
Corticeira Amorim

New €35 million Green Commercial Paper Programme

Corticeira Amorim has signed a Commercial Paper Programme (“PPC”) with Banco de Sabadell, S.A. – Branch in Portugal (“BSabadell”) in the amount of €35 million, with maturity in 2029. The commercial paper issued under this programme will qualify as Green Financial Instruments, in accordance with Corticeira Amorim’s Green Finance Framework – November 2022. BSabadell assumed the organization, set-up and subscription guarantee and will also act as paying agent. The proceeds from this operation will be used to refinance the acquisition of the company Herdade de Rio Frio, S.A. (that owns a significant part of the so-called Herdade de Rio Frio estate) and to finance investments in new cork oak plantations.

This PPC will make it possible to lengthen the maturity structure of Corticeira Amorim's financing, thereby reinforcing its permanent capital and sustainable financing component.

In December 2020, Corticeira Amorim made its first issue of green bonds, in the amount of €40 million, with a maturity of 5 years. In 2021, it carried out a Sustainability Linked Commercial Paper Programme in the amount of €20 million and a Green Commercial Paper Programme in the amount of €11.6 million, with maturities of 3 and 5 years, respectively.

Corticeira Amorim considers that green financing instruments are effective tools to support projects that will have a positive impact on mitigating and adapting to climate change. This PPC will contribute to financing of Corticeira Amorim's sustainability programme (“Sustainable by nature”) and is linked to sustainability initiatives pursued within its “Cork oak forest” pillar, which aims to preserve the cork oak forest and ecosystem services by increasing knowledge, mobilizing resources and proposing measures, and thereby further achievement of the company’s Sustainable Development Goals (SDGs) 11, 12 and 15.

Under the Green Finance Framework - November 2022, investments will be made to acquire land, set up new plantations with greater forest density, pursue research & development, and foster maintenance, rehabilitation, restauration and management procedures, which in part will use new forestry models. These investments are integrated within Corticeira Amorim's Forestry Intervention Project (ongoing) and other initiatives, aiming to increase the area occupied by cork oak trees (*Quercus Suber*) and improve existing areas.

KPMG & Associados - SROC, S.A. conducted an independent review of Corticeira Amorim's Green Finance Framework – November 2022. Through the issuance of a limited assurance report, it confirmed that the framework is aligned with the four components of the Green Loan Principles issued by the London Market Association in February 2021, and the Green Bond Principles issued by the International Capital Market Association in June 2021 (with June 2022 Appendix 1).

Growing awareness of the urgent need for intervention in the cork oak forest inspired Corticeira Amorim to launch the Forestry Intervention Project in 2013, and to make direct investments in estates with cork oak forests. It currently has three forestry projects under management, encompassing a total area of 8181 hectares: Herdade da Baliza, Herdade da Venda Nova and Herdade de Rio Frio, with around 100,000 cork oak trees installed in the 251 hectares of the Herdade da Venda Nova and about 20,000 cork oak trees in the 48 hectares of the Herdade da Baliza.

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Cork oak forests are located in the Mediterranean basin and are integrated within one of the world's 36 biodiversity hotspots. As an indigenous species, the cork oak tree is perfectly adapted to local climatic conditions and arid soils. It lives for 200 years on average and offers a broad range of ecosystem services, including climate regulation, fire prevention, hydrological regulation, soil protection, habitat maintenance and biodiversity and supply of cork. A 2019 study, commissioned by Corticeira Amorim and conducted by EY, estimated an average value of more than €1,300/ha/year for the ecosystem services associated to a well-managed cork oak forest.

Mozelos, December 19, 2022