
AMORIM

CORTICEIRA AMORIM, S.G.P.S., S.A.

*A Portuguese company listed on Euronext Lisbon
(ISIN code PTCOR0AE0006)*

GREEN FINANCE FRAMEWORK NOVEMBER 2022



AMORIM

Index

1. Corticeira Amorim	4
2. Sustainable by nature	6
3. Sustainability governance	14
4. Green Finance Framework	15
5. External Review (ESG Independent Assurance Specialist)	21
6. Disclaimer	22



1. Corticeira Amorim

Corticeira Amorim is one of the largest, most entrepreneurial and dynamic multinationals of Portuguese origin. Its activity in the cork business dates back to 1870 and it is the world leader of the sector.

Operating under the maxim “not just one market, not just one customer, not just one currency, not just one product”, the company has been growing and reinventing itself, by introducing new products and entering new markets. Based on strong sustainability credentials and developing an activity with a positive impact on climate regulation, Corticeira Amorim provides a set of solutions, materials and products for some of the most technological, disruptive and demanding activities in the world, such as the aerospace, automotive, construction, sports, energy, interior design, and wine, sparkling and spirits industries. Currently under the leadership of the fourth generation of the Amorim family, which cultivates the values of longevity, ambition, pride, attitude and passion, the Company has 27 industrial units and 12 joint-ventures operating in five continents comprising 56 sales companies and hundreds of agents. It employs more than 4,600 people in 28 countries, invests millions of euros annually in research, development and innovation (RDI). Corticeira Amorim serves about 29,000 customers in more than 100 countries and, in 2021, recorded 837.8 million euros in consolidated sales, 93% of which outside Portugal. The Company's shares are listed on Euronext Lisbon.

1.1. Business model

Corticeira Amorim's operational activity is structured into five Business Units (BU). The business model is based on good management practices and is founded on an integrated and vertical process that uses circular economy principles to minimise waste created.

Cork, which lies at the heart of Corticeira Amorim's operations, is the bark of the cork oak tree - *Quercus Suber* L. Harvested every nine years, without any tree being felled during the process, cork is used to make an endless array of products, from the traditional to the most innovative and unexpected.

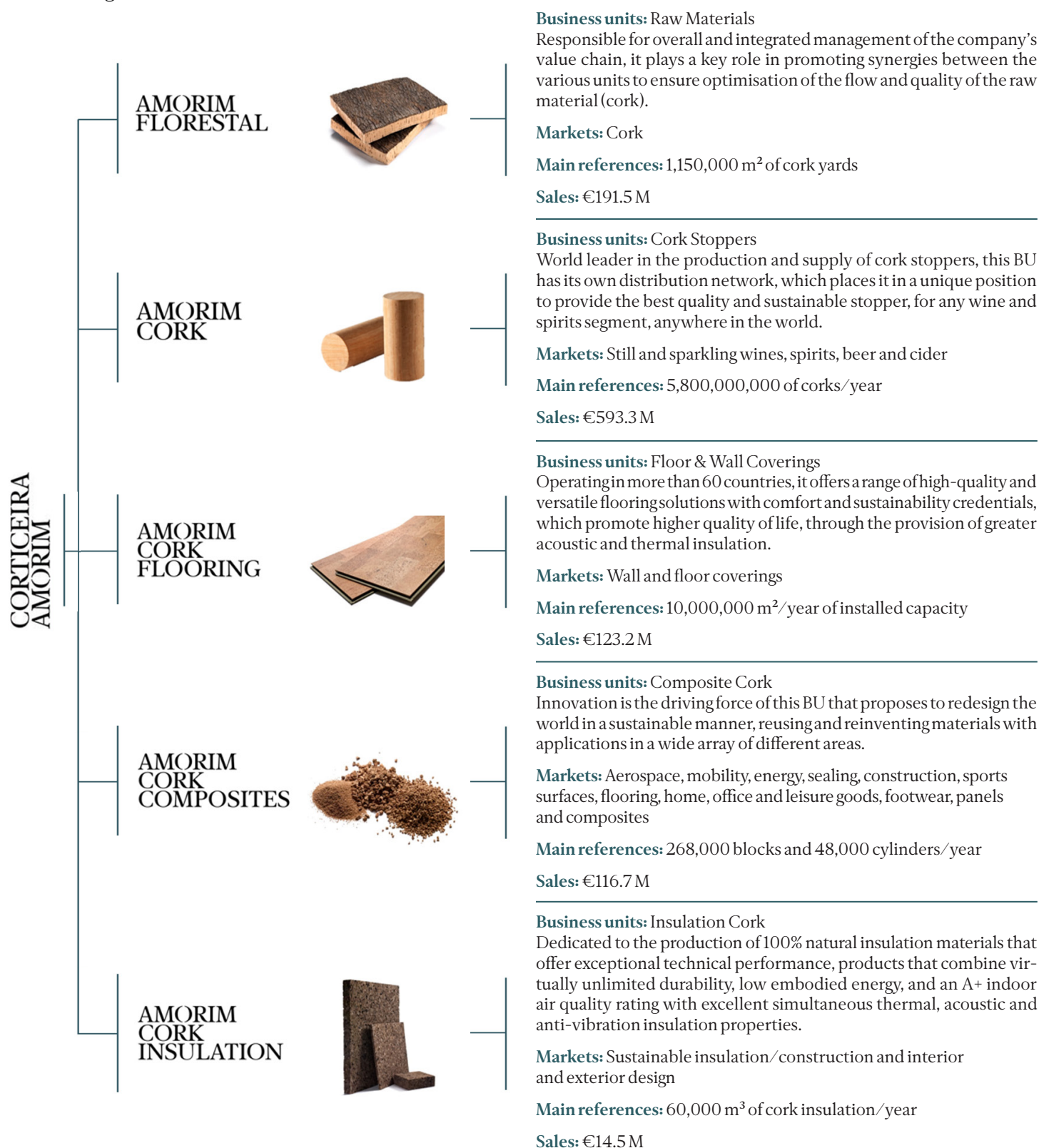
Cork oak forests (which in Portuguese are called *montados*) occupy an area estimated to be over 2.1 million hec-

tares in the Western Mediterranean basin. Portugal, Spain, Morocco and Algeria jointly harbour over 90% of the distribution area for the species.

Corticeira Amorim fosters compliance with the CE Liège Cork Stopper Code of Practice and forest certification, in particular the Forest Stewardship Council (FSC®) certification and maintains a close relationship with cork producers, promotes good forest management practices, thereby ensuring the continued production of a high-quality raw material.

1.2. Business Units




Corticeira Amorim has a broad portfolio of cork-based products for different markets and applications. This raw material, which assumes crucial importance for the company, has been the focus of continued RDI investment, to promote the use of all its natural properties and to diversify Corticeira Amorim's portfolio. Through this investment, and anticipating market trends, the company has surpassed the expectations of some of the world's most demanding industries.



2. Sustainable by nature

By promoting the cyclical extraction of cork, without damaging the trees, Corticeira Amorim ensures that the cork oak forest remains a viable, natural and renewable resource, with numerous environmental, economic and social benefits.

In the latest research commissioned by Corticeira Amorim, EY was able to identify three main groups of ecosystem services provided by the cork oak forest: three services were monetised and the others were evaluated with quantitative data whenever possible. The study concluded that, on average, the ecosystem services of a well-managed cork oak forest provide benefits to society of more than €1,300/ha/year.

Provision	Regulation	Cultural
<ul style="list-style-type: none">• Cork• Wood• Animal products• Medicinal and aromatic plants and herbs• Mushrooms• Honey	<ul style="list-style-type: none">• Global climate regulation• Extreme events-fire prevention• Hydrological regulation and soil protection• Habitat maintenance and biodiversity• Pollination	<ul style="list-style-type: none">• Recreation activities and tourism• Scientific and educational activities• Cultural identity and landscape
 Climate regulation	 Fire prevention	 Avoided soil loss
596 €	546 €	220 €
• 1,300 € /ha/year average value estimated of the ecosystem services associated with a cork oak forest properly managed		

Corticeira Amorim’s vision outlines its ambition for success, guarantees long-term sustainability and reflects the firm conviction that cork is a unique material provided by nature. Corticeira Amorim aims to be sustainable, adequately remunerating invested capital, promoting social equity and environmental protection and investing in differentiating factors in terms of its product and services. The mission is simple: “to add value to cork in a competitive, distinctive and innovative way that is in perfect harmony with Nature”, by combining technology and innovation with a traditional natural material, promoting a sustainable balance between the two, creating value for all stakeholders and for the planet.

The Company’s strategic priorities for ESG (Environmental, Social & Governance) are reflected in Corticeira Amorim materiality matrix and are aligned with its mission and values, incorporating economic, environmental and social concerns that take into account the results of consultations with its stakeholders, benchmarking analysis, commitments, internal policies and the United Nations Sustainable Development Goals (SDG).

To receive feedback from third parties on the Group’s performance, Corticeira Amorim holds regular consultations with its stakeholders. The last general consultation took place in 2018, and a review of the materiality matrix was made in 2021.

As a guide to action on sustainable development, Corticeira Amorim has designed and implemented the “Sustainable by nature” programme, which sets out the Group’s ambitions for 2030.

- Fundamental pillars:**
- Promote transparency and responsibility;
 - Promote the environmental features of the product and the “Montado”;
 - Promote people’s development, security and well-being;
 - Promote RDI and leverage economic performance.

The value of cork oak montado ecosystem services, EY 2019 Analysis considered four case studies and was based on the estimation of avoided costs

ESG Strategic goals

- **Ethics and Integrity:** act in an appropriate and ethical way, with transparency and responsibility, stimulating competitiveness and the creation of long-term value;
- **Value Chain:** reinforce responsible production and consumption, preferably selecting suppliers that adopt good ESG practices;
- **Cork Oak Forest:** preserve the cork oak forest and ecosystem services by increasing knowledge, mobilising resources and proposing initiatives;
- **Climate Change:** reduce the environmental impact of operations by adopting renewable, affordable and efficient solutions;
- **Circular Economy:** apply the principles of circular economy through the reduction of waste, extend the life of materials and regeneration of natural systems;
- **Green Products:** maintain a proactive role in developing the already vast scope of application of cork, sustained by the innate properties of the material;
- **Development:** promote personal and professional development for all;
- **Safety, Health and Well-Being:** ensure the safety, health and physical and psychological well-being of all, and promote appropriate work environments;
- **Community/Society:** boost economic growth in a sustainable and inclusive manner, ensuring efficient production and decent work for all;
- **Innovation:** support and promote research, development and innovation and foster sustainable solutions.

Corticeira Amorim takes the implementation and measurement of its sustainability programme very seriously and has defined quantitative objectives, performance indicators and control procedures that ensure, with comparable levels of rigour and integrity, the reporting of its priorities and progress in these matters.

ESG Targets 2030

100% workers accessing training

Zero discrimination

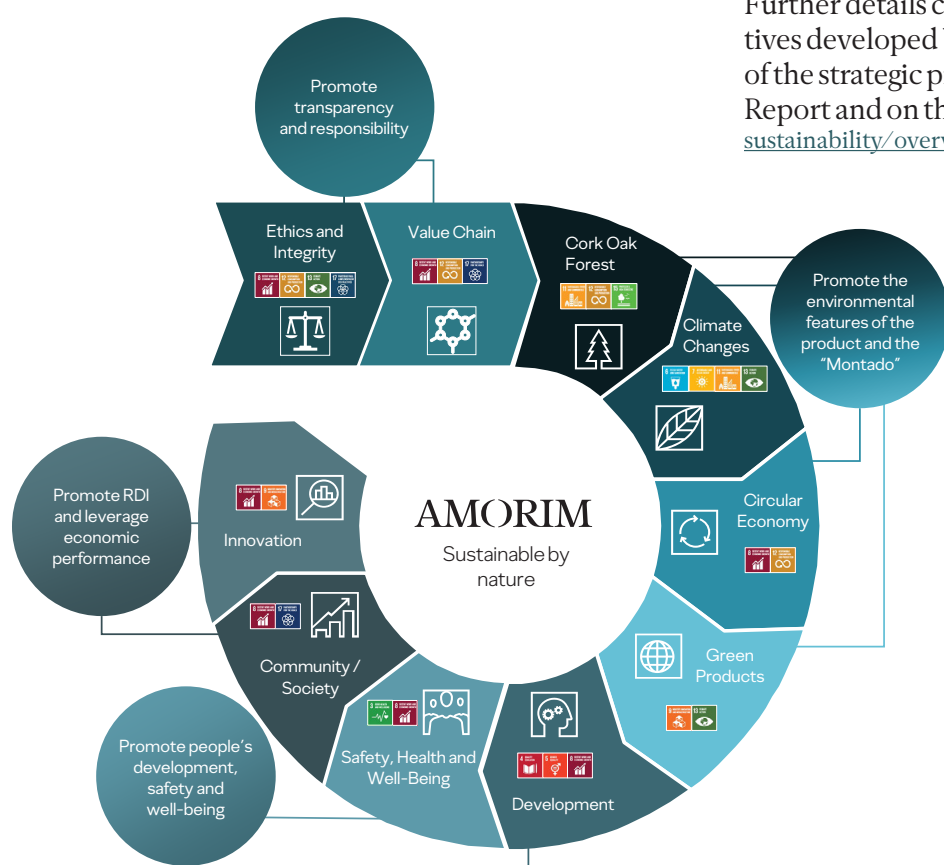
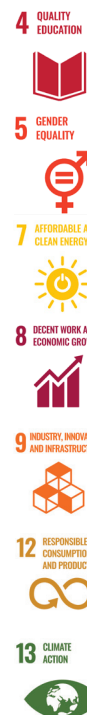
100% electricity from renewable sources

Zero work accidents

Zero impact in packaging

100% waste recovery rate

Zero carbon footprint (scope 1 and 2)



Further details concerning the performance and initiatives developed by Corticeira Amorim in relation to each of the strategic pillars is available in the Sustainability Report and on the website: <https://www.amorim.com/en/sustainability/overview>.

Cork Oak Forests

1/36 Biodiversity Hotspots

part of one of the world's biodiversity hotspots, cork oak forests have a recognised protection status, contribute to climate regulation, are a driving force for sustainable development and play a crucial role in the world's ecological balance.

> **130** species of vertebrates

≈ **95%** of all the terrestrial mammals present in Portugal exist in the cork oak forests

> **1350/ha** vascular plants can be found in this ecosystem, many of them rare or with protection status

> **28** fauna species with protection status can be found in the cork oak forests



- **73tCO₂/1t of cork**

maximum recorded carbon sequestration per ton of cork extracted

200 years

average lifespan of cork oak tree

100 000 people

depend on the cork oak forests

**Barrier against fires,
regulates the hydrological
balance, protects the soil
and decreases the risk
of desertification.**



Awards and recognition

Every year, Corticeira Amorim strengthens its ESG policies and practices and expands its communication and engagement with its stakeholders. This evolution is recognised by ESG rating agencies that frequently classify the Company as a leader in its sector and a model case in terms of its contributions to sustainability. Below are some organisations that evaluate ESG matters with which Corticeira Amorim collaborated in 2021, highlighting the awards and recognitions obtained:

S&P Global Corporate Sustainability Assessment (CSA)

<https://www.spglobal.com/esg/csa/>

The S&P Global Corporate Sustainability Assessment (CSA) is an annual assessment of companies' sustainability practices. It covers more than 10,000 companies from all over the world.

CDP – Disclose Insight Action – Climate Change

<https://www.cdp.net/en/>

CDP – Disclosure Insight Action (formerly the Carbon Disclosure Project) is a non-profit organisation that encourages investors, companies and cities to measure and manage risks and opportunities related to environmental impacts.

MSCI

<https://www.msci.com/our-solutions/esg-investing/esg-ratings>

The MSCI ESG provides ESG ratings for companies on a leader (AAA, AA), average (A, BBB, BB) and laggard (B, CCC) scale.

Sustainalytics

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

Part of Morningstar, it is a leading independent corporate governance and ESG research, ratings and analysis firm that supports investors worldwide with the development and implementation of responsible investment strategies.

EcoVadis

<https://ecovadis.com/pt/>

One of the most trusted corporate sustainability rating agencies in the world, whose purpose is to help companies ensure collaboration with socially responsible and ethical partners.

Randstad - “Employer Brand Research 2021”

<https://www.amorim.com/en/media/news/corticeira-amorim-is-the-most-attractive-company-to-work-for-in-portugal-in-the-industry-sector/4515/>

Randstad study that, in Portugal, involved the participation of more than 5,000 people. In addition to first place in the industrial sector, Corticeira Amorim also earned a place in the top 20 of the most attractive companies in Portugal, occupying 13th position.

World Finance sustainability awards 2021

- “Wine products industry”

<https://www.amorim.com/en/media/news/corticeira-amorim-distinguished-for-the-third-consecutive-year-in-the-world-finance-magazines/4563/>

Prize awarded by the World Finance magazine, which distinguished Corticeira Amorim for the third consecutive year, recognising the implementation of the principles of the circular economy, the preservation of cork oak forests and associated ecosystem services, the promotion of training, safety, well-being, development personal, social and professional aspects of its employees and the promotion, support and investment in RDI, as well as the ambitious medium and long-term goals and commitments that promote its continuous evolution and ensure sustained economic growth.

Voluntary commitments

The Corticeira Amorim Group actively participates in discussion meetings with national and international entities on sustainable development of the geographical regions where it operates. 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:

UN Global Compact

[Corticeira Amorim, S.G.P.S., S.A. | UN Global Compact](#)

Part of the Global Compact International network, its work is to share knowledge and methodologies between projects, programmes and tools in order to contribute to the deepening of the implementation of the Ten Principles and create opportunities for intersectoral initiatives to develop in action, defence and dissemination of the United Nations SDGs.

APCOR – Portuguese Cork Association

<https://www.apcor.pt/en/>

Business association in the cork sector that represents, promotes, disseminates and researches the Portuguese cork industry.

BCSD Portugal

<https://www.bcsdportugal.org/>

Business Council for Sustainable Development Portugal (BCSD Portugal) is an association, with broad sectorial representation in Portugal, which is part of the world network of the WBCSD – World Business Council for Sustainable Development, the largest international organisation working in the area of sustainable development.

Centro Habitat

[CentroHabitat | Cluster do Habitat Sustentável](#)

Group of companies, municipalities, research and development centres, business associations and other entities that focus on sustainability as a means of fostering innovation and competitiveness.

Smart Waste Portugal

<http://www.smartwasteportugal.com/en/>

Association whose objective is to contribute to the production and dissemination of knowledge in the area of waste; to dynamise actions that value cooperation between entities operating in the area of waste; promote and support activities and projects of its members that contribute to the pursuit of the association's object.

PTV – Plataforma Tecnológica del Vino

<http://www.ptvino.com/en/>

Platform aimed at all those involved in the area of research, technological development and innovation in the Spanish wine industry.

IB-S University of Minho

<http://ib-s.uminho.pt/>

Research unit at the University of Minho, dedicated to the sustainability of the built and natural environment.

ACT4NATURE Portugal

https://bcsdportugal.org/wp-content/uploads/2021/07/Act4nature_relatorio_2020_EN_VF.pdf

Business initiative promoted by BCSD Portugal in which participating companies assume common and individual commitments for the conservation of biodiversity and ecosystem services.

Charter of Principles of the PORTO PROTOCOL

<https://climatechange-porto.com/porto-protocol/>

International foundation, with hundreds of members spread throughout the wine value chain and around the world, whose mission is to build a network of change agents

and viable solutions, with the aim of making the wine industry's response to the climate emergency more collaborative, fast and robust.

Charter of Principles of the BCSD PORTUGAL

https://bcsdportugal.org/wp-content/uploads/2017/12/Carta_Principios_BCSDPortugal.pdf

An initiative promoted by BCSD Portugal that establishes the fundamental sustainability commitments that the subscribing companies voluntarily adopt for themselves and which they seek to extend to their value chain, within their sphere of influence.

50 Sustainability & Climate Leaders

<https://www.50climateleaders.com/>

Project promoted by the TBM Media Group, with content distributed by the Bloomberg group, aims to promote the exchange of ideas on how to achieve greater sustainability by privileging recent technological solutions, favouring disruptive innovation and fostering socially responsible leaders. During 2021, Corticeira Amorim was one of the companies to participate in the Vision 2045 submit, which took place in November, in Edinburgh, and aimed to create conditions for fruitful conversations on how to guarantee the protection of the environment and facilitate cooperative efforts.

Sustainable Wine Roundtable

<https://swroundtable.org/>

Global and independent coalition that aims to establish a universal sustainability standard for wine.

BRP – Business Roundtable Portugal

<https://www.abrp.pt/>

With representation of the largest Portuguese business groups, it has a single purpose: to accelerate the country's economic and social growth to ensure a fairer, more prosperous and more sustainable Portugal.

Manifesto Rumo à COP26 (Manifesto Towards COP26)

[Manifesto "Rumo à COP26" - BCSD Portugal](#)

Signed by 82 Portuguese companies and organisations, it presents eleven goals to stop climate change.

Individual SMART * Commitments	Monitoring Indicators **	Start End Date
Include the protection of biodiversity in the corporate code of ethics and professional conduct	Code of business ethics and professional conduct published on the Corticeira Amorim website	2020 - 2020
Develop initiatives that foster cork oak forests, biodiversity and ecosystem services	Number of initiatives and results	2021 - 2024
Expand knowledge on the environmental impact of cork products and of the ecosystem that they support	Number of studies and results	2021 - 2024
Promote biodiversity in the value chain, ensuring a 5% reduction in the consumption of virgin non-renewable plastics/chemicals per year	Annual variation in the consumption of virgin nonrenewable plastics/chemicals	2021 - 2024
Encourage the integration of biodiversity into the production process by ensuring that 2/3 of the energy consumed is from renewable sources	Percentage of renewable energy in the production process	2021 - 2024
Reduce the impacts on the production process by ensuring energy efficiency savings of 2% per year	Percentage of avoided energy in the production process	2021 - 2024
Increase resource management efficiency by ensuring a waste recovery rate of 90% or higher	Waste recovery rate (% of non-cork recovered waste)	2021 - 2024
Keep a proactive role in the development of what is already a vast field of cork applications, in order to ensure the sustainability and biodiversity of cork oak forest	Annual investment in R&D and results	2021 - 2024
Implement initiatives that raise employee awareness of biodiversity issues	Number of initiatives and their results	2021 - 2024
Publish the monitoring of the commitments made	Annual sustainability report published on the Corticeira Amorim website	2021 - 2024

* Specific | Measurable | Additional | Realistic | Time-bound (with a set time frame).

** Operations in Portugal

https://bcsdportugal.org/wp-content/uploads/2021/07/Act4nature_relatorio_2020_EN_VF.pdf



3. Sustainability governance

Corticeira Amorim is governed by a robust and cohesive set of internal regulations and policies that, together with the articles of association and Code of Business Ethics and Professional Conduct, align the interests of all its stakeholders, fostering balanced and prudent management that underpins the company's position in relation to sustainable development. More information at: <https://www.amorim.com/en/investors/corporate-governance/corporate-regulation-and-policies/>.

Corticeira Amorim communicates the corporate regulation and policies, as well as their updates, to its employees, promoting their dissemination and working to ensure widespread awareness. Regularly, training actions are implemented.

The Board of Directors (BoD), chaired by the Chief Executive Officer (CEO) & Chairman and which includes the Chief Sustainability Officer (CSO), is responsible for promoting climate-related topics in the business, as well as approving related strategic objectives, strategic initiatives and priority actions.

The Executive Committee (EC), which also includes the CSO, is directly responsible for overseeing the governance of sustainability issues and for integrating them into the business. At least twice a year, the EC analyses the approach to ESG topics, and defines goals, performance targets and reviews the reporting.

The ESG Committee (CESG) is a permanent specialised internal committee, whose mission is to advise the BoD in the monitoring, supervision and strategic guidance of corporate governance, social responsibility, environment and ethics matters. The CESG's members are appointed by the BoD, which establishes the Committee's functions in the respective regulation. The CESG is chaired by an independent member of the BoD and is mostly composed of members of the governing bodies, including the CSO. The Head of Corporate Sustainability (HCS) is a permanent guest of this Committee.

The daily management of ESG topics is led by the CSO and coordinated by the HCS, together with the other support areas and the sustainability officers of the five business units (BU). Each BU has its own sustainability officer, who

reports directly to the CEO of the respective BU and who is, among other tasks, responsible for suggesting and implementing the initiatives and actions necessary to fulfil the objectives and targets, monitoring and reporting performance.

Pursuant to the Articles of Association, the BoD shall meet when and where corporate interest requires. Eleven meetings of the BoD were held throughout 2021. Annually, the BoD approves the annual budget and the business plan. Corticeira Amorim has an ambition for 2030 and a medium-term plan for 2021-24, including targets on topics related to climate change, which establishes the principal areas of intervention.

Business risks and uncertainties

Over the course of its 150-year history, Corticeira Amorim has successfully confronted several profound social transformations. The continuing COVID-19 pandemic and Russia's invasion of Ukraine are the most recent of these challenges and, as always, the company will face them with determination and resilience.

Corticeira Amorim's activities are exposed to a variety of financial risks: market risks (including exchange rate and interest rate risks), credit risks, liquidity risks and capital risks. According to the terms of line e) of number 5, of article 508 -C of the Commercial Company Code, the Company's objectives and policies in terms of managing these risks, including the coverage policies for each of the main forecast transaction categories for which coverage accounting is applied, and the exposure to pricing, credit, liquidity and cash flow risks are duly set out in the Note on Financial Risk Management included in the Notes to the Consolidated Financial Statements.

In addition, chapter III - Internal control and risk management, of the 2021 Corporate Governance Report sets out the risk management model in operation at Corticeira Amorim, including the identification and description of the main risks to which the Company is exposed in the exercise of its activities, as well as the mitigation measures appropriate to minimising the probability of them occurring and/or their impact. More information at: <https://www.amorim.com/en/investors/corporate-governance/corporate-governance-report/>

4. Green Finance Framework

Rationale for Green Finance

Corticeira Amorim is deeply engaged in developing its activity by applying ESG principles and best practices and has established this Green Finance Framework (Framework) under which it intends to execute financings, which may include, but are not limited to, debt securities, including green bonds, loans and/or commercial paper programmes (Green Financial Instruments), whose proceeds will be exclusively applied to finance and/or refinance, in part or in full, new and/or existing eligible green assets with clear environmental benefits, as defined in this Framework.

The supporting documentation for each Green Financial Instruments issued by Corticeira Amorim shall include full detail on each transaction and will designate the selected format.

Corticeira Amorim considers that Green Financial Instruments are effective tools to channel investments to projects that have demonstrated climate benefits. By issuing Green Financial Instruments, Corticeira Amorim intends to continue supporting its sustainability strategy and vision.

In December 2020, Corticeira Amorim carried out the first issuance of green bonds, in the amount of 40 million euros, with a maturity of 5 years. In 2021, a Sustainability Linked Commercial Paper Issuance Programme of 20 million euros and a Green Commercial Paper Issuance Programme of 11.6 million euros were materialised, with a maturity of 3 and 5 years, respectively.

Basis of this Green Finance Framework

This Framework is the keystone for funding Corticeira Amorim's sustainability programme ("Sustainable by nature"), reinforcing its commitment to achieving its ESG goals in line with the SDG.

Corticeira Amorim's "Sustainable by nature" programme is actively contributing to 10 ESG goals. This Framework is focused on Corticeira Amorim's sustainability initiatives that fall under the "Cork Oak Forest" pillar which aims to preserve the cork oak forest and ecosystem services by increasing knowledge, mobilising resources and proposing measures, contributing to the achievement of SDG 11, 12 and 15. Additional details on these projects can be found

in section 4.1. Use of Proceeds.

This framework is aligned with the four core components of the Green Bond Principles issued by the International Capital Market Association ("ICMA") in June 2021 (with June 2022 Appendix 1) ("GBP") and with the Green Loan Principles issued by the London Market Association ("LMA") in February 2021 ("GLP"). These principles are voluntary guidelines that support transparency and credibility in the green bond and loan markets.

This Framework is divided into four core components:

- Use of Proceeds;
- Process for Project Evaluation and Selection;
- Management of Proceeds;
- Reporting.

When necessary, this Framework will be updated to reflect changes to the Green Bond and Green Loan Principles, technological changes, and market and/or regulatory developments.

4.1. Use of Proceeds

A fundamental aspect of the Framework is to ensure that any dedicated pool of proceeds is used to support the Group's sustainability agenda and Framework, as outlined in the Eligibility criteria in this Section.

The proceeds from the issuance of Green Financing Instruments will be used to finance or refinance, in whole or in part, new or existing Eligible Green Projects. In order to be eligible as Green Financing Instruments under this Framework, projects must fall under the Eligible Category of environmentally sustainable management of living natural resources and land use (Eligible Green Projects as per the Eligibility Criteria detailed below).

Eligible Green Projects may include capital expenditures, operating expenditures related to the improvement and maintenance of Eligible Green Projects, research and development, materials' purchase costs and acquisitions of assets, among others (Eligible Green Assets). Eligible green assets shall qualify for refinancing without a specific look-back period, provided that at the time of issuance they follow the relevant Eligibility Criteria.




Only projects or investments made by companies controlled and managed by Corticeira Amorim or belonging to a subsidiary controlled by the Corticeira Amorim Group will be considered eligible.

The relevant use of resources will comprise individual projects or a portfolio of projects, to be selected in accordance with Corticeira Amorim's project evaluation and selection process, described in section 4.2. Process of project evaluation and selection.

Corticeira Amorim will use its best efforts to replace any asset(s) that may become no longer eligible and/or in the event of material and critical challenges, as soon as possible, once a suitable replacement has been identified, and will provide due evidence in the annual allocation and impact report.

Eligibility Criteria

The proceeds from each Green Financing Instrument will be used to finance or refinance, in part or in full, new or existing green projects, which fall into the following category:

GBP/GLP eligible category	Eligible Green Projects	Contribution to UNSDG	Environmental objectives
Environmentally sustainable management of living natural resources and land use	<p>Eligible projects shall aim to ensure the preservation of the cork oak forest and ecosystem services by increasing knowledge, mobilising resources and proposing initiatives namely through the implementation of preservation or restoration measures, focused on three fundamental areas:</p> <ul style="list-style-type: none"> • Forest Management (induce), with the aim of coordinating new plantations under Group management and providing technical support to owners in their forest areas. • Applied Forestry R&D (intervene), with the aim to be a centre of excellence in research in to the cork oak and irrigation, fertilisation, nutrition and soil techniques; and • Fundamental Forestry R&D (investigate), with the aim to produce cork oaks that are better adapted to emerging climate scenarios and pests/ diseases. <p>Eligible projects are expected to include implementation measures such as the development of a new forestry model using irrigation systems at the installation; sequencing the cork oak genome; improving the cork oak tree; and combating pests and diseases. The irrigation system at the installation significantly improves the chances of success of the plantation and, at the same time, allows greater initial growth of the trees, approximately halving the harvesting time of the first virgin cork from the current 25 years. Projects are to be developed in close partnership with forestry producers, research institutions, and local authorities.</p> <p>Projects will include actions such as land acquisition, new plantations, greater density of tree plantation, research & development, maintenance, rehabilitation, restoration and management, in part using new forestry models. The combination of these projects, included in the Corticeira Amorim's Forestry Intervention Project (ongoing) and other projects are expected to increase the area occupied by cork oaks (Quercus Suber) and improve existing ones.</p> <p>The promotion and dissemination of new plantation techniques will enable a more efficient and resilient management of the cork oak forest to cope with the predicted climate scenarios.</p>	  	<p>The main environmental goals of the projects shall be to:</p> <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. <p>Use of Proceeds</p> <p>Financing and/or refinancing of projects related to increasing the area occupied by cork oaks (Quercus Suber) and improving existing ones, as part of the implementation of the ongoing Forestry Intervention Project. These projects shall include actions such as the acquisition of land, new plantations, greater density of tree plantation, research & development, maintenance, rehabilitation, restoration and management, in part using new forestry models.</p>
Corticeira Amorim will exclude any project that does not comply with internationally recognized good sustainable practices, such as the Global Compact, the International Organization of Work or environmental legislation.			

Background for the Eligibility Criteria:

Cork oak forests are located in the Mediterranean basin, one of the world's 36 biodiversity hotspots. As an indigenous species, the cork oak is perfectly adapted to local climatic conditions and arid soils, lives on average 200 years, and offers a very positive set of ecosystem services, namely cork supply, climate regulation, fire prevention, soil protection and desertification prevention, in addition to maintaining biodiversity. A study, conducted in 2019, estimated an average value of over €1,300/ha/year for the ecosystem services associated with a well-managed cork oak forest.

Corticeira Amorim has identified the sustainable management of cork oak forests as a strategic priority and, among many related initiatives, promotes compliance with Forest Stewardship Council (FSC®) standards, becoming the first company in the cork industry in the world to obtain FSC® chain of custody certification in 2004. By 2021, 64% of Corticeira Amorim's industrial units have obtained FSC® chain of custody certification - indisputable proof of the Group's concern and effort to protect biodiversity, the rights of employees, indigenous peoples, local communities and areas of significant environmental importance and cultural value.

The growing awareness of the urgent need for intervention in cork oak forests led Corticeira Amorim to launch, in 2013, the Forestry Intervention Project and to invest directly in forest properties involving cork oaks.

Currently, three forestry projects are under management, with a total area of 8,181 hectares: Herdade da Baliza, Herdade da Venda Nova and Herdade de Rio Frio, with around 100,000 cork oaks having been installed in 251 hectares of the Herdade da Venda Nova and around 20,000 cork oak trees having been installed in 48 hectares of the Herdade da Baliza.

64% industrial units with FSC® chain of custody certification*	95% cork and cork products of controlled origin*
15 years reduction of the first cork extraction cycle of from the current 25 to 10/12 years	2 studies valuation of ecosystems services over the past 10 years**
8,181 ha forestry estates under management**	56.9 M€ investment in forest estates**
299 ha forestry estates with interventions**	120,000 cork oak trees installed**

*December 2021 | **September 2022

Corticeira Amorim intends to continue and increase its active participation in new cork oak areas through the purchase of land, leaseings or partnerships (densification of existing areas through partnerships with forest owners).

These are long-term projects since the cork oak is a slow-growing tree, which can live up to 200 years, from which cork may be harvested 16 times on average in its lifetime. The first harvest can only occur when the tree trunk reaches a perimeter of 70 cm. The cork removed in this first harvest is called "virgin cork". Nine years later, the "secondary cork" is extracted. After these two extractions, "amadia or reproduction cork" is extracted every nine years, with a regular structure, with smooth internal and external surfaces, with the characteristics and qualities suitable for the production of stoppers. The process of harvesting cork is called "descortiçamento" in Portuguese. It takes place during the period of greatest vegetative activity: from mid-May to the end of August. Cork harvesting is a highly specialised process that ensures that the tree is not damaged.

The value of the cork oak forest is not based solely on the products extracted from the cork oak tree, but on the entire set of agronomic, forestry, forestry and hunting resources that revolves around cultivating cork oak trees.

As knowledge evolves and spreads throughout the sector, it is expected that the Portuguese and Spanish national authorities will also take on the purpose of encouraging the development and expansion of the cork oak forest through the mobilisation of producers. A 7% increase in the area of cork oak forests, with tree density above the current average, could correspond to a 35% increase in raw material production, responding to the supply needs of the expanding cork sector.

Corticeira Amorim will provide an annual update on the activities related to its Green Bond/Loan issuance, including the eligible projects and the allocation of the proceeds, as explained in section 4.4. Reporting.

4.2. Process of project evaluation and selection

Projects financed and/or refinanced through the Green Financial Instrument proceeds are evaluated and selected based on compliance with the eligibility criteria presented in the 4.1. Use of Proceeds section.

Corticeira Amorim established a Technical Committee which includes members of (i) the Sustainability; Procurement and Energy; and Financial teams of Corticeira Amorim's holding company and (ii) the Management Control; Environment and Forestry teams of the Raw Materials BU, assisted by (iii) internal technical teams from each specific area.

The Technical Committee is responsible for:

- Reviewing this Green Finance Framework managing any future changes to this document to reflect the relevant updates;
- Assessing the process of evaluation and selecting Eligible Green Projects, proceeds, allocation, and reporting. The proceeds allocation and reporting are approved by Corticeira Amorim's Executive Committee;
- Ensuring that the assets financed and/or refinanced through the Green Finance Instrument proceeds under this framework are evaluated and selected based on compliance with the Eligibility Criteria;
- Regular internal monitoring of the proceeds, to ensure compliance with the Framework;
- Preparing allocation and impact reports associated with the Green Financial Instruments in accordance with the Framework.

There will be an external review of this Framework and the respective issuance of a Limited Assurance Report confirming the alignment with the GBP of the ICMA, June 2022 edition, as well as the GLP of the LMA, February 2021 edition.

4.3. Management of Proceeds

Corticeira Amorim intends to allocate the proceeds from the Green Financial Instruments to Eligible Green Projects, to be selected in accordance with the Use of Proceeds criteria and evaluation and selection process presented above.

The proceeds from Corticeira Amorim's Green Financing Instruments will be allocated to the Eligible Green Projects selected by the Technical Committee to finance and/or refinance Eligible Green Projects.

The proceeds from Green Financing Instruments issued by Corticeira Amorim will be distributed, through intercompany loans, from the holding to the companies performing the investments in the exact proportion ("pro-rata") of their participation in the total value of the underlying investment portfolio.

All these cash flows and balances will be performed through and accounted for in Corticeira Amorim and its subsidiaries accounts and will be monitored by the Financial and Administrative teams of the holding company and of each individual company.

Eligible Green Assets will be included in the portfolio at their current IFRS balance sheet value, which will be updated annually to reflect investment and depreciation under IFRS.

Considering the eligible Category of environmentally sustainable management of living natural resources and land use, and the inherent necessary implementation period for forestry-related projects, proceeds from the Green Financing Instruments are expected to be fully allocated to the Eligible Green Asset portfolio within five years from the issue date, being the major part of the proceeds allocated within the first 24 months.

Pending the allocation or reallocation, as the case may be, of the cash inflow, Corticeira Amorim will invest the balance, at its discretion, in cash and/or cash equivalents until the allocation to new Eligible Green Assets. If for any reason, any assets are no longer eligible, Corticeira Amorim will use its best efforts to substitute such asset, as soon as practical once an appropriate eligible substitution option has been identified.

The principal and interest payment of any financing instrument issued by Corticeira Amorim under the Framework will be performed from its general funds and will not be linked to the execution of any Eligible Green Project.

Corticeira Amorim will provide an annual update on the activities related to its Green Bond/Loan issuance. In these updates Corticeira Amorim will seek to provide information on the allocation of the proceeds as well as relevant impact metrics, which will provide the assessment of environmental benefits as result of Green Project, as explained at section 4.4. Reporting.

4.4. Reporting

Corticeira Amorim will make and keep readily available reporting, covering the allocation of the proceeds to the Eligible Green Project portfolio and, wherever feasible, the impact of the Eligible Green Projects portfolio. Reporting will take place in line with Corticeira Amorim's general annual reporting cycle throughout the entire life of the Green Financing Instruments, through an annual Allocation and Impact Report (please see 4.4.1. and 4.4.2. sections for more information on the content of this report).

The Allocation and Impact Report will be made publicly available via Corticeira Amorim's corporate website (www.amorim.com). Additionally, a summary will be published in Corticeira Amorim's Annual Sustainability Report.

The information provided will include a more detailed description of the activities financed and/or refinanced and an impact report, based on the proposed metrics outlined in section 4.4.2. Impact Reporting.

4.4.1. Allocation Reporting

The Allocation report shall include:

- The total amount of Eligible Assets;
- Portion (amount and percentage) of financing and re-financing (the split between new and existing projects);
- Break-down of what is financed/refinanced; and,
- The balance of unallocated proceeds.

4.4.2. Impact Reporting

The Impact report will provide:

- Brief description of the Eligible Projects and their contribution to the Environmental Objectives as described in section 4.1. Use of Proceeds; and,
- Environmental impact metrics per Eligible Green Project, depending on data availability.

Corticeira Amorim intends to align the Allocation and Impact Report with the approach described in “Handbook - Harmonised Framework for Impact Reporting December 2021”.

The applicable template provided by the handbook mentioned above presents as follows, including the necessary adaptation:

Eligible Green project category	Project or Portfolio name	Signed amount	Share of total project or Share of Total portfolio financing	Eligibility for Green Bonds/ Loans	Green project category component	Allocated amount	Project or Average Portfolio Lifetime	Core Indicator	Other Sustainability Indicators
Environmentally sustainable management, Forestry Sub Category	e.g. Project C /Portfolio C	currency	%	% of signed amount	% of signed amount	currency	in years	Increase in area under sustainable forest management in ha	Number of trees/seedlings /shrubs planted and/or bought from certified forests
Living natural resources and land use									



5. External Review

5.1. Independent Limited Assurance on the Green Finance Framework (pre-issuance)

Corticeira Amorim has appointed KPMG to provide independent assurance on the alignment of this Green Finance Framework with the four core components of the GBP and the GLP. The Independent Limited Assurance Report and the Green Finance Framework will be made available on Amorim's website at www.amorim.com.

The external review will take place whenever the Framework is updated.

5.2. Limited Assurance on the Allocation and Impact Reporting (post-issuance)

An independent external party will verify the annual Allocation and Impact Report, including the internal tracking method and allocation of funds annually, the resources allocated to Eligible Green Projects, the remaining balance of unallocated resources and the compliance of allocated resources with the Eligible Project categories throughout the entire life of the Green Financing Instruments.

The annual Allocation and Impact Report and the External Auditors' Report will be publicly available through Corticeira Amorim's corporate website (www.amorim.com).

6. Disclaimer

This Framework is intended to provide general and non-exhaustive information. It has not been approved by any security regulatory authority.

Corticeira Amorim has and undertakes (i) no obligation to update, modify, amend or correct this Framework, nor the statements contained herein; and (ii) no obligation to notify any Addressee if any information or statement changes or becomes inaccurate.

This Framework is not intended to be and should not be construed as providing legal or financial advice. It also does not constitute an offer or invitation to sell or any solicitation of any offer to subscribe, purchase or any other kind of recommendation regarding Corticeira Amorim's Green Financial Instruments. Each potential purchaser bonds, commercial paper, loans or other debt instrument should determine for themselves the relevance of the information contained or referred to in this Framework or the relevant documentation for such financial instrument and their purchase should be based on such investigation, as they deem necessary. Nothing contained herein shall form the basis of any contract or commitment whatsoever and it will not be an event of default or breach of any contractual obligations under the Terms and Conditions of any such financial instrument if Corticeira Amorim fails to adhere to this Framework in any respect.

Any decision to purchase any Green Financial Instruments issued by Corticeira Amorim should not be made solely based on the information contained in the respective Terms and Conditions. Prospective investors are required to make their own investigations and assessments of the business and financial condition of Corticeira Amorim and the nature of the securities, loans, commercial paper programmes and/or others before taking any investment decision.

The distribution of this Framework and of the information it contains may be subject to legal restrictions in some countries. Anyone who might come into possession of it must inquire as to the existence of such restrictions and comply with them.

The Addressee is solely liable for any use of the information contained herein and Corticeira Amorim shall not be responsible for any damages, direct, indirect or otherwise, arising from the use of this Framework by the Addressee.

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