generating social, environmental and economic value, with high sustainability credentials, and which helps ensure a balanced climate.



The volume, "Future", written by the journalist, Nelson Marques, also explores the spectrum of products, solutions and possible applications, spanning an endless set of domains - from the still and sparkling wines and spirits sector, to the aerospace, automotive, construction, sports, energy and interior design sectors – to name but a few. Also noteworthy is the set of projects capable of revolutionising the paradigm of the cork sector, such as forestry intervention, viability of the cork oak forest or forest 4.0, or the group of materials, processes and formulae that can enhance cork's properties. "1870 AMORIM 2020" features photographs by Lara Jacinto, design by Atelier d'Alves and printing and finishing by Gráfica Maiadouro.





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# «I have to admit that the cork tree is my favourite»

Catalan geographer and environmentalist Martí Boada has dedicated his life to studying ecosystems and their impact on life on Earth. A UNESCO consultant in environmental matters, and winner of a National Environment Prize from the Spanish Government, Boada has profound knowledge and is a keen admirer of the cork oak forest in the Mediterranean region, where he was born. In this exclusive interview with Amorim News, he emphasises that we are experiencing a historic moment, in which we are all called to fight the climate emergency. Cork, he points out, forms part of the solution.

**You were born in the Mediterranean region, where the native cork oak forest plays a vital role in the ecological balance. How has this natural context influenced your life?**

I feel a strong personal, planetary, and global commitment, which coexists with my profound links to my Mediterranean roots. The Mediterranean's ecosystems and the people who live in them are profoundly dependent on the abundant luminous energy, that is so generously at our disposal. A distinguishing characteristic of the Mediterranean's ecosystems is the large amount of available sunlight and the limitations in terms of the availability of water. These two vectors are key to understanding the global metabolism of the region's landscapes, where there is a predominance of non-deciduous trees, that do not suffer major seasonal changes. On a human scale, the Mediterranean is a melting pot of dynamic and changing cultures that have overlapped or connected throughout history, generating very atypical and notorious forms of civilisation throughout human history.

**When was your first contact with cork? What awakened your interest?**

My first memories are from my childhood, and are extremely pleasant. My family has been linked to the forest for many generations. My grandparents worked with charcoal, my father was a forestry hauler. There was a small, family-run cork stopper factory in front of our house. I still remember, and recognise the smell, of the cork "bullets" which were heated in an old boiler. It was a very pleasant sensation. As children, we spent hours playing in the piles of cork, with the tolerant acceptance of our friendly neighbour, the industrialist, Mr. Cassi. Those were undoubtedly different times. This childhood/family setting has had a decisive impact on my own existential development. My initial relationship with cork stimulated my enchantment with, and passion for, cork trees and the forest. Of the more than 20,000 wild trees found across the face of the Earth, I have to admit that the cork tree is my favourite. It is an example of slow positive evolution, that can convert an aggressive disturbance – a forest fire – into the generation of large

amounts of suberin, an extraordinary component of self-protection, whose value transcends the ecological dimension.

**Cork has been used by mankind for millennia. It is also a profoundly contemporary material. What does cork have to offer to today's world?**

We cannot forget that we are experiencing a historic moment of unprecedented environmental crisis, which is a very serious threat. It is no accident that the UN has urged world leaders to declare a "climate emergency". This is a crisis that is revealing itself to be unstoppable and is revealing that several forms of production, relationship and intervention in the territory have not been well achieved, even though we may find this to be difficult to accept. Several serious impacts, such as CO<sub>2</sub> emissions, are not visible in the atmosphere and therefore do not provoke a social reaction. In this scenario of a climate crisis, cork delivers a positive message. There is an evident pedagogical dimension, in terms of providing a lesson in the bio-circular economy, or to be more precise, in sustainability.

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Cork's natural production process is developed in a clean manner, based on biophysical inductive forces. In this crisis situation, cork's contribution to new forms of sustainable construction and technologically advanced products is a reality and a hope.

**The Cork Oak Forest is a unique ecosystem in the world. As a geographer and environmentalist, what are the main characteristics of this magical forest that you would highlight?**

We have studied the cork oak forests of the northeast Iberian Peninsula and have observed that in terms of vertebrate fauna, specifically birds, the number of species is very similar to those found in holm oak forests (*Quercus ilex*), but the density of the populations of fauna is considerably higher in cork oak forests. This greater density is due to two factors: the soft and broken structure of the *Quercus suber* L. provides a habitat for numerous arthropods in the larval or adult phase, which represents a high availability of proteins for birds. At the same time, the space produced within the senescent branches makes it possible for birds to build nests that are safe from predators, which is far more efficient than nests built in holm oak trees and other accompanying trees. This explains the advantages that the cork oak tree offers in terms of biodiversity, compared to other Mediterranean forests. The cork oak forests in Portugal-Spain represent a unique and important variable of the world's cork oak forest. It is an example of a socio-ecosystem, where sustainability is expressed in a very comprehensive manner. On the one hand, with extremely relevant production methods, such as high quality and renowned cured ham and the highest-quality cork oak trees. At the same time, in terms of biodiversity, it hosts some of Europe's most endangered species. It is a clear example of how nature and people can live in harmony.

**We have just had another climate change summit. How optimistic are you about the results of COP26?**

To be honest, I'm not very optimistic. The agreements signed in Glasgow are weak, the need to achieve a binding consensus among the leaders of 190 countries has led to agreements that are clearly insufficient in order to contain the climate threat. Although they are not legally binding, five key agreements were signed, which is considered to be an achievement, including reducing carbon emissions and keeping global warming below two degrees Celsius.

# In this crisis situation, cork's contribution to new forms of sustainable construction and technologically advanced products is a reality and a hope.

They are seen as a preliminary instrument to help overcome the climate crisis and achieve the baseline levels of the UN's Sustainable Development Goals (SDGs). In EU countries, the European Green Deal agreements should lead to one of the most serious and urgent efforts to combat climate change and achieve an emission-neutral EU by 2050. One of the main objectives is to protect human, animal and plant life, by drastically reducing pollution, implementing a transition to the new circular bio-economy, accompanied in parallel by an energy transition through a profound renovation based on clean, reliable and renewable forms of energy.

**In April 2022, the Biodiversity Summit will be held in Kunming, China. What do you believe are the most urgent issues on the table?**

The value of biodiversity for life on the planet and the risks associated with loss of biodiversity were reflected in the Rio Summit 1992, where the Biodiversity Convention was presented and signed by most of the participating countries. However there has been a low level of compliance with this treaty. The upcoming Kunming Summit represents hope for taking decisive measures to stop the continued loss of biodiversity and the ecosystems that support it. According to a recent UN report, the so-called "sixth extinction", which differs from the five previously recognised extinctions in that it is the only one to have been induced by mankind, is currently taking place at an accelerated rate. The report identifies the loss of about one million species, and the loss of 100 million hectares of forest cover over the last two decades alone.

**It seems clear that it will only be possible to mitigate climate change if there is strong political will, and a concerted effort. What can we do, individually and collectively, at the level of civil society, in order to accelerate this transformation that the world needs?**

The first consideration is that we are facing a very serious crisis of civilisation, based on our model of relationship with the planet. It is necessary to assume this, first as individuals and then at a collective level. The situation is extremely worrying. Without being apocalyptic, but with knowledge, it is urgent to become aware of the current historical moment. Personally, I suggest applying Margalef's principle on this subject, concerning our capacity to understand. A well-informed person will always multiply his ability to analyse, whereas an ill-informed person, at the very least, subtracts. It is essential to communicate in a serious and effective manner, based on research and dissemination.

We shouldn't be alarmist, since this can cause the well-known "flame effect", whereby a message with a catastrophic tone tends to be rejected by the receiver, as a defence mechanism. It is highly recommended to have a profound sense of personal commitment. We need a responsible and committed attitude changes to the way that we relate to the environment that sustains us existentially. Contributing to change requires collaboration from all disciplines, moving away from the idea that this is a matter exclusively for environmental campaigners and/or experts. This delicate moment poses a challenge to us all. The bio-economist Bellamy offers us an insightful metaphor: "We shouldn't fiddle while the forest burns".



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# More attractive, profitable and resilient forestry production

The cork industry is underpinned by a tree, the cork oak tree, and a forest, known as the “*Montado*” in Portuguese. In 2003, Francisco Almeida Garrett, agronomist and forestry producer, paved the way for innovation in this sector when he launched the first experimental plantation of cork oaks in Portugal.

The model was replicated and developed by Corticeira Amorim, in partnership with the University of Évora, one of the pillars of the group’s Forestry Intervention Project. Taking tradition further, based on science and innovation, Francisco Almeida Garrett is the first guest in a series of conversations about forests and forestry production in Portugal, which we inaugurate in this issue of Amorim News.

Making forestry production more attractive, profitable and resilient, for those at the base of the sector, is a strategic issue for a sector whose future depends on producing more and better cork. In Portugal and the world, the forest is a strategic sector, which, in Francisco Almeida Garrett’s opinion, can only develop by investing in “research and innovation”. Innovation is a key vector of his career. In 2003 he was a pioneer in the sector, when he decided to carry out an experimental plantation of cork oaks, testing the ferti-irrigation of these trees. This pioneering project was one of the inspirations for the Forestry Intervention Project, that Corticeira Amorim has been implementing since 2013. But tradition comes before innovation. Francisco Almeida Garrett comes from a family that has always been linked to the land, and the cork oak forest assumes a major presence in his life. He has a longstanding passion and respect for the cork oak tree: “The cork oak is the main link in the *Montado* system. From an economic and environmental perspective, it sustains the overall system, especially in the weakest zones. To paraphrase Vieira Natividade, “No tree gives so much, while asking for so little”. Or as my grandmother used to say “I always found myself with the cork oak tree in difficult moments”. This is what has always attracted me to this tree... and if it has already given so much with so little... what if we provide it with exactly what it needs!”



Based on this simple observation, Almeida Garrett began what is perhaps the biggest adventure of his life. Looking around at his family estate, the Herdade do Conqueiro, the engineer thought that in addition to olive groves and vineyards, there was room for more. There was an area with some cork oak trees. That was where he had the idea of starting an experimental plantation: “In an attempt to counteract the decline that I saw in certain areas of the cork oak forest and looking for data on the nutritional needs of the cork oak tree... there was none!”, he recalls. “I was also fairly disillusioned with the success rates of plantations and rainfed plantations. There was a lot of data on the olive tree, that resembles the cork oak tree physiologically and in terms of climate. So, by installing an intensive olive grove and a vineyard, I took advantage of the areas where there were some cork oaks to test ferti-irrigation for these trees.” The results were uncertain for cork oaks, which are resilient trees, where it is traditionally necessary to wait. Results were nonetheless obtained after only eight years. It was possible to make the first harvesting of cork (*desboia*) from many trees, thereby opening up an encouraging path.

#### **A new lease of life for the sector**

The success of this experiment, which combines innovation and vision, quickly sparked major interest. The next step was to contact Corticeira Amorim.

The project gained new impetus through the involvement of the cork industry and an academic dimension, conferred by the partnership established with the University of Évora to evaluate and validate the effect of ferti-irrigation on cork oak plantations. Building on Almeida Garrett’s initial experience, several reference projects were developed over the following years, such as Regasuber, Irricork and GoRegaCork, strengthening the partnership between Corticeira Amorim and the University of Évora in research into the cork oak tree. The seeds of change were sown, and the first results were in sight. But facts and figures were required in order to validate the experience. The research conducted by the University of Évora within the framework of these projects led to the conclusion that irrigation increased the survival rate of cork oak trees from 20% to 90% and brought forward the period of the first cork harvest from 25 to 10 years. For forestry producers, a key issue is obviously profitability. After building in-depth knowledge of cork, in 2020, Corticeira Amorim announced that its priority was to focus efforts on knowledge of the cork oak tree, as a source of more and better raw material, and to guarantee the sustainability of the business. This strategy, whose results depends on making the production of cork oak trees more attractive for everyone, has been implemented through various ambitious projects.

#### **High-precision silviculture**

One of these projects is based in the Herdade da Venda Nova, in Alcácer do Sal, where Corticeira Amorim had developed a “living lab” with 100,000 trees. It is a plantation that uses drip irrigation, supported by probes throughout the estate, and a meteorological station connected to a satellite. These technologies make it possible to calculate the amount of water needed to irrigate each plot, depending on the weather conditions. The idea was to test this model of “high-precision silviculture” in order to implement it more widely, sharing knowledge, and extending it to other forestry producers. Over the last two decades, we have undoubtedly advanced a great deal in our knowledge of this unique tree - the cork oak. But there is still much to be done to extend the reign of the “Queen of the Forest”. “There is still a long way to go in terms of knowledge of the cork oak and the cork oak forest. In my opinion the main priorities are genetics, nutritional needs, and resistance to pests and diseases”, says Francisco Almeida Garrett.

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# The energy that powers Amorim

Across its entire operations, from the production of cork to its transformation into products with a negative carbon footprint, Corticeira Amorim has a transversal commitment: to minimise the negative environmental impacts of its business activity, and thereby help build an even more sustainable future (and a sustainable industry). This commitment, which is translated into gigajoules (units of energy), involves thousands of photovoltaic panels, biomass-fired boilers and cork stoppers that are moved with the force of compressed air.



The mission that Corticeira Amorim assumes before its stakeholders is to add value to cork in a competitive, differentiated and innovative manner, in perfect harmony with nature. This “perfect harmony” is only possible with a holistic view of business sustainability and a proactive attitude in the implementation of best practices, inclusively in terms of energy. In 2020, the company’s energy consumption was 1,638,000 gigajoules (Gj). 83% of this amount derived from renewable sources, in particular biomass, which represents the largest share (66%). Over 100 energy efficiency measures were implemented in 2020, due to an investment of approximately €2.2 million, delivering savings of more than 56 thousand Gj and avoiding more than 2400t CO<sub>2</sub> eq.

These measures include simple and intuitive actions, such as changing the lighting in factories and offices, and adopting more complex initiatives that require major investments and adaptations. One example is the use of compressed air to generate movement in industrial processes. For example, using the energy released by compressed air to make cork stoppers move from one side to the other, advancing in the production chain. This measure has a major impact and reflects an investment now being made in all business units. After its implementation, the work doesn’t stop there. It has been followed by a rigorous programme to monitor the actions that, in this specific case, aim to improve efficiency.

Another measure that has had a major impact, and involves a significant investment, is the replacement of boilers in industrial units. The boilers in operation, despite already running on renewable energy powered by biomass (cork dust), have been replaced by more modern and efficient solutions. This has made it possible to increase the capacity of these systems, improve the performance of the use of cork dust to produce energy and even to introduce the possibility of using other sources of biomass, reducing the use of natural gas and the atmospheric emissions released.



## The Magic of Biomass

Biomass energy is part of Corticeira Amorim's DNA and is one of the oldest energy sources used in its industrial process. Biomass is renewable and endogenous, since it originates within the company in the normal process of its business activity. In practice it produces thermal energy rather than electricity. It is currently the main energy source consumed by industrial units (66%). It does not produce a net increase in carbon dioxide emissions and is a way to use the cork waste left over from the production of products. In 2020, energy production from biomass, primarily cork dust generated endogenously in the production process, totalled around 1,075,000 GJ (2019: 988,000 GJ). We use the term "primarily", since the new boilers make it possible to use other sources of biomass, besides cork. This change may seem strange at first, but soon becomes clear when we remember the maxim that underpins our business: nothing is lost, everything is transformed. In other words, there is a constant concern to implement new technologies and production processes that will guarantee the optimised use of cork consumed in the industrial cycle, fulfilling the objective of zero waste. For this reason, there is less and less cork dust resulting from the business activity, which leads to the need to use biomass from other sources and also invest in more projects, aimed at optimising the yield from cork dust. These and other improvement projects receive special attention in Corticeira Amorim's Energy Efficiency Forum.

As a way to encourage sharing of ideas and interaction between the different stakeholders in the company's energy area, Corticeira Amorim organises the Energy Efficiency Forum, twice a year. The Forums aim to discuss new ways to improve energy efficiency in day-to-day operations and monitor the evolution of consumption of the energy resources available in factories, in particular cork dust, electricity, natural gas and LPG. The Forums also review the suitability of technology to increase production and forecast needs, and present and discuss different scenarios of resource consumption. Miguel Bento, Energy Manager at Corticeira Amorim, is responsible for organising these forums. He presents the Forum's agenda every six months, which also includes monitoring of previously implemented measures, in an effort to achieve continuous improvements and avoids taking steps in the opposite direction.

These initiatives involve around 30 employees from all business units, from the CEOs to the factory floor teams, and also includes an average of 10 people from external invited companies.

## Photovoltaic plan 2021-24

Although renewable energies already represent 83% of the energy consumed by Corticeira Amorim, the objective is to reinforce this percentage, either through the selection of energy suppliers according to the weight of renewable energies in their energy mix, or through direct investment in photovoltaic projects. At the end of 2020, the company presented its ambitious Photovoltaic Plan 2021-24. Conducted by the central energy management department, the plan began in 2021 and will run until 2024. The objective is to ensure that a significant part of the energy consumption from the main industrial units will be derived from photovoltaic energy. The project will make it possible to reduce the industrial units' exposure to the volatile energy market.

The technology will be implemented on factory roofs and the energy produced will be entirely for self-consumption. By 2024, 22,000 kilowatts (kW) will be installed, using more than 40,000 solar panels, in an investment expected to exceed €11 million. The future will involve continuous efforts to ensure that the power that drives Amorim is cleaner and cleaner, aiming to reach a scenario where 100% of energy used derives from renewable sources. Measures are added each day and the ambitions are multiplied. This is an uninterrupted movement, powered by the right energy.

Sources: Corticeira Amorim sustainability report, 2019 and 2020.



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# Amorim cork used in the new MINI STRIP



Integrated within the top of the car's dashboard, sun visors and doors, cork is a natural raw material, that helps reduce the environmental footprint of the German manufacturer's new prototype, designed by the British stylist, Paul Smith.

The raw material is supplied by Amorim Cork Composites, Corticeira Amorim's business unit which develops products, solutions and applications for some of the world's most sophisticated businesses, such as the aerospace, automobile, construction, sports, energy or design industries. Cork brings comfort, waterproofing, thermal and acoustic insulation and anti-vibration to the German brand's latest car.

Moulding techniques have made it possible to take advantage of cork's natural characteristics, such as lightness, elasticity and softness to the touch, thereby endowing a feeling of well-being, natural beauty and comfort to the car. Given cork's resilience, compressibility and resistance to friction this unique solution can withstand the demands of everyday life - whether for daily use, sports driving or catering to different road surfaces.

Corticeira Amorim's Chairman and CEO, António Rios de Amorim, reveals that "the use of cork in an iconic car model such as the Mini reflects a core premise of change in the mobility sector, that is already well underway. This is a paradigm shift of which Corticeira Amorim forms an integral part. Cork is such an exceptional raw material by nature that it may seem impossible

to improve it. But that is precisely what Corticeira Amorim has achieved over the last 150 years, through structured innovation programmes, making a firm commitment to differentiation based on cork's unique qualities. Our company is making an unparalleled contribution in the cork sector to reinvention of this unique natural material.

**Adding value to cork in a competitive, differentiated and innovative manner**

The integration of cork - which is recycled, recyclable and without any synthetic agents - inside the new Mini Strip is yet another achievement in line with Corticeira Amorim's overall mission: to add value to cork in a competitive, differentiated and innovative manner, in perfect harmony with Nature. In other words, to promote the development of sustainable products, practices and solutions, while satisfying consumer needs, anticipating market trends, and exceeding the expectations of some of the world's most demanding industries.



# Casa Villae 1255 opens to wine tourism



Integrated within the Taboadella estate, the Amorim family's most recent wine project, Casa Villae 1255 offers the ideal atmosphere for visitors to the Dão region. Established during the medieval era, the Casa Villae 1255 has recently been rebuilt to receive friends on an exclusive basis, offering unique moments in a secluded spot near the forest, with views of the foothills of the Serra da Estrela. Surrounded by a centuries-old garden that leads to the vineyards and the Roman grape press, Casa Villae 1255 is undoubtedly the region's most charming wine tourism unit. The house has a total area of 720 m<sup>2</sup> surrounded by thick granite walls, spread across two floors and a tower room. Visitors are welcomed by the familiar and very Portuguese atmosphere of this mountain retreat, that is prepared to receive 18 people. Casa Villae 1255 has a total of eight rooms – three twin rooms, four double rooms and a tower room with bunk beds and a bed. It also has a fully equipped kitchen for food lovers, where visitors are

greeted with a variety of groceries, as well as comfortable seating areas with access to the outdoor terrace, and a contemporary décor, in a traditional atmosphere. This is an ancestral house converted into a private accommodation that allows visitors to experience a cosy family home in the Dão region, with a touch of modernity. Located in Silvã de Cima, in the heart of the Dão region, Casa Villae 1255 offers breathtaking views over the architectural masterpiece of the winery, superiorly framed against the forest landscape, and with a unique patch of 42 hectares of vineyard, forming a triangular plateau. Wine-tastings of different batches of wine in the winery, blind wine tastings, wine tours, and local production workshops, among other traditional handicrafts, make this a must-see site, ensuring that Casa Villae 1255 will remain inscribed forever in visitors' hearts.





# Quinta Nova is part of the Relais & Châteaux network

Quinta Nova de Nossa Senhora do Carmo Winery House is the only estate in the Douro region with the Relais & Châteaux insignia, the famous international chain, that is renowned throughout the world for celebrating the “art de vivre”, cultivating authentic relationships with customers and promoting an immersion in the local culture. This distinction, awarded in mid-2021, fills Luisa Amorim, Quinta Nova’s CEO, with great pride: “It was our privilege to take the first steps in this field, at a time when there were very few tourists in the Douro region. It is gratifying to realise that guests and customers who visit us from all over the world feel at home in our Douro estate and that this alliance with Relais & Châteaux makes perfect sense. This is a natural marriage, that has evolved from the courtship phase and has been celebrated at such an important time for the Douro region, which makes us feel very happy”. The Quinta Nova de Nossa Senhora do Carmo was the first Estate in the Douro,

and in Portugal, to open a hotel dedicated to the wine theme, in 2005. Its Winery House has always immersed visitors in the region’s culture. Everything is prepared in this new member of the Relais & Châteaux chain, to offer the comfort of a large Portuguese family home, that is also a wine producer. Ranging from the interior and exterior details, the historic built heritage, to the finely crafted experiences, everything has been designed to convey the peace of a unique place, in the heart of the Douro Valley, which is one of the world’s oldest wine regions and Portugal’s first regulated and demarcated wine region, in 1756. The essence of Quinta Nova Winery House is its passion for the land, sharing its history, wine and terroir. Visitors can explore the winery built in 1764, discover the museum, listen to the sound of the rustling wind and the chirping birds, or simply relax and soak up the landscape, accompanied by a fine glass of wine.

## **Terraçu’s - the first Slow Food restaurant in the Douro**

Benefiting from a breathtaking view over the Douro River, Terraçu’s, the first “Slow Food” restaurant in the Douro region, is the ideal place to relax, enjoy ethereal wines and delight in the delicate, fresh, textural and tasty dishes served at Quinta Nova with great attention to detail, traces of culture and an immensely Portuguese identity. Designed by Chef André Carvalho, Terraçu’s menu is dedicated to fresh local products that are simultaneously paired with the estate’s wines, signed by the winemaker, Jorge Alves. Expertise in all its splendour at Quinta Nova de Nossa Senhora do Carmo Winery House.



# Young people prefer cork stoppers

A recent UK study published by Wine Intelligence has revealed that the wine cork – an excellent example of sustainability – is the preferred choice of stopper for new generations – *Millennials* and *Generation Z* consumers. Data from the same market, produced for the UK Wine Trade Report, by Nielsen, has confirmed that the option to use a natural cork stopper increases a wine's commercial value.

Looking at the UK wine market, Wine Intelligence's Vinitrac study found that Millennial consumers i.e. those born between 1981 and 1996, prefer wine bottles sealed with cork stoppers. Often dubbed "digital natives", these young adults, in addition to their strong appetite for adopting new technologies, are particularly attentive to other factors when buying a product, in particular, its quality, and whether or not it is natural, ecological and sustainable. However, it is exactly this last factor, the sustainability of the product, that leads these demanding consumers to choose cork stoppers over artificial closures. The report also considers that the Millennial generation and Generation Z (consumers born between 1996 and 2010) are now the main driving forces of the future of wine industry, since their preferences are influencing the choice of stoppers for the product.

At a time when consumers increasingly value ecological issues, a material with cork's sustainability credentials could not go unnoticed. But this isn't just a question of the personal tastes of young consumers. According to research conducted by the Nielsen UK Wine Trade Report, which analysed the top 1500 reference wines in the UK, the use of cork stoppers adds commercial value to wines. In fact, wines that use natural cork stoppers continue to command a higher price compared to wines sealed with alternative closures, and on average are sold at £3.04 more per bottle.

In fact, the study shows a 29% increase in value for wines sealed with natural corks, versus 10% for artificial closures. In 2017, the average selling price of a wine with a cork stopper in the UK was £7.05, and in 2021 that figure rose to £9.13. This synergy between the quality of the wine, the choice of cork and the increase in the average price of wines using natural corks, now proven in the United Kingdom, is a global trend, validated by several reports that reiterate that the best winemakers in the world choose cork stoppers.

What Nielsen's research work in the United Kingdom reinforces is that cork, in addition to making a unique contribution to the preservation of the quality of wines and their evolution in the bottle, is a differentiating element that has an impact on the valorisation/premiumisation of wines.



# Hydrocork Plus: even stronger waterproofing

Cork is a natural water-repellent. This characteristic underpins the creation of the Hydrocork waterproof cork flooring range. Launched in 2015, this solution has been so successful that Amorim Cork Flooring has decided to invest in an improved and updated version, which is even stronger and easier to install. It's called Hydrocork Plus and makes our lives even easier.



Hydrocork Plus takes waterproof cork flooring one step further. It takes the original Hydrocork solution to a new level, based on a customer-centric approach. Are these products like two peas in a pod? Not exactly. Although they do share a great deal in common, there is a fundamental difference: it has an improved press fit system that enables simpler, faster and stronger installation. The product is identical to Hydrocork, the Wicanders brand's leading product, but offers greater resistance, robustness and also greater ease of installation, due to its innovative press fit and 2G system.

Launched in 2015, Hydrocork marked a turning point in cork flooring solutions. Combining reduced thickness with the incorporation of cork, this waterproof floating floor was launched in the market as a differentiating solution with high added value. It took two years, and a major R&D+I investment, to develop a product that responds to market demand for more sustainable, efficient solutions that take full advantage of cork's properties, in terms of insulation, comfort and flexibility. Since its launch, the original Hydrocork flooring has become Wicanders' bestselling product, recording the fastest sales growth in the brand's history.

Keeping its original characteristics, with a cork composite core, low thickness and waterproof, the new version features a new closure system, that combines the original PressFit solution on its long side, with the 2G system on its short side. This combination delivers a stronger fitting system, while providing stability and an even faster and easier installation. Efficient, simple, and able to be visually adapted to different types of environments, Hydrocork Plus is the ideal solution for projects built from scratch, and is also especially suitable for renovation projects, due to its ease of installation and low thickness.

# Corticeira Amorim is a participant of the UN Global Compact

Corticeira Amorim is one of the most recent participants of the UN Global Compact, a voluntary initiative of the United Nations (UN) that brings together organisations whose strategies, activities and operations are aligned with universal principles of human rights, labour practices, environmental protection and anti-corruption. The Portuguese multinational's new obligations include application of the UN Global Compact's Ten Principles, pursuit of the Sustainable Development Goals (SDGs) identified in the UN's 2030 Agenda and annual presentation of a COP report (Communication on Progress) that details all progress achieved in each pillar of its sustainability policy. The themes promoted by the UN Global Compact include gender equality,

sustainable finance, rule of law, governance and equality. The initiative involves over 15,000 companies across 163 countries. The values inscribed in the UN Global Compact's Ten Principles include promotion of a fairer society, healthier environment, more competitive economy, more transparent business context and more integral culture. Member organisations are encouraged to increase corporate sustainability based on this system of universal references, in recognition that their long-term success depends on meeting these core responsibilities in terms of achieving continued activity over time, alleviating poverty, creating wealth, fostering collaboration, education and innovation, and actively participating in global transformation.

These values have always formed part of Corticeira Amorim's DNA. The company is now committed "to ensuring that the UN Global Compact initiative and its principles, form an integral part of our corporate strategy, culture and day-to-day operations", explains Corticeira Amorim's chairman and CEO, António Rios de Amorim. "We will become involved as far as possible in all collaborative projects that aim to further the UN's objectives, in particular to achieve the Sustainable Development Goals, underpinned by principles of transparency, public scrutiny and continuous reporting"



# António Rios de Amorim wins the Best CEO of the Year Award

António Rios de Amorim, Chairman and CEO of Corticeira Amorim, received the Best CEO of the Year Award in the 33rd edition of the Deloitte's Investor Relations and Governance Awards.

Deloitte explains that the IRG Awards “seek to recognise and encourage good practices in the development of the capital market and to distinguish companies, managers and employees, or other personalities, who, each year, have contributed more and better to making the capital market more efficient, transparent, socially responsible and useful to the Portuguese economy and society”.

António Rios de Amorim's first words after receiving the award were addressed to the other nominees – Cláudia Azevedo from Sonae SGPS, João Manso Neto from EDP Renováveis, Miguel Maya from Millennium BCP and Pedro Soares dos Santos from Jerónimo Martins: “The greatest distinction was to have been in the company of the nominees who are my reference when it comes to management in Portugal.” He added that he was “proud to receive the award on behalf of the more than 4,000 staff that Amorim employs in 30 countries around the world.”

The chairman and CEO of Corticeira Amorim also said on the occasion that “the award is the recognition of the company's efforts in the pursuit of the best ESG principles”.

The nomination for the Investor Relations and Governance Awards began with a vote by an electoral college composed of directors and top managers from the 250 largest Portuguese companies, investment centres and research centres. A short-list of three to five candidates was thereby drawn up for each category, chosen by the jury.



Led by Vítor Bento, the president of the Portuguese Banking Association this deliberative commission then determined the winners. The selection criteria highlighted the best practices related to the strengthening of human relationships and sustainability, connecting in all aspects - with people, businesses, governments, society and the planet – to create a positive and relevant impact.

The 2021 edition of the IRG Awards, dedicated to the theme “Connect for impact with a human focus”, also included

nominations of Cristina Rios de Amorim, in the Best CFO in Investor Relations category, and Ana Matos, in the Best Investor Relations Officer category. The 33rd edition of the Investor Relations and Governance Awards also attributed a Sustainability Initiative Award and a Transformation Award. The jury, through a direct deliberation, also granted a Lifetime Achievement Award.

# Two hands full of saplings



Around 100 Amorim employees met on 20 November in the Herdade do Monte da Barca, in Coruche, for another annual planting of cork oak trees. The volunteers, from all the company's business units, planted around 2,100 cork oak trees, in yet another social responsibility action conducted in partnership with Quercus. Among them was Deolinda Alves, who has worked at Corticeira Amorim for almost four decades. She served as Américo Amorim's secretary among many other things, always working at Champcork. She is now 62 years old, bubbling with tremendous energy and a youthful voice, and has participated in all previous editions of the annual planting initiative. Indeed, planting trees without Deolinda just wouldn't be the same! She doesn't know for sure how many cork oak trees she has planted, but "there are many". That's absolutely true: 22,500 cork oaks have been planted to date by Deolinda and all the company's volunteers who, over more than a decade, have been involved in this initiative. She remembers the first edition extremely well and we can easily understand why. "We took a very small bus, that was initially almost empty.

It was in the north of Portugal. I remember that to travel to the tree planting area we had to drive in an all-terrain jeep, guided by forest rangers".

In the beginning "we had to do everything. The land wasn't ploughed. We planted acorns, not the small cork oak saplings that we plant now. We have been to "Vila Nova de Poiares, Caramulo and many other places", but in recent years "it has always been in the Alentejo", where Deolinda admits that the task is much simpler. "In the south it's much better - it's much easier to work. Everything has already been prepared and aligned. The ground is flat and ploughed. We just have to dig the holes. In the past, we had to plant in much rougher, sloping terrain".

## **The cork oak dance**

In many of these annual adventures, Deolinda was accompanied by her famous wellington boots, that today are her trademark image. She wears black wellies, with two large pink flowers, 9 inches below her knee. "They are famous, they even appeared in last year's [2020] annual report and accounts. This year I took them again and they were photographed again. I've been using them for several years now."

They are definitely an important part of the equipment that enables her to perfect the demanding planting technique.

"Well, this has its own techniques. We do everything according to the instructions that we receive at the beginning of the planting process. How to make the hole, how far we can bury the cork oak tree. They give us a stick to help us determine the distance between each tree. At Champcork, for example, there were five of us, and we formed a kind of team: one person measured with a stick, another inserted the cork oak tree, another one manually filled the hole with soft dirt and, finally, the last person performed the cork oak dance". No, that isn't some kind of rain dance, nor a leg-stretching activity. It is serious business and part of the technical process that Deolinda describes with utmost seriousness. "It involves walking around the sapling to pat down the earth and ensure that it stays buried and firmly in position, to get a better grip".

This an accomplished taskforce because it involves "the same people for a long time".

# Our People



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# AMORIM

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# Sustainable by nature